TOWN OF PALM BEACH, FLORIDA

COMPREHENSIVE ANNUAL BUDGET

FISCAL YEAR 2007
(October 1, 2006 - September 30, 2007)

Mayor and Town Council

Jack McDonald, Mayor
Denis P. Coleman, Town Council President
Richard M. Kleid, Town Council President Pro-Tem
William J. Brooks, Town Council Member
Susan Markin, Town Council Member
Allen S. Wyett, Town Council Member

Town Manager

Peter B. Elwell

Prepared by the Finance Department
Jane Struder, 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
Denis P. Coleman

PRESIDENT PRO-TEM
Richard M. Kleid

William J. Brooks

Susan Markin

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

RECREATION DIRECTOR
Jay Boodheshwar

Guide for Readers

The following information might be helpful to the reader in finding information in the budget document for programs, services and financial information. The 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 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 upcoming fiscal year, and the 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.

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, 2005

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, 2005.

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, 2006

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, 2006 and ending September 30, 2007, 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 20, 2006.

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.

The Townwide Goals for FY2007, adopted by the Town Council at the special Town Council meeting on April 11, 2006, are set forth below:

- Proceed aggressively with undergrounding project, if approved by the voters.
- Commence construction of upgraded sand transfer plant at Lake Worth Inlet.
- Begin implementation of Traffic and Parking Improvement Plan.
- Continuation of beach nourishment projects: specifically, nourishment of Reach 8.
- Improve the breadth and intensity of code enforcement

Further details regarding the Townwide Vision, Goals and Key Results Measures can be found in the section immediately following the budget message.

GENERAL FUND

This budget maintains the Town's high levels of service while holding down costs wherever possible. Our goal was to reduce the millage rate by a minimum of 3% and at the same time, to be prudent in anticipating necessary expenditure increases, in identifying the potential costs of desired increases in levels of service, and in planning for future Town financial needs. We are pleased to deliver a FY2007 Budget that reduces the millage rate by 4.62%, which is substantially below the level anticipated in the long-term financial plan. This was achieved even with a higher than anticipated retirement contribution, additional coastal funding, and additional funding for milling and resurfacing.

FY2007 Budget Highlights

The FY2007 budget achieves a millage rate decrease of 4.62%, due to a variety of expenditure savings, non-ad valorem revenue increases and a 16.13% increase in the Town's total taxable value. There are no new personnel in the General Fund, although twelve were requested by the directors to meet existing or emerging needs in the departments. One new position is included in the Recreation Enterprise Fund (REF) FY07 budget as part of the reorganization plan for recreation services. A position will be eliminated in FY08 once the reorganization has been completed.

The table below identifies a few of the major items that make up more than 60% of the General Fund budget increase:

	Total Increase	% of Total Increase
Retirement Increase	1,751,939	34.36%
Coastal Protection Costs	1,057,000	20.73%
Additional Funding for Street Resurfacing	275,000	5.39%
Total	3,083,939	60.49%

Revenues

In the General Fund, total revenues are expected to increase by $5,098,579 (8.9%) from the adopted FY2006 budget. Approximately $4.5 million of this increase is due to the increase in ad valorem revenue. The FY2006 budget included a transfer from Fund Balance of $1,070,000 to fund the purchase of a police radio system and estimated pay-outs from the reserve for compensated absences. The transfer from Fund Balance for FY2007 includes only a transfer from the reserve for compensated absences totaling $800,000.

A comparison of the FY2006 vs. FY2007 revenue budget is shown in the table below:

Revenue	FY2006	FY2007	FY06 vs. FY07 Difference	% Change
Ad Valorem Taxes	$38,113,459	$42,663,915	$4,550,456	11.9%
Non Ad Valorem Taxes	6,418,000	6,515,000	97,000	1.5%
Licenses & Permits	5,173,800	5,156,890	(16,910)	-0.3%
Intergovernmental	1,561,800	1,608,614	46,814	3.0%
Charges for Services	2,407,513	2,456,105	48,592	2.0%
Fines and Forfeitures	899,500	829,000	(70,500)	-7.8%
Investment Earnings	1,187,103	1,857,430	670,327	56.5%
Miscellaneous	162,900	205,700	42,800	26.3%
Interfund Transfers	550,000	550,000	0	0.0%
Transfer From Fund Balance	1,070,000	800,000	(270,000)	-25.2%
Total Revenue Budget	$57,544,075	$62,642,654	$5,098,579	8.9%

Ad Valorem Revenue
Ad valorem tax revenues increased by $4,550,456 (12%) over the adopted FY2006 budget. The preliminary total taxable value in the town increased by 16.13%. The operating millage rate of 3.7273 mills is 4.62% less than the FY06 millage rate of 3.9080 mills.

Owners of homesteaded property will pay less in Town taxes than they paid in FY2006.

The calculation of property taxes for a sample $3,000,000 home for FY2006 and FY2007 is shown below:

Comparison of Property Taxes for Sample $3,000,000 home
FY2006 vs FY2007

		FY2006		***FY2007***
Assessed Value		*$3,000,000*		*$3,090,000*
Homestead exemption		*25,000*		*25,000*
Taxable Value		*$2,975,000*		*$3,065,000*
		Taxes		**Taxes**
Operating Millage	*3.9080*	*$11,626*	*3.7273*	*$11,424*
Change from prior year				***($202)***

Property Values reflect an increase of 3% in assessed value from 2006 to 2007. For homeowners with a homestead exemption and no transfer of title or remodeling, State law caps the annual increase in property value at 3%.

Non Ad Valorem Revenue
Total non ad valorem revenues (excluding transfers of fund balance) are anticipated to increase by $818,123 from FY2006 budgeted revenues. The differences by revenue type are described in detail below:

- Non ad valorem taxes are expected to increase by $97,000 (1.5%) from the FY2006 budget. The change is due to the increase in the revenue received for the local option gas tax.

- Licenses and Permits are projected to decrease by $16,910 (.3%) over the FY2006 budget. Building Permit Revenue is budgeted at the same amount as the FY2006 budget, but less than what was actually collected in FY2006. Small decreases in mechanical and plumbing permits are budgeted based upon current collections. In addition, occupational license penalties are expected to decrease by $5,000.

- Intergovernmental Revenues are anticipated to increase by $46,814 (3%). An increase of $260,000 in grant funding for coastal monitoring is anticipated, sales tax revenue is anticipated to increase by $40,000 and a budget of $22,000 was added for the citation funds received from the County. These increases are offset by a decrease grant revenues of $186,500 and a decrease in the County 911 funding of $94,286.
- Charges for Services are projected to increase by $48,592 (2%). The increase is caused by increases in solid waste fees and EMS transport fees.

- Fines and Forfeitures are anticipated to decrease by $70,500 (7.8%). This is due to the anticipated decreases in parking ticket revenue since many of the old tickets have either been collected or written off. These revenue sources should stabilize and collection rates should remain at 89%, but there will be less outstanding tickets to be collected.

- Interest Earnings on the Town's invested funds are expected to increase $670,327 (56.5%) from the FY2006 budget. The budget for FY2006 used an interest rate assumption of 3.5%. Interest earnings for FY2007 have been estimated using a 5% rate of return on the Town's surplus funds. The current SBA rate of return is 5.32%.

- Miscellaneous Revenue increased by $42,800 (26.3%) due primarily to the addition of revenue from the State for lighting maintenance on state roadways.

- The transfer from fund balance is $800,000. 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. For FY07, funding is also included for the recently approved vacation buy-back program.

Expenditures

Total General Fund expenditures of $62,692,653 represent an 8.9% increase from FY2006 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 FY2006 vs. FY2007 budgets are detailed on the table below:

Expenditure Category	FY2006	FY2007	FY06 vs. FY07 Difference	% Change
Salary and Wages	$24,180,122	$24,786,566	$606,444	2.5%
Employee Benefits	12,065,459	14,890,285	2,824,826	23.4%
Contractual	6,518,291	8,558,605	2,040,314	31.3%
Commodities	1,869,046	1,738,946	(130,100)	-7.0%
Capital Outlay	2,967,495	2,270,600	(696,895)	-23.5%
Other	9,943,662	10,397,652	453,990	4.6%
Total	$57,544,075	$62,642,654	$5,098,579	8.9%

Salary and Wages

An across the board competitive pay increase of 3% ($806,548) was approved to maintain the Town's strong position in our local municipal marketplace. The balance of the increase is made up of merit and longevity increases. ***There are no new employees included in the General Fund budget.***

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.

Employee Benefits
The increase in General Fund employee benefits is due primarily to an increase in the Town's actuarially determined contribution to the retirement fund of $1,751,939 and anticipated increases in FICA and longevity of $255,506, and the addition of a cell phone stipend procedure which is mostly offset by decreases in cell phone charges in the contractual category.

Contractual
The increase in the contractual category is due primarily to the transfer of ongoing operating costs (permitting, monitoring, legal) for the coastal protection program from the Capital Fund to the General Fund ($1,057,000) and increases in sewage treatment and disposal costs ($393,000). In addition, increases are budgeted for mold prevention in the fire stations and inspection and cleaning of fire gear ($39,500), contracted electrical service for street lights and the painting of street light poles ($120,000), increases in janitorial services ($38,800) due to a budget deficiency for FY06, preliminary planning and document preservation for the centennial celebration ($15,000), and contractual plan reviewers in Planning, Zoning & Building ($85,200).

Commodities
The decrease in commodities is primarily due to reclassification of the software implementation costs from commodities to capital. In FY06, we budgeted $215,000 in commodities for the first year implementation costs of the town-wide software replacement plan. In FY07, $350,000 is included in the capital outlay section for the second year costs of the multi-year plan. Increases for fuel, vehicle and building maintenance supplies offset a portion of the decrease in this category.

Capital Outlay
Capital expenditures decreased by $697,495. This decrease is due to a transfer of the annual street resurfacing funding in the general fund to the Capital Improvement Fund, the absence of the one-time purchase of the police radio system budgeted in FY06, and a decrease in funding for equipment purchased through grants. The decrease is offset by the above mentioned increase for software.

The annual depreciation contribution of $1,234,215 to the equipment replacement fund is included in capital outlay. 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 Fund and the Risk Insurance Fund. Also included in this category is the General Fund Contingency.

The Other category contains increases in debt service funding ($126,940), Four Arts Library funding ($12,000), and the transfer to the Capital Improvement Program ($762,200), offset by a decrease in the funding of the Risk Insurance program ($169,799).

The General Fund Contingency for FY2007 is funded at 1.5% ($922,650) of total General Fund operating expenditures.

Budget Highlights by Department

The following one-time or unusual items have been included in the FY2007 budget to address certain operating needs and initiatives:

General Government
✓ Centennial Celebration - $15,000

Information Systems
✓ Town-wide software implementation plan - $350,000 (The second year of a multi-year program to upgrade the Town's software systems.)

Planning, Zoning & Building
✓ Additional funding for Contractual Plan Review - $85,200

Fire Rescue
✓ Mechanics Bay Parking Pad - $10,000
✓ Apparatus Lifts - Mechanic Bay - $15,000
✓ 3 Thermal Imaging Cameras - $30,000
✓ Vehicle Extrication Air Bags - $10,000
✓ Projector for Meeting Room - $15,000
✓ Grant equipment - $80,000, offset by $80,000 in estimated grant revenue

Police Department
✓ 16 Tasers - $12,960
✓ 2 Night Vision Devices for Sniper Rifles - $22,524
✓ 8 Baker Batshields - $21,936
✓ Key Management System $12.300
✓ ATV for South of Sloan's Curve $6,400

Public Works
✓ Coastal Protection Monitoring and Legal Services - $1,057,000 (See below)
✓ Contractual Electrician Services - $100,000 (In lieu of the additional position as planned for with the construction of the new pump stations.)
✓ HVAC Replacements - $49,000
✓ Refurbish Phipps Lifeguard Building - $25,000
✓ Midtown Beach Lifeguard Structure Repairs - $24,000
✓ Fire Alarm Panel Upgrades at Police and Public Works - $50,000
✓ Parking Kiosk for the North Lot of Phipps Ocean Park- $13,000

Transfers to Capital
✓ Increase in milling and resurfacing funding- $275,000
✓ Transfer of the General Fund budget for milling and resurfacing to the Capital Fund - $225,000

Coastal Protection Monitoring and Legal Services
Ongoing costs associated with coastal protection project have been included in the General Fund for the first time in an amount of $1,057,000. The funding includes costs for permitting, biological and turtle monitoring, aerial photography, beach profiles, scarp reduction, and legal and lobbying fees. These costs are offset by grant revenues totaling $260,000. Since these costs will be ongoing operating costs and anticipated to continue after the beaches have been constructed, the costs will be accounted for and paid through the General Fund rather than a Capital Project Fund.

Fund Balance

The budget includes a $800,000 transfer from the designated fund balance reserve for compensated absences, established in FY2005. A portion ($590,000) represents the payment of accrued leave for employees who retire, resign, or are terminated, as well as contributions of sick and vacation time to the Retirement Health Savings Plan. The remaining balance ($210,000) is for the recently approved vacation conversion policy, which reduces the Town's long term liability for payment of accrued leave.

As of September 30, 2005, the Town's General Fund undesignated fund balance was $19,580,424. 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 $15,460,663 for FY2007. We anticipate fund balance to be approximately $17,500,000 at year end FY2006. Therefore, the Town's General Fund undesignated fund balance is expected to be approximately $2,000,000 above the policy required minimum at the end of FY2006.

Personnel Complement

The total personnel complement (all funds Townwide) for FY2007 is 414.23 full-time equivalent personnel (FTEP), which represents an increase of 1.87 FTEP from the adopted FY2006 budget. The personnel complement in the adopted FY2006 budget is included without change in the FY2007 budget for all departments except Recreation. The Recreation Department budget includes the addition of a recreation supervisor for the youth program (1.0) and a net increase in part time employees of .87 FTEP.

The table below summarizes the FTEP by department or fund. A detailed listing by department can be found in the appendix.

Department/Fund	FY2004	FY2005	FY2006	FY2007
Town Manager	10.50	12.00	12.00	12.00
Human Resources	4.90	4.90	4.90	4.90
Finance	18.00	18.00	18.00	18.00
Planning, Building & Zoning	23.50	24.50	27.50	27.50
Fire-Rescue	78.50	79.50	80.00	80.00
Police	131.00	131.00	131.00	131.00
Public Works	99.14	99.74	101.88	101.88
Capital Fund	0.00	1.00	1.00	1.00
Recreation Enterprise Fund	30.13	29.83	30.28	32.15
Risk Fund	1.50	2.00	2.00	2.00
Health Fund	1.60	1.60	1.60	1.60
Kruesler Park	2.20	2.20	2.20	2.20
Total Authorized Positions	**400.97**	**406.27**	**412.36**	**414.23**

Long Term Financial Plan

Many of the FY2007 increases were anticipated in the Long Term Financial Plan (LTFP) that was prepared during the FY2006 budget process. The assumptions that were used to prepare the FY2007 forecast compared to the actual increases are shown below:

	LTFP Forecast	Actual FY07 Budget
Taxable Value	9.5%	16.13%
Investment Yields	4.5%	5.0%
Inflation	3.0%	4.2%
Salaries & Wages	6.0%	5.3%
Employee Benefits	11.0%	17.3%

In addition to the above assumptions, some departments had made requests over the assumed inflationary increases and these requests were included in the forecast. The LTFP included funding for the Town-wide software plan.

Overall, the FY2007 operating budget is approximately $1,386,654 more than the LTFP forecast. The higher than anticipated increase in retirement costs, capital improvement transfer for additional milling and resurfacing, the transfer of monitoring and legal costs from the coastal protection fund to the General Fund account for this increase.

The forecast for FY2007 anticipated a .57% increase in the total millage rate. Due to a higher than anticipated taxable value amount, the adopted FY2007 budget represents a 4.62% decrease from the FY2006 millage rate.

Inventory of Assets

The inventory of parts, supplies, fuel and materials on hand as of October 1, 2006, is $455,497 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 $13,400,000.

OTHER FUNDS

Debt Service Fund (201)

The Debt Service Fund provides for the payment of principal and interest on the Town's outstanding bonds. 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 totaling $4,335,354. The non-ad valorem revenue transfer for the 2003 revenue bonds from the General Fund for FY2007 is $3,529,000. This amount increased over FY2006 by $126,940.

The Town's outstanding bonded debt as of September 30, 2006, is shown on the following page:

Year Issued	Outstanding Principal Balance @ September 30, 2006	Purpose
2003	$20,510,000	To refinance the 2000 Beach Revenue Bonds and provide financing for the Town facilities projects.

As of September 30, 2006, the Town's net bonded debt will amount to only 3.4% of the legal limit of $602,438,544 (5% of FY2006 preliminary taxable value of $12,048,770,891), 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 our 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.

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 FY2007, a transfer from the General Fund of $3,378,801 is included to partially offset the anticipated costs of the following scheduled projects:

- Continuation of major drainage improvements - $2,680,000
- Sanitary sewer improvements and WPB Central Pump Bypass & Reserve - $319,783
- Fuel Tank Replacement Program - $200,000
- Replacement of Windows and the renovation of the Truck Bay at the North Fire-Rescue Station - $165,000
- Vehicle Exhaust Removal System for the Central Fire-Rescue Station - $50,000
- Milling & Resurfacing Program - $500,000
- Bridge Rehabilitation - $50,000
- Intracoastal Bulkhead Repair - $15,000

A comprehensive drainage improvement program was initiated in FY2001. To date, $17,885,000 has been appropriated for drainage projects. In the FY2007 budget, an additional $2,680,000 is included for this drainage program, consistent with the multi-year plan previously approved by the Town Council.

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). The Town facilities projects are accounted for in a separate capital fund.

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 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 thresholds

established for fixed assets are $2,500 for capital equipment and $1,500 for computer equipment. Since its creation in 2002, the reserve has significantly reduced budgetary fluctuations and eliminated the need for replacement equipment financing.

The annual depreciation transfer for FY2007 is $1,234,215. Of this amount $320,000 represents the annual depreciation for computer equipment and $914,215 represents the annual depreciation for other fixed assets.

In FY2007 the total expenditures for equipment purchases will be $1,999,511. A detailed listing of equipment purchases is located in the Capital Funds section of this budget document.

The Town Council approved a modification of the Equipment Replacement Fund changing the funding method from original cost based depreciation funding to replacement cost depreciation funding. The total cost of the modification is $4,205,523. The cost associated with this modification was funded with a budget amendment in FY2006 from the Town's undesignated fund balance.

The Recreation Enterprise Fund (403, 404, 405)

The Town Council authorized creation of the Leisure Services Enterprise Fund in 2003. For FY2007 The Town Council approved a name change to the Recreation Enterprise Fund. This 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 Recreation Enterprise Fund for FY2007 as compared to the FY2006 budget for all Recreation activities is shown below:

	Budget FY2006	Budget FY2007	Change	Percent Change
Total Operating Revenue	$4,089,769	$4,331,585	$241,816	5.9%
Total Operating Expenses	3,377,480	3,476,324	98,844	2.9%
Net Operating Income	712,289	855,261	142,972	20.1%
Investment Income	100,000	180,000	80,000	80.0%
Transfer to General Fund	(550,000)	(550,000)	0	0.0%
Transfer to the Capital Improvement Fund & ERF	(2,253,670)	(569,353)	1,684,317	-74.7%
Net Income from Operations	($1,991,381)	($84,092)	$1,907,289	-95.8%

The FY2007 budget includes a Contingency Reserve of $229,312 for this fund. The contingency is appropriated from the reserves of the fund at an amount equal to 5% of the budgeted expenses of the fund.

The Recreation Enterprise Fund - Capital Fund is funded with a transfer of $537,940. Projects for FY2007 include additional funding for the Seaview Tennis Center renovation, funding for Town dock improvements and a hood and fire suppression system for the Seaview recreation center.
The equipment replacement fund depreciation transfer for the Recreation Enterprise Fund totals $31,413.

The retained earnings balance at the end of FY2007 is estimated to be over $3,400,000, well over the policy minimum of $1,127,896.

Details regarding each of the activities of the Recreation Enterprise Fund, the Recreation Enterprise Fund - Capital Improvement Fund and the Recreation Enterprise Fund- Equipment Replacement Fund can be found in the Recreation 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 to be funded by a transfer from the General Fund of $2,220,201 and interest income earned on the retained earnings within the fund. The transfer from the General Fund has decreased from FY2006 by $169,799.

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 FY2007 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. Due to sufficient reserves in this fund, we have decided it is responsible to fund the uninsured loss account from retained earnings as well as the budgeted purchase of software since it is a one-time capital purchase. The uninsured loss fund has been set aside to fund losses not covered by the Town's insurance coverage. If the reserves of the Risk Fund are depleted to an insufficient level due to bad experience, we would have to replenish this fund with additional funding from the General Fund.

Below is a summary of the Risk Fund budgeted revenues and expenses for FY2007 as compared to the FY2006 budget:

	Budget FY2006	Budget FY2007	Change	% Change
Operating Revenues:				
Transfer from General Fund	$ 2,390,000	$ 2,220,201	$ (169,799)	-7.1%
Interest Earnings	$ 175,000	$ 375,915	$ 200,915	114.8%
Total Operating Revenues	$ 2,565,000	$ 2,596,116	$ 31,116	1.2%
Expenditures				
Salary and Wages	$ 113,640	$ 116,428	$ 2,788	2.5%
Employee Benefits	44,370	48,734	4,364	9.8%
Insurance Fixed	1,429,999	1,711,950	281,951	19.7%
Insurance Claims	700,000	700,000	0	0.0%
Contractual Services	273,805	264,804	(9,001)	-3.3%
Commodities	4,200	4,200	0	0.0%
Capital Outlay	0	50,000	50,000	100.0%
Other	3,000,000	3,000,000	0	0.0%
Total Expenditures	$ 5,566,014	$ 5,896,116	$ 330,102	5.9%
Transfer from Retained Earnings	$ (3,001,014)	$ (3,300,000)	$ (298,986)	10.0%

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 to be funded by a transfer of $5,434,185 which includes the Town's contribution and the employee and retiree contributions, along with interest income earned on the retained earnings. Interest income increased due to improved estimated returns on the reserves of the fund. An Interest rate of 5% was used to calculate the interest earnings for FY07 rather than 3.5% used in FY06.

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 FY2007 have increased by $742,176 (12.1%) over the FY2006 budget due to increases in health insurance costs and additional actuarially determined costs associated with the funding of the post employment benefit reserve.

A trust fund has been established as of October 1, 2006 for post employment benefits, and is funded with a transfer of $16,000,000 from the reserves held in this fund. This trust will be similar to the retirement trust funds and will be able to be invested in assets that would include equities.

The budgeted Health Fund revenues and expenses for FY2007 as compared to the FY2006 budget are shown below:

	Budget FY2006	Budget FY2007	Change	Percent Change
Operating Revenues:				
Transfer from General Fund	$ 5,371,376	$ 5,434,185	$ 62,809	1.2%
Interest Earnings	450,000	917,000	467,000	103.8%
Total Revenues	$ 5,821,376	$ 6,351,185	529,809	9.1%
Expenses				
Salary and Wages	$ 81,812	$ 90,381	$ 8,569	10.5%
Employee Benefits	34,997	38,204	3,207	9.2%
Insurance Fixed	1,702,500	2,017,100	314,600	18.5%
Insurance Claims	3,750,000	3,969,000	219,000	5.8%
Contractual Services	36,900	233,700	196,800	533.3%
Commodities	2,800	2,800	0	0.0%
Other	500,000	500,000	0	0.0%
Total Operating Expenses	$ 6,109,009	$ 6,851,185	$ 742,176	12.1%
Transfer From Retained Earnings	$ (287,633)	$ (500,000)	$ (212,367)	73.8%

Trust Funds - Retirement Trusts(600, 606, 607) & Post Employment Benefit Trust (610)

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.

In addition, a new fund for post employment health benefits was established for FY2007. This new fund is in response to the new GASB ruling. This fund is described in more detail later in this document.

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 all Town funds for FY2007 increased by $1,821,432. (This amount includes the $1,751,939 million increase for the General Fund and increases for the REF, Risk, and Health Funds.) This increase was due to the continued impact of substantial investment losses in the funds in FY2001 and FY2002, wage increases that have been higher than the actuary's assumption and the benefit improvements for the police officers and firefighters approved by the Town Council in FY06. Investment performance has improved since FY2003, and gains have been recorded for fiscal year-to-date 2006. Any gains over the 8% return assumption realized in FY2006 will eventually offset the prior year losses. This is the last year of the amortization of the 2001 losses and next year the 2002 losses will be fully amortized. The gains recorded from 2003 to the present should stabilize or decrease the employer funding in future years unless the funds experience large investment losses again.

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 292% since FY2003 and the funded ratio for each of the plans has declined from over 100% funded to 77 - 87% funded. The Town is monitoring this closely and making the actuarially required contributions to the plan.

Employer Contribution increase
FY2006 vs FY2007

	FY2006	FY2007	Change	% Change
General Employee	$ 1,919,026	$ 2,296,302	$ 377,276	19.7%
Lifeguards	87,955	118,863	30,908	35.1%
Police	1,652,583	2,158,494	505,911	30.6%
Fire-Rescue	1,351,449	2,258,786	907,337	67.1%
Total	$ 5,011,013	$ 6,832,445	$ 1,821,432	36.3%

The 5 year trend in Town retirement funding in total and per employee totals since FY2003 is shown on the two charts on the following page:

Total Employer Funding
FY2003 - FY2007

	FY2003	FY2004	FY2005	FY2006	FY2007
General	$893,843	$1,475,454	$1,705,300	$1,919,026	$2,296,302
Lifeguards	58,142	44,204	76,252	87,955	118,863
Police	452,334	1,106,450	1,395,026	1,652,583	2,158,494
Fire-Rescue	337,218	822,201	1,116,151	1,351,449	2,258,786
Total	$1,741,537	$3,448,309	$4,292,729	$5,011,013	$6,832,445

Employer Funding Per Employee
FY2003 - FY2007

	FY07 # of Employees	FY2003	FY2004	FY2005	FY2006	FY2007
General	229	4,134	6,871	7,822	8,417	10,014
Lifeguards	9	6,497	4,912	8,472	8,796	13,207
Police	77	6,751	16,271	19,023	21,462	28,032
Fire-Rescue	77	5,439	12,458	15,945	17,782	29,335

Since FY2000 the funded ratio for the each of the pension plans has decreased from a high of 112% - 125% to the current funding level of between 77% to 87%. The trend is shown in the chart below:

As of Fiscal Year End	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
General & Lifeguards	125%	115%	99%	95%	91%	87%
Police	112%	97%	93%	92%	90%	85%
Fire-Rescue	112%	97%	93%	87%	85%	77%

FINANCIAL POLICIES

Over the past five 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.

The Town Council approved an amendment to the Equipment Replacement Fund policy. This reserve was initially funded at 100% of accumulated depreciation based upon the original cost of the asset. The amendment changed the annual funding method from a depreciation calculation using original cost to a calculation using replacement value. We have found that the difference between replacement cost and the sum of the original cost, any salvage value and interest earned on the fund made the Equipment Replacement Fund insufficient to fund some of the expensive long lasting equipment, such as fire pumpers, dump trucks, etc. The modification will ensure that proper funding is in place for the purchase of replacement assets.

Health Insurance Fund Reserve - The Government Accounting Standards Board (GASB) has 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 the new standard. An actuarial valuation was completed in August and we are able to fund $16,000,000 from reserves in the Health Fund to offset a portion of the total $22,135,000 liability. The annual required contribution (ARC) was calculated to be $2,289,000. Town funding of $1,193,685 is included the FY2007 budget to fund a portion of the ARC. We will be increasing the funding of the ARC each year until we have attained the full amount of the contribution. A trust fund has been established in the FY2007 budget for post employment benefits from a portion of 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 the Town's financial policies can be found in the back of this document in the appendix.

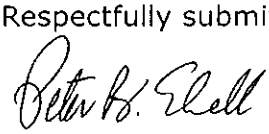
KEY RESULTS MEASUREMENT UPDATE

The first year results for all departmental and program specific KRM's are included in the department section of this document. We are in the second year of a multi-year KRM project. As we move forward with this process, our intention is to develop a measurement process that aligns the services with the vision for the Town. We will be developing trend information each year that will become a useful management tool. Additional measures may be added once we have the software capabilities to track the information in an efficient manner. Further details of the strategic planning/KRM process are included in the section immediately following the budget message.

ACKNOWLEDGMENTS

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.

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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Strategic Planning and Key Results Measurement

In 2003, the Town of Palm Beach developed and adopted a strategic plan. The development of the strategic plan involved input from elected officials, citizens, the business community, and staff. In conjunction with the Town's strategic plan, staff developed an organizational vision statement which included input from all employees. Both the strategic plan and the vision statement, in addition to annually adopted Townwide goals, help us to form our department and program goals. Staff has been working during the past 3 years to develop and improve the Key Result Measures used to track our performance. Outlined in the following pages is a summary of our strategic plan, organizational vision, and departmental key result measures.

Strategic Planning

In 2001, the Town Council formed a Strategic Planning Board comprised of then Mayor Lesly Smith and four other Town residents. The board held a series of meetings and community forums to receive input from citizens, the business community, staff and others. The strategic plan was formally approved by the Town Council in 2003. The strategic plan is summarized below:

A Legacy Worth Keeping

Palm Beach is a fully developed community, world renowned for its extraordinary beauty, quality of life, and small-town character. Our permanent and seasonal residents love our barrier island community and are determined to preserve our legacy. We do not seek to change Palm Beach, but rather to protect our community's assets, correct any deficiencies, and to manage inevitable change so as to maintain our tradition of excellence.

As we envision our future ten years from now, we see Palm Beach remaining true to the inspired legacy of our founders, a Mediterranean-style mecca of stunning architecture and natural beauty, acclaimed shopping, restaurants and hotels, a cosmopolitan culture, and an involved citizenry committed to civic and philanthropic causes and excellence in Town Government.

Quality and Responsive Town Government

Town government is supported by a respected Mayor and Town Council, a skilled and dedicated staff, and by the active volunteer participation of many citizens. Palm Beach provides residents with the highest level of safety and security through its vigilance and commitment to high quality training and state-of-the-art

equipment. The Town has maintained its fiscal strengths with resourceful budgeting and prudent management.

In the future, we envision...

Continued high quality services and facilities provided in a responsive, resourceful manner. A structure of government guided by clear mandates and performance goals for Town administration and for appointed boards and commissions, continued technological innovation, and excellent internal and external communication.

Pro-active initiatives and continuous vigilance to anticipate and avert threats to public safety, enabling Palm Beachers to live secure in safe neighborhoods.

Solid fiscal strength and strong alliances with state and federal partners. Actions will be taken and communicated to residents to instill confidence that optimum services are provided for taxes paid.

Public Facilities and Infrastructure

While completely developed, the Town of Palm Beach recognizes a number of redevelopment challenges and functional deficiencies among its current capital facilities. Traffic has increased and parking is at a premium. Beach erosion has become severe, threatening oceanfront property and diminishing a key scenic and recreational asset. Drainage deficiencies and occasional water shortages continue to pose a threat.

In the future we envision...

Beaches fully restored and maintained for the protection of oceanfront property, enjoyment of residents, and scenic enhancement.

Modernized, reliable infrastructure systems, including improved facilities for water distribution and storm drainage. Capital projects will be completed expeditiously and with an effort to limit the disruption they inevitably will cause to adjacent property owners.

Convenient network of roads and parking, less hampered by congestion and sufficient to meet local needs without encouraging additional traffic or visitation.

Character and Quality of Life

While Palm Beach is built out, growth continues in the form of redevelopment and changes in use raising questions and concerns about over-development, scale, and our historic legacy. The Town is proud of its lush landscaped setting, its historic architecture, and its array of shopping and other amenities, but concerns are expressed about expanded tourism, visitation and traffic, straining our limited service capacity. The Town recognizes that among our greatest resources are our people and their involvement in civic groups, charities, cultural activities, and faith-based organizations.

In the future we envision...

A community that has guarded against over-development, encouraging redevelopment consistent in scale with existing neighborhoods, reflective of our heritage.

A town with a rich menu of cultural choices, enabling Palm Beach to continue to combine the intimacy and convenience of small town life with the cultural sophistication and variety of a city.

Palm Beach will remain a friendly community which embraces its diversifying population, nurtures young families and children, and welcomes new residents and visitors. Palm Beachers will continue their heritage of support to worthy causes and their involvement in civic affairs creating new opportunities for all to participate fully in the life of the community.

Town Staff Vision

In 2005, Town staff 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 that was reviewed by all Town employees. The final vision and values statement is as follows:

Strategic Planning and Key Results Measurement

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.

The Vision/Strategic Plan/Key Result Process

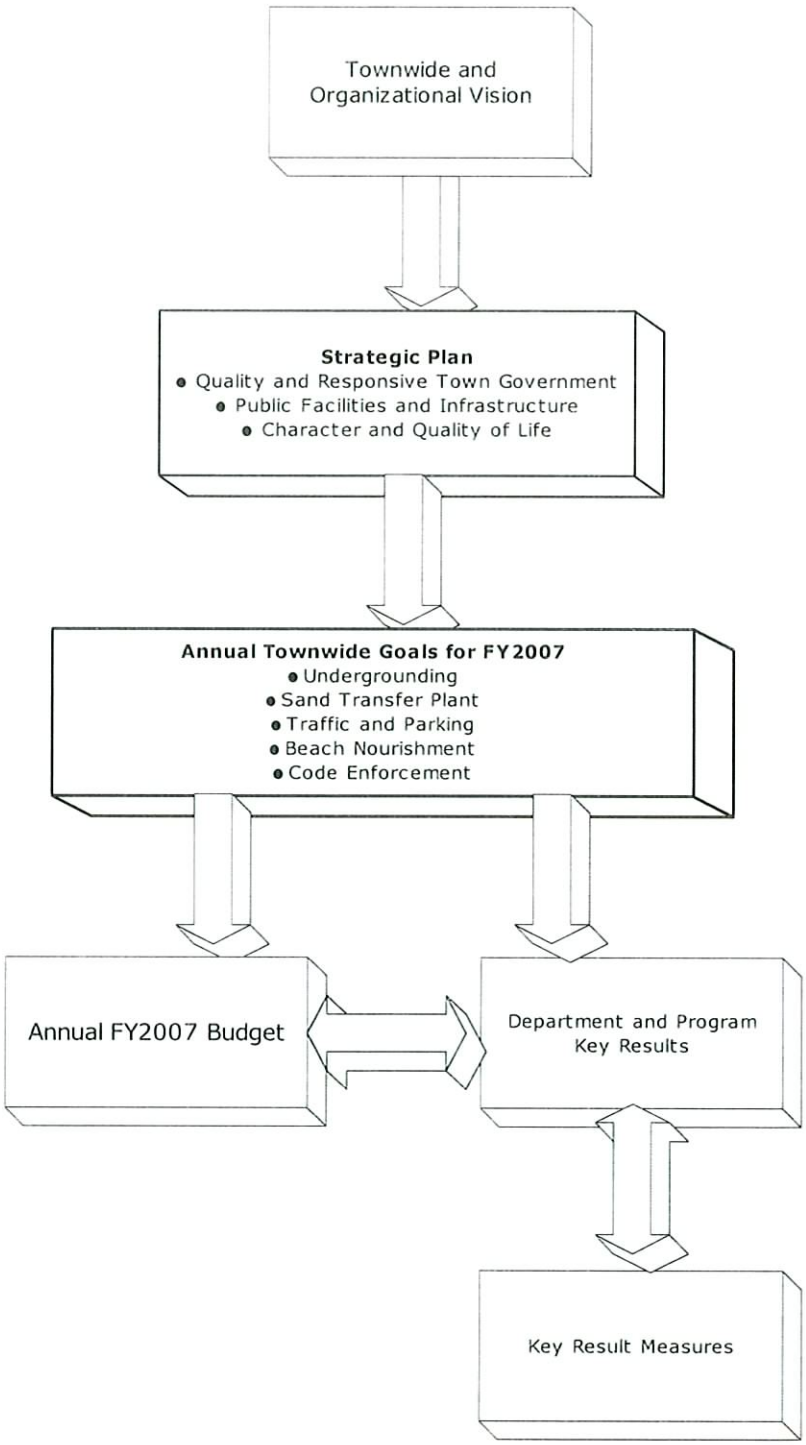
The Townwide vision and strategic plan developed by the Strategic Planning Board and the organizational vision developed by Town staff complement each other. The Staff recognizes the Town's rich history and commitment to excellence that has made the Town an exceptional place to live and work.

The strategic plan and organizational vision guide the decision making process as the elected officials and staff develop annual Townwide, department and program goals, and the annual budget. We then use KRM's to track our progress in achieving the goals that have been set.

The process is depicted in a flowchart on the following page and elements of the process are described in greater detail in this section. The department and program key results and measurement methodology are described in greater detail in the department sections of this document. Two measures have been designed to apply to all departments. The results of these two measures are described in detail in this section.

Strategic Planning and Key Results Measurement

The Vision/Strategic Plan/KRM Process



FY2007 Townwide Goals

On April 11, 2006 The Town Council adopted the five top priority Townwide goals for FY2007. Following is a summary of each goal, how it applies to the Strategic Plan and how each is addressed in the FY2007 budget.

Proceed Aggressively with Undergrounding Project, If Approved by the Voters
Strategic Plan - Public Facilities and Infrastructure

No funds are appropriated in the FY07 budget because over $900,000 remains available from the $1 million that was transferred in FY06 from the General Fund to the Capital Improvement Fund and designated for the undergrounding project. If the project is approved by the voters in February 2007, we anticipate that a bond will be issued to commence construction of the project later in 2007 or early in 2008.

Commence Construction of Upgraded Sand Transfer Plant at Lake Worth Inlet
Strategic Plan - Public Facilities and Infrastructure

An appropriation of $2 million is included in the FY07 budget, with this expenditure fully offset by $2 million of federal grant revenue. The federal government has authorized up to $4 million for this project to be constructed at 100% federal cost and the President has proposed $2 million of preliminary funding in the FY07 federal budget. At this time, that $2 million remains in the budget being considered in Congress and we have received assurances from members of the Town's Congressional delegation that they will watch over this funding to ensure that it remains in the budget that is ultimately adopted by Congress later this year.

As a local sponsor, the Town will have to expend funds to move the project forward and then receive incremental reimbursement from the federal government. We intend to draw on existing Town fund balances (primarily, but not exclusively, from those in the Coastal Protection Capital Improvement funds) with full reimbursement provided to the applicable fund(s) when reimbursement payments are received from the federal government.

Begin Implementation of Traffic and Parking Improvement Plan
Strategic Plan - Public Facilities and Infrastructure & Character and Quality of Life

No funds are appropriated in the FY07 budget. Sufficient funds were appropriated in the FY06 budget to complete the preparation of the Parking and Traffic Improvement Plan. Completion is expected in October 2006. We believe it is premature to appropriate implementation funding at this time, since the implementation actions to be funded will evolve from the planning process and the Town Council's policy decisions on the recommendations that will be set forth in the plan. Funding will be addressed as those decisions are made.

Continuation of Beach Nourishment Projects: Specifically, Nourishment of Reach 8
Strategic Plan - Public Facilities and Infrastructure

An appropriation of $10,533,630 is included in the FY07 budget for this project funded in part with the existing balance in the Coastal Protection Capital Improvement Funds, in part with $1,592,685 of state grant revenue and in part with future bond proceeds.

Improve the Breadth and Intensity of Code Enforcement
Strategic Plan -Character and Quality of Life & Quality and Responsive Town Government

No increase in funding for this activity is included in the FY07 budget. Rather than add personnel, we are attempting to improve the breadth and intensity of code enforcement through better interdepartmental coordination of our field personnel. Supervisory responsibility for this function will be transferred to the Police Department during FY2007.

FY2007 Department Goals

Each Department has developed department wide and program key results with measures to determine how well the departments and programs are achieving the desired outcomes or results. The department wide key results relate either to the Strategic Plan or to the top 5 priority goals for the fiscal year adopted by the Town Council. The linkage is shown in the following table:

Department Key Results	Linkage to Strategic Plan/Townwide Goals
Town Manager	
• Department budgets approved by the Town Manager demonstrate linkages to organizational and community vision and goals.	Quality and responsive Town Government
• Employee work environment is positive, encourages open communication, and is regularly monitored for ways to improve.	Quality and responsive Town Government
• Accomplish Mayor and Town Council's top priority goals for the year	Townwide goals
• Maintain or improve Mayor and Town Council's scores on Town Manager's annual performance evaluation	Quality and responsive Town Government
Human Resources	
• Recruit and retain a productive workforce	Quality and responsive Town Government

Department Key Results	Linkage to Strategic Plan/Townwide Goals
• Maintain a pay system that is competitive in the marketplace	Quality and responsive Town Government
• Establish and maintain policies that are administered consistently throughout the Town.	Quality and responsive Town Government
• Administer an employee health plan that is understandable, useful and competitive.	Quality and responsive Town Government
• Maintain a cost efficient and highly competitive health care plan.	Quality and responsive Town Government
Finance	
• Budget is balanced and is a clear operational and financial representation of Town services, investments, revenues and expenditures	Quality and responsive Town Government
• Strong, sustainable fiscal position with established policies to guide decision-making.	Quality and responsive Town Government
Planning, Zoning & Building	
• Promoting and maintaining quality of construction and safety of building systems through complete review of plans and protective inspections.	Character and Quality of Life
• Customers fully informed of Department programs through adequate education/information.	Quality and responsive Town Government
• Department activities promote a variety of Town-serving businesses.	Quality and responsive Town Government
• Department activities promote and maintain desirable neighborhoods.	Character and Quality of Life
• Review of construction plans in a timely manner which exceeds industry standards.	Quality and responsive Town Government
Fire-Rescue	
• Improve response time to meet the industry standards for arrival at emergency scenes	Quality and responsive Town Government
• Reduce number of vehicle accidents and personnel injuries	Quality and responsive Town Government
• Reduce property loss and personal injuries for residential fires	Quality and responsive Town Government

Strategic Planning and Key Results Measurement

Department Key Results	Linkage to Strategic Plan/Townwide Goals
Police	
• The community feels safe	Character and Quality of Life
• Prevent crime and protect life and property	Character and Quality of Life
• Police operations and programs are effective in maintaining or increasing the quality of life in the community.	Character and Quality of Life
• A successful police mission is accomplished via education, training and community partnerships.	Quality and responsive Town Government
Public Works	
• 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.	Character and Quality of Life
• 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.	Quality and responsive Town Government
• Create and maintain a work environment in which employees find motivation relevance, and appreciation for the work they do.	Quality and responsive Town Government
• The Town's facilities and infrastructure will be designed, constructed and maintained for optimum efficiency and effectiveness.	Public Facilities and Infrastructure

Department KRM Results

Department's have prepared key results representing the most critical targets for their operations. In addition, key results and measurement methodology have been prepared for each program area. 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 and program 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.
Linkage to Strategic Plan: Quality and Responsive Town Government

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

Department	Gross Increase	Gross Increase Less Inflation	Gross Increase Less Inflation & Retirement
Town Manager	7.90%	4.70%	3.80%
Information Systems	9.30%	6.00%	5.40%
Human Resources	6.70%	3.50%	2.70%
Finance	5.00%	1.80%	-0.20%
Planning, Zoning & Building	10.90%	7.60%	5.20%
Fire-Rescue	11.90%	8.60%	-0.20%
Police	5.50%	2.30%	-0.90%
Public Works	16.90%	13.40%	12.10%
Total Budget	**9.50%**	**6.20%**	**3.40%**

The gross increase is high for most departments due to the increased costs of retirement benefits. If you back out the effects of these increases and back out the inflation factor (3.0%), the changes are reasonable and in some cases actually reflect decreases from the prior year. The larger variances are explained below:

- Information Systems increase includes the funding of a multi year town-wide software replacement program.
- Planning, Zoning and Building increases are due to additional funding for contractual plan review services.
- The Public Works budget increased due to the transfer of funding from the capital account to the operating account for recurring coastal/beach responsibilities and cost increases for sewage disposal.
- The majority of the gross increase in the Fire-Rescue and Police Departments is due to the increase in the retirement contribution.

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".
Linkage to Strategic Plan: Quality and Responsive Town Government

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.

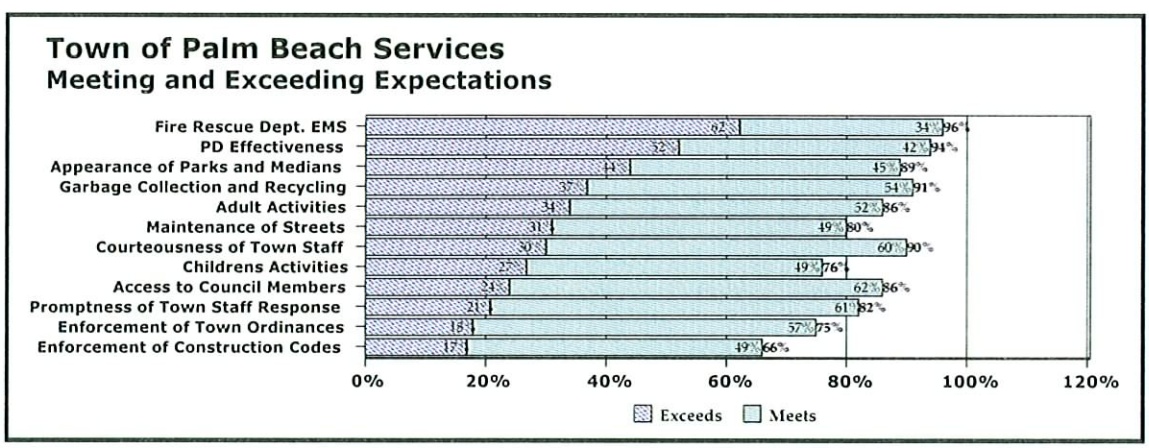
Overall, residents were very satisfied with the quality of life in Palm Beach. Satisfaction was measured at 95% with 71% of residents stating they were "very satisfied" and an additional 24% were "satisfied".

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 every three years.

For the Future

The first year results for all departmental and program specific KRM's are included in the department section of this document. We are in the second year of a multi-year implementation of the KRM project. As we move forward with this process, our intention is to develop a measurement process that helps us properly align our services with the vision for the Town. We will be developing trend information each year that will become a useful management tool. Additional measures may be added once we have the software capabilities to track that information in an efficient manner.

Town of Palm Beach

Introductory Information

Map

Jacksonville
Tallahassee
Panama City
Gainesville
Daytona Beach
Orlando
Melbourne
Tampa
Fort Pierce
Sarasota
Palm Beach
Fort Myers
Miami
Key West

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 9,735 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 8,065 registered voters as of December 2005.

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, 2006, the Town employed approximately 414 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 9,735. 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-Rescue Stns (79 full-time firefighters)3
Fire Hydrants.....367
Public Elementary School(County).....1
Enrollment (Kindergarten - Fifth)...414
Public Libraries.....1
Recreation Facilities.
Tennis Courts.....14
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	$ 586.9	223
Single Family Res.	6,799.1	2,248
Multi-Family,>10 units	64.2	6
Condominiums	2,994.6	5,574
Cooperatives	328.1	1,090
Retirement Homes & Msc	1.7	1
Multi-Family < 10 Unit	110.5	64
Vacant Commercial	9.2	7
Improved Commercial	949.5	189
Improved Industrial	.7	1
Institutional	78.4	33
Government	.0	50
Leasehold Interests	.0	2
Miscellaneous	.0	40
Non-Agr. Acreage	.0	1
Total	$11,922.9	9,529

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 3,588 (37.7%) homesteaded properties.

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 8,092 registered voters in the year 2006 with approximately 9,735 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

Financial Policies

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

General Policies

The Town of Palm Beach will:

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

Operating Budget Policies

The Town of Palm Beach will:

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

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

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

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

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

Capital Budget Policies

The Town of Palm Beach will:

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

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

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

Revenue Management Policies

The Town of Palm Beach will:

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

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

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

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

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

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

Financial Policies

Investment Management Policies

The Town of Palm Beach will:

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

Debt Management Policies

The Town of Palm Beach will:

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

preclude the construction of smaller necessary capital improvements.

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

Accounting, Auditing and Reporting Policies

The Town of Palm Beach will:

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

Reserve Policies

The Town of Palm Beach will:

- Maintain an undesignated fund balance in the General Fund equal to a minimum of 25% of current year General Fund budgeted expenditures.
- Maintain a contingency reserve in the General Fund equal to 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 Recreation Enterprise Fund equal to 5% of the proposed Recreation 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 Recreation 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 (calculated at replacement cost) of the existing equipment.

- Maintain a reserve for funding the replacement costs of Recreation 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 2007.

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 FY2007 budget was $12.048B which represented a 16.13% increase over FY2006.

- ✓ **Building Permit Revenue:** The budget for building permit revenue was established at $4.0M which equals the FY06 budget.

- ✓ **Investment Rate of Return:** The investment rate of return used to calculate interest earnings was 5.0%.

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

Expenditures

- ✓ **Salaries:** An across the board competitive pay increase of 3.0% is included in the proposed budget. Step increases of 4% were budgeted for Fire-Rescue bargaining unit employees who have not reached the top of their pay range. Incentive increases were budgeted by the other 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 $6.8M which represents a 36.3% increase over FY2006. The FY07 budget amount per employee and increase in funding by retirement group are as follows: General Employees, $10,046 (+17.8%); Lifeguards, $13,207 (+35.1%); Police, $28,032 (+27.2%) and Fire-Rescue, $29,335 (+65.0%).

- ✓ **Health Insurance:** A transfer of $5.41M is budgeted to fund health insurance, which includes the Town's contribution as well as the employee and retiree contributions. In addition, interest income was budgeted at 5% based on the projected retained earnings of the fund.

- ✓ **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

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

  Tennis - The FY07 Tennis fee revenue reflects no growth due to major renovations scheduled for the Seaview Tennis Center during FY07. Fee increases are planned for FY08.

  Marina - Increases ranging from 5% to 8% in the annual, seasonal and winter rates are proposed for FY07. It is anticipated that this will increase revenues by approximately $158,000.

- ✓ **Risk Fund:** The transfer from the General Fund was budgeted at $2.22M which represents a 7.10% decrease over FY 2006.

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.

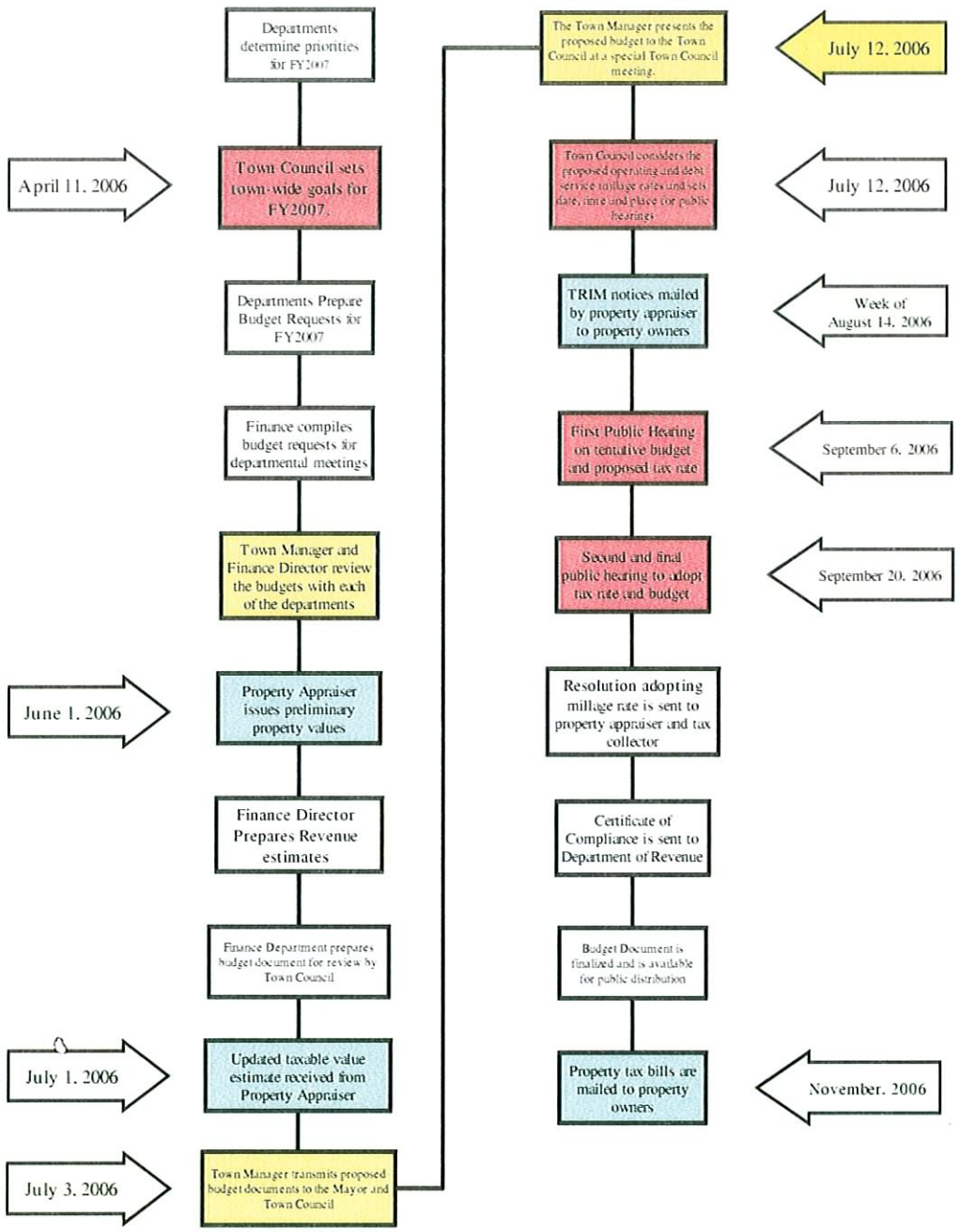
By State Law, the Town is required to hold two public hearings for adoption of a property tax rate and budget. The first public hearing is advertised by the Property Appraiser's mailing to each property owner a TRIM notice. In addition to notification of this first public hearing the TRIM notice contains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

2	*Town Hall closed - New Year's Day*
10	***Regular monthly Town Council meeting***
16	*Town Hall closed - Martin Luther King, Jr. Day*

January 2006

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

7	*Election Day*
14	***Regular monthly Town Council meeting***

February 2006

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

3	*Finance to distribute FY06 Proposed Budget instructions and Capital improvement project requests to all departments*
13	***Town Council meeting to discuss Strategic Plan and Budget***
14	***Regular monthly Town Council meeting***
17	*Submit initial CIP request forms to the Public Works Director*
24	*Capital Improvement Project requests reviewed by the Public Works Director with individual departments*

March 2006

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

11	***Regular monthly Town Council meeting*** ***Adoption of Top Priority Goals for FY07***
14	*Public Works Director forwards prioritized CIP requests to Finance Director*
21	*Departmental proposed budget requests due in Finance Department, Full Time Equivalent, Departmental Non-Ad Valorem Revenue estimates*
27	*First review of Information Systems and Police Department budgets*
28	*First review of Fire Rescue budget*

April 2006

S	M	T	W	T	F	S
						1
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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

9	***Regular monthly Town Council Meeting***
11	*First review of Leisure Services Enterprise Fund budget*
15	*KRM Reports due*
18	*First review of Planning/Zoning/Building, and Risk budgets*
19	*First review of Public Works and Capital budgets*
25	*First review of Town Manager, Finance, Town Clerk, and Human Resources (including Health)*
29	*Town Hall closed - Memorial Day*
31	*Budget Document pages sent to departments for updating*

June

1	*Property Appraiser issues preliminary property values*
2	*Second review of departmental budgets and KRM for Information Systems and Police*
5	*Second review of departmental budgets and KRM for Fire Rescue*
13	***Regular monthly Town Council meeting***
15	*Second review of departmental budgets and KRM for Planning/Zoning/Building, Human Resources, Town Manager, Finance, Town Clerk and Risk*
16	*Second review of Public Works and Capital budgets, KRM*
19	*Second review of departmental budgets, KRM for Leisure Services Enterprise Fund*
19	*Budget Document pages due to Finance*
20	*Department Director meeting to discuss Final Budget and resolve pending issues*
30	*Notice from Property Appraiser of rolled back rate F.S.200.065(1) and Preliminary Certification ot Taxable Value for 2006*

July

4	*Town Hall closed - Independence Day*
5 - 10	***Individual meetings with Mayor and Town Council***
11	***Regular monthly Town Council meeting***
12	***Special Town Council meeting to review Town Staff's proposed FY2007 budgets with Department Heads***
21	*Long Term Financial Plan files due in Finance*
25	*Review Long Term Financial Plan and Business Plan requests for Leisure Services Enterprise Fund*

August

8	***Regular monthly Town Council meeting***
11	*Review Long Term Financial Plan requests for Information Systems and Police*
Week of 14	*Notice of Proposed Property Taxes is mailed from Palm Beach Property Appraiser to property owners*
17	*Review of Long Term financial Plan requests for Public Works and Capital budgets*
18	*Review of Long Term Financial Plan for Fire Rescue*
24	*Review of Long Term Financial Plan requests for Planning, Zoning, and Building, Human Resources, Town Manager, Finance, and Risk*

May 2006

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			

June 2006

S	M	T	W	T	F	S
				1	2	3
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July 2006

S	M	T	W	T	F	S
						1
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August 2006

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		

Adopted Budget Calendar

September

4 *Labor Day - Town Hall closed*

6 5:01 pm Town Council first public hearing on tentative budget and proposed Tax rate (if County Commission and School Board do not meet)

7 Regular monthly Town Council meeting

20 5:01 pm Town Council second public hearing on tentative budget and proposed tax rate (if County Commission and School Board do not meet)

September 2006

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

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

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

10 Regular monthly Town Council meeting
Present Long Term Financial Plan and Leisure Services Enterprise Fund Business Plan

October 2006

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				

November

10 *Veteran's Day - Town Hall closed*

14 Regular monthly Town Council meeting

23 & 24 *Thanksgiving Holidays - Town Hall closed*

November 2006

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		

December

12 Regular monthly Town Council meeting

25 *Town Hall closed - Christmas holiday*

December 2006

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.

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) Recreation 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) Recreation 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) Recreation 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.
- (610) Other Post Employment Benefits (OPEB) Trust Fund - This fund was established by Ordinance 9-06 to fund the portion of health care benefits paid by the Town for retirees.

Non-Expendable and Expendable Trust Funds

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

Agency Funds

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

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

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FY 07 Budget Summary by Fund Type, Revenues and Expenditures

	General	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Totals
Revenues							
Ad Valorem Taxes	$42,873,450	$0	$0	$0	$0	$0	$42,873,450
Sales and Use Taxes	6,515,000	0	0	0	0	0	6,515,000
Licenses and Permits	5,031,750	0	0	0	0	0	5,031,750
Intergovernmental	1,608,614	0	10,451,993	0	0	900,000	12,960,607
Charges for Services	2,581,245	0	0	4,330,885	0	0	6,912,130
Fines and Forfeitures	829,000	0	0	0	0	0	829,000
Contributions	0	0	0	0	0	9,180,845	9,180,845
Interest Earnings	1,857,895	1,500	1,555,000	292,000	1,272,000	12,293,000	17,271,395
Miscellaneous	205,700	0	40,000	700	0	7,000	253,400
Interfund Transfers	550,000	4,367,256	4,919,016	569,353	22,252,801	18,646,685	51,305,111
Subtotal	62,052,654	4,368,756	16,966,009	5,192,938	23,524,801	41,027,530	153,132,688
Appropriations from Fund Balance	590,000	26,900	13,070,035	313,882	3,800,000	0	17,800,817
Total Revenues	$62,642,654	$4,395,656	$30,036,044	$5,506,820	$27,324,801	$41,027,530	$170,933,505
Expenditures							
Personnel	$39,676,848	$0	$0	$1,991,760	$708,847	$0	$42,377,455
Contractual	8,558,608	0	0	1,597,789	8,481,454	9,113,300	27,751,151
Commodities	1,738,946	0	0	180,475	7,000	0	1,926,421
Capital Outlay	2,270,600	0	28,425,688	878,100	50,000	0	31,624,388
Debt Service	95,000	4,335,354	0	0	0	0	4,430,354
Interfund Transfers	9,128,002	26,900	857,356	569,353	14,577,500	18,646,685	43,805,796
Other	1,174,650	3,000	408,000	259,930	3,500,000	0	5,345,580
Subtotal	62,642,654	4,365,254	29,691,044	5,477,407	27,324,801	27,759,985	157,261,145
Transfer to Fund Balance/Retained Earnings	0	30,402	345,000	29,413	0	13,267,545	13,672,360
Total Expenditures	$62,642,654	$4,395,656	$30,036,044	$5,506,820	$27,324,801	$41,027,530	$170,933,505

Financial Ratios

	General	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Total
Ad Valorem Taxes as percentage of total fund budget	68.44%	0.00%	0.00%	0.00%	0.00%	0.00%	25.08%
Ad Valorem Taxes per capita (9,735 population)	$4,404	$0	$0	$0	$0	$0	$4,404
Total expenditures per capita (9,735 population)	$6,435	$452	$3,085	$566	$2,807	$4,214	$17,559
Personnel as a percentage of the total budget	63.34%	0.00%	0.00%	36.17%	2.59%	0.00%	24.79%
Capital expenditures as percentage of total fund budget	3.62%	0.00%	94.64%	15.95%	0.18%	0.00%	18.50%
Capital expenditures per capita (9,735 population)	$233	$0	$2,920	$90	$5	$0	$3,249

Summary of Major Revenues by Fund Type
FY07 Budget

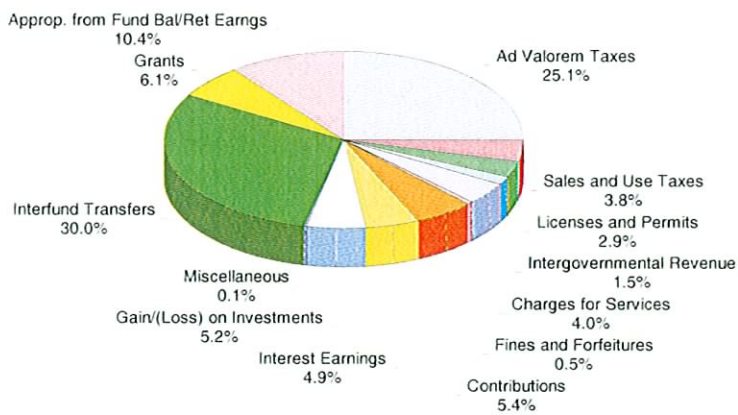
Description	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	FY07 Budget to FY06 Budget % Variance	FY2007 % of Total
General Fund							
Ad Valorem Taxes	$32,162,957	$34,928,389	$38,113,459	$38,555,000	$42,873,450	12.49%	68.44%
Sales and Use Taxes	6,084,211	6,372,391	6,418,000	6,592,000	6,515,000	1.51%	10.40%
Licenses and Permits	5,970,581	6,769,300	5,047,650	5,315,700	5,031,750	-0.31%	8.03%
Intergovernmental Revenue	3,295,937	5,211,639	4,319,600	4,372,155	1,608,614	-62.76%	2.57%
Charges for Services	2,200,085	2,241,403	2,533,663	2,655,658	2,581,245	1.88%	4.12%
Fines and Forfeitures	1,046,677	811,038	899,500	934,000	829,000	-7.84%	1.32%
Contributions	150,000	4,035	0	0	0	0.00%	0.00%
Interest Earnings	527,686	905,025	1,187,103	1,505,600	1,857,895	56.51%	2.97%
Miscellaneous	2,093,106	187,291	162,900	287,000	205,700	26.27%	0.33%
Interfund Transfers	550,000	555,000	550,000	550,000	550,000	0.00%	0.88%
Subtotal	54,081,240	57,985,511	59,231,875	60,767,113	62,052,654	4.76%	99.06%
Appropriations from Fund Balance	0	320,095	3,771,946	0	590,000	100.00%	0.94%
Total General Fund	$54,081,240	$58,305,606	$63,003,821	$60,767,113	$62,642,654	-0.57%	100.00%
Debt Service Funds							
Ad Valorem Taxes	$615,374	$610,747	$0	$0	$0	0.00%	0.00%
Interest Earnings	10,188	12,822	1,500	2,550	1,500	0.00%	0.03%
Interfund Transfers	4,335,550	4,340,785	4,337,985	4,337,985	4,367,256	0.67%	99.35%
Subtotal	4,961,112	4,964,354	4,339,485	4,340,535	4,368,756	0.67%	99.39%
Appropriations from Fund Balance	81,055	86,351	0	0	26,900	-100.00%	0.61%
Total Debt Service Funds	$5,042,167	$5,050,705	$4,339,485	$4,340,535	$4,395,656	1.29%	100.00%
Capital Projects Funds							
Interest Earnings	743,237	1,198,771	810,000	1,385,000	1,555,000	91.98%	5.18%
Grants/Interlocal	607,210	1,168,748	12,609,317	190,000	10,451,993	100.00%	34.80%
Contributions	82,140	315	0	0	0	0.00%	0.00%
Miscellaneaous	121	59,992	40,000	40,000	40,000	0.00%	0.13%
Interfund Transfers	4,825,713	6,496,330	5,121,493	5,121,493	4,919,016	-3.95%	16.38%
Subtotal	6,258,421	8,924,156	18,580,810	6,736,493	16,966,009	-8.69%	56.49%
Appropriations from Fund Balance	5,150,832	4,110,080	25,035,804	2,168,588	13,070,035	-47.79%	43.51%
Total Capital Projects Funds	$11,409,253	$13,034,236	$43,616,614	$8,905,081	$30,036,044	-31.14%	100.00%
Enterprise Funds							
Charges for Services	$3,518,015	$3,735,592	$3,980,951	$3,957,830	$4,330,885	8.79%	78.65%
Interest Earnings	56,939	125,691	173,000	218,000	292,000	68.79%	5.30%
Grants/Donations	0	50,000	104,578	29,745	0	100.00%	0.00%
Interfund Transfers	175,592	2,918,285	2,253,670	403,300	569,353	-74.74%	10.34%
Miscellaneous	1,075	1,119	4,240	1,000	700	-83.49%	0.01%
Subtotal	3,751,621	6,830,687	6,516,439	4,609,875	5,192,938	-20.31%	94.30%
Appropriations from Retained Erngs.	0	0	4,170,207	896,945	313,882	-92.47%	5.70%
Total Enterprise Funds	$3,751,621	$6,830,687	$10,686,646	$5,506,820	$5,506,820	-48.47%	100.00%
Internal Service Funds							
Interest Earnings	$393,802	$542,703	$625,000	$925,000	$1,272,000	103.52%	4.66%
Miscellaneous	334	0	0	25,333	0	0.00%	0.00%
Interfund Transfers	7,513,265	9,665,003	7,761,376	7,846,476	22,252,801	186.71%	81.44%
Subtotal	7,907,401	10,207,706	8,386,376	8,796,809	23,524,801	180.51%	86.09%
Appropriations from Retained Erngs.	790,696		3,289,399	2,639,270	3,800,000	15.52%	13.91%
Total Internal Service Funds	$8,698,097	$10,207,706	$11,675,775	$11,436,079	$27,324,801	134.03%	100.00%

Summary of Major Revenues by Fund Type
FY07 Budget

Description	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	FY07 Budget to FY06 Budget % Variance	FY2007 % of Total
Trust & Agency Funds							
Intergovernmental	$744,342	$1,004,042	$810,000	$857,200	$900,000	11.11%	2.19%
Interest Earnings	2,522,613	2,634,662	3,652,000	3,060,000	3,335,000	-8.68%	8.13%
Gain/Loss on Investments	11,810,587	14,387,835	7,510,000	17,438,300	8,958,000	19.28%	21.83%
Miscellaneous	7,254	12,676	8,900	7,150	7,000	-21.35%	0.02%
Contributions	4,941,551	5,727,870	6,694,013	6,891,075	9,180,845	37.15%	22.38%
Interfund Transfers	0	0	0	0	18,646,685	100.00%	
Subtotal	20,026,347	23,767,085	18,674,913	28,253,725	41,027,530	119.69%	100.00%
Appropriations from Fund Balance	0	0	0	0	0	0.00%	0.00%
Total Trust & Agency Funds	$20,026,347	$23,767,085	$18,674,913	$28,253,725	$41,027,530	119.69%	100.00%
All Funds							
Ad Valorem Taxes	$32,778,331	$35,539,136	$38,113,459	$38,555,000	$42,873,450	12.49%	25.08%
Sales and Use Taxes	6,084,211	6,372,391	6,418,000	6,592,000	6,515,000	1.51%	3.81%
Licenses and Permits	5,970,581	6,769,300	5,047,650	5,315,700	5,031,750	-0.31%	2.94%
Intergovernmental Revenue	4,040,279	6,215,681	5,129,600	5,229,355	2,508,614	-51.10%	1.47%
Charges for Services	5,718,100	5,976,995	6,514,614	6,613,488	6,912,130	6.10%	4.04%
Fines and Forfeitures	1,046,677	811,038	899,500	934,000	829,000	-7.84%	0.48%
Contributions	5,173,691	5,732,220	6,694,013	6,891,075	9,180,845	37.15%	5.37%
Interest Earnings	4,254,465	5,419,674	6,448,603	7,096,150	8,313,395	28.92%	4.86%
Gain/(Loss) on Investments	11,810,587	14,387,835	7,510,000	17,438,300	8,958,000	19.28%	5.24%
Miscellaneous	2,101,890	261,078	216,040	360,483	253,400	17.29%	0.15%
Interfund Transfers	17,400,120	23,975,403	20,024,524	18,259,254	51,305,111	156.21%	30.01%
Grants	607,210	1,218,748	12,713,895	219,745	10,451,993	100.00%	6.11%
Approp. from Fund Bal/Ret Earngs	6,022,583	4,516,526	36,267,356	5,704,803	17,800,817	-50.92%	10.41%
Total All Funds	$103,008,725	$117,196,025	$151,997,254	$119,209,353	$170,933,505	12.46%	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.

FY07 Budget by Revenue Type - All Funds



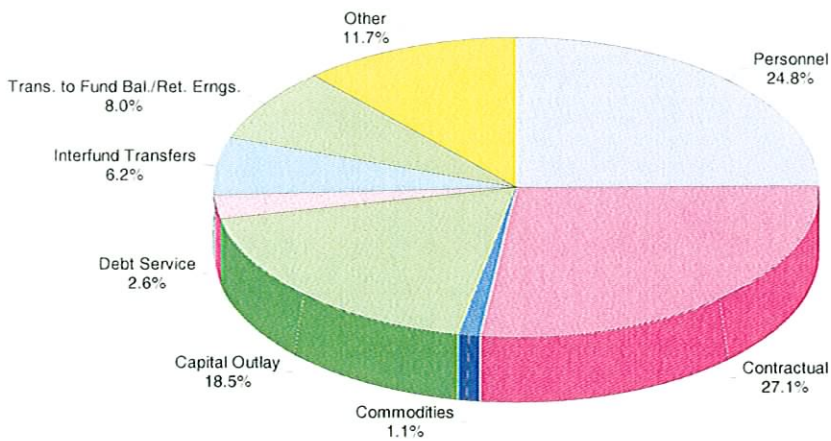
Summary of Expenditure Classifications by Fund Type
FY07 Budget

Description	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	FY07 Budget to FY06 Budget % Variance	FY2007 % of Total
General Fund							
Personnel	$31,584,764	$33,022,155	$36,880,194	$36,349,212	$39,676,848	7.58%	63.34%
Contractual	6,206,873	9,588,806	10,330,675	9,163,533	8,558,608	-17.15%	13.66%
Commodities	1,553,718	1,866,562	1,852,254	1,858,260	1,738,946	-6.12%	2.78%
Capital Outlay	1,387,384	1,738,760	3,370,470	2,801,967	2,270,600	-32.63%	3.62%
Debt Service	144,101	99,103	95,000	95,000	95,000	0.00%	0.15%
Interfund Transfers	7,972,033	11,655,220	10,240,228	8,766,836	9,128,002	-10.86%	14.57%
Other	235,000	335,000	235,000	235,000	1,174,650	399.85%	1.88%
Subtotal	49,083,873	58,305,606	63,003,821	59,269,808	62,642,654	-0.57%	100.00%
Transfer to Fund Balance	4,997,367	0	0	1,497,305	0	0.00%	0.00%
Total General Fund	$54,081,240	$58,305,606	$63,003,821	$60,767,113	$62,642,654	-0.57%	100.00%
Debt Service Funds							
Debt Service	$5,039,081	$5,049,085	$4,332,985	$4,332,985	$4,335,354	0.05%	98.63%
Other	3,086	1,620	3,000	3,000	3,000	0.00%	0.07%
Interfund Transfers	0	0	0	0	57,302	0.00%	1.30%
Subtotal	5,042,167	5,050,705	4,335,985	4,335,985	4,395,656	1.38%	100.00%
Transfer to Fund Balance	0	0	3,500	4,550	0	-100.00%	0.00%
Total Debt Service Funds	$5,042,167	$5,050,705	$4,339,485	$4,340,535	$4,395,656	1.29%	100.00%
Capital Projects Funds							
Capital Outlay	$9,553,703	$11,266,261	$28,350,689	$7,569,156	$28,425,688	0.26%	94.64%
Interfund Transfers	1,855,550	1,767,975	935,925	935,925	857,356	-8.39%	2.85%
Other	0	0	20,000	0	408,000	1940.00%	1.36%
Subtotal	11,409,253	13,034,236	29,306,614	8,505,081	29,691,044	1.31%	98.85%
Transfer to Fund Balance	0	0	14,310,000	400,000	345,000	-97.59%	1.15%
Total Capital Projects Funds	$11,409,253	$13,034,236	$43,616,614	$8,905,081	$30,036,044	-31.14%	100.00%
Enterprise Funds							
Personnel	$1,674,355	$1,664,498	$1,818,811	$1,816,865	$1,991,760	9.51%	36.17%
Contractual	884,362	1,438,188	1,680,714	1,645,639	1,597,789	-4.93%	29.01%
Commodities	134,864	153,793	172,255	173,305	180,475	4.77%	3.28%
Capital Outlay	403,499	221,673	4,005,318	1,074,753	878,100	-78.08%	15.95%
Debt Service	0	0			0	0.00%	0.00%
Interfund Transfers	(161,430)	2,209,746	2,253,670	403,300	569,353	-74.74%	10.34%
Other	550,000	0	372,578	1,258	259,930	-30.23%	4.72%
Subtotal	3,485,650	5,687,898	10,303,346	5,115,120	5,477,407	-46.84%	99.47%
Transfer to Retained Earnings	265,971	1,142,789	383,300	391,700	29,413	100.00%	0.53%
Total Enterprise Funds	$3,751,621	$6,830,687	$10,686,646	$5,506,820	$5,506,820	-48.47%	100.00%
Internal Service Funds							
Personnel	$221,593	$260,385	$278,071	$280,905	$708,847	154.92%	2.59%
Contractual	8,360,912	6,850,567	7,890,704	8,134,174	8,481,454	7.49%	31.04%
Commodities	5,524	7,192	7,000	7,000	7,000	0.00%	0.03%
Capital Outlay	8,818	4,929	0	0	50,000	0.00%	0.18%
Other	101,250	219,669	3,500,000	3,014,000	18,077,500	416.50%	66.16%
Subtotal	8,698,097	7,342,742	11,675,775	11,436,079	27,324,801	134.03%	100.00%
Transfer to Retained Earnings	0	2,864,964	0	0	0	0.00%	0.00%
Total Internal Sevice Funds	$8,698,097	$10,207,706	$11,675,775	$11.436,079	$27,324,801	134.03%	100.00%

Summary of Expenditure Classifications by Fund Type
FY07 Budget

Description	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	FY07 Budget to FY06 Budget % Variance	FY2007 % of Total
Trust & Agency Funds							
Contractual	$8,196,206	$8,408,100	$8,318,200	$9,117,060	$27,759,985	233.73%	67.66%
Transfer to Fund Balance	11,830,141	15,358,985	10,356,713	19,136,665	13,267,545	28.11%	32.34%
Total Trust & Agency Funds	$20,026,347	$23,767,085	$18,674,913	$28,253,725	$41,027,530	119.69%	100.00%
Total: All Funds							
Personnel	$33,480,712	$34,947,038	$38,977,076	$38,446,982	$42,377,455	8.72%	24.79%
Contractual	23,648,353	26,285,661	28,220,293	28,060,406	46,397,836	64.41%	27.14%
Commodities	1,694,106	2,027,547	2,031,509	2,038,565	1,926,421	-5.17%	1.13%
Capital Outlay	11,353,404	13,231,623	35,726,477	11,445,876	31,624,388	-11.48%	18.50%
Debt Service	5,183,182	5,148,188	4,427,985	4,427,985	4,430,354	0.05%	2.59%
Interfund Transfers	9,666,153	15,632,941	13,429,823	10,106,061	10,612,013	-20.98%	6.21%
Trans. to Fund Bal./Ret. Erngs.	17,093,479	19,366,738	25,053,513	21,430,220	13,641,958	-45.55%	7.98%
Other	889,336	556,289	4,130,578	3,253,258	19,923,080	382.33%	11.66%
Subtotal All Funds	$103,008,725	$117,196,025	$151,997,254	$119,209,353	$170,933,505	12.46%	100.00%

FY07 Budget by Expenditure Classification
All Funds



Reserve Analysis

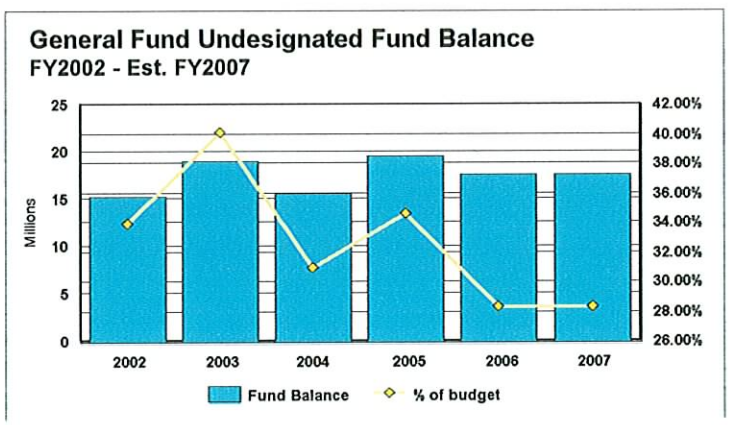
Town of Palm Beach Reserves

The Town Council has adopted seventeen financial policies, fourteen of which address 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 FY2007 General Fund operating budget of $61,842,654 is $15,460,663. It is estimated that at the end of FY2006, the Undesignated Fund Balance for the General Fund will be approximately $17,500,000. This amount represents 28% of FY2007 budgeted operating expenditures or more than $2,000,000 over the required minimum level of 25%.

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 and, in FY2006, upgrade the equipment replacement fund, establish a compensated absence reserve, and fund drainage and town facilities projects 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 Net Assets of the Risk Fund.

Reserve Analysis

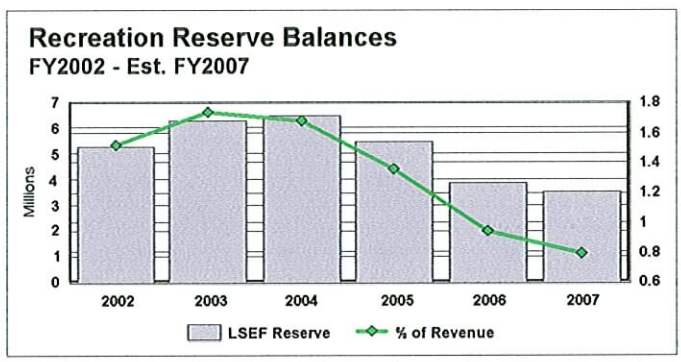
Enterprise Fund Reserves

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 net assets 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 FY2006, it is anticipated that the unrestricted net asset balance for the Recreation Enterprise Fund (REF) will be approximately $3,800,000. This represents 94% of budgeted revenues, and is well above the required minimum of $1,127,896.

During FY2006, $1,850,370 was transferred to the Recreation Capital Improvement Fund for the Seaview tennis center renovation, an irrigation project at Par 3 and funding for dock improvement projects. In FY2007, the transfer from the retained earnings of the fund for capital projects will total $537,940. The funding is appropriated for dock projects, a hood and fire suppression system at Seaview recreation center, and additional funding for the Seaview tennis center renovation project.



In addition to the $3,800,000 in unrestricted net assets, $1,535,000 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 Par 3 Golf Course charges an additional $2 per round to fund a maintenance and improvement reserve. This reserve has a balance of $120,500.

The Recreation Enterprise Fund established an equipment replacement fund in FY2006. This fund allows for the purchase of capital equipment and is funded with an initial transfer of the total accumulated depreciation from Recreation Net Assets. The annual funding is calculated using replacement cost depreciation and transferred from the REF to a separate equipment replacement fund. The balance in the REF Equipment Replacement Fund as of September 30, 2006 is approximately $385,000.

Reserve Analysis

Equipment Replacement Fund

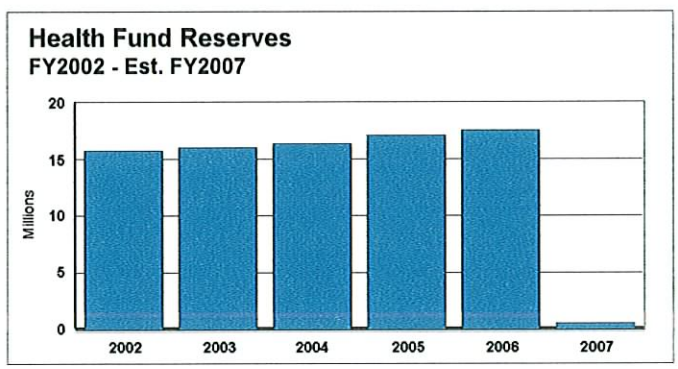
The Equipment Replacement Fund was established with a transfer of $4,386,910 from the General Fund Undesignated Fund balance in the FY2002 budget. The amount represented the accumulated depreciation of the Town's fixed assets through FY2002. This reserve is intended to fund the replacement cost of existing equipment, vehicles and computers when they reach the end of their useful life. This reserve significantly reduces the budgetary fluctuations due to purchases of large pieces of equipment and established the fixed asset inventory and depreciation schedule required by GASB34.

The Town Council approved a change in FY2006 to method of calculating the funding mechanism for the Equipment Replacement Fund. The prior funding method was based on acquisition cost. The new method will allow funding depreciation based upon replacement value. This allows for sufficient funding to be available to replace large capital items with long useful lives such as fire-rescue trucks and public works vehicles. A budget amendment was adopted in September 2006 that transferred $4,205,523 from the General Fund Undesignated Fund Balance to the Equipment Replacement Fund to fund the cost of the modification.

The total estimated balance in the equipment replacement fund for year end FY2006 will be approximately $10,752,000 For FY2007 the income including the depreciation transfer will total approximately $1,569,000 and expenditures for capital equipment are budgeted for approximately $2,000,000.

Designation of General 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 reduces the budgetary fluctuations due to the payout of accrued leave time to terminated or retired employees. The reserve also funds Retirement Health Savings Plan contributions of vacation and sick time, and any expenditures relating to the plan. This reserve is funded at a rate of 100% of the fiscal year end accrued leave balances. Funds are 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. Beginning in FY2007, the Town is offering a vacation conversion program. Employees may elect to convert accrued vacation time for cash once a year. The appropriation for the vacation conversion and the pay-out of eligible accrued vacation, sick and compensatory time for FY2007 from this reserve is $800,000. The balance in the reserve as of September 30, 2006 is fully funded at $3,471,826.



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 includes the establishment of a liability for actuarially determined costs of retiree health benefits. As of October 1, 2006, a trust fund was created using $16,000,000 from the Health Insurance Fund reserves to provide for post employment benefits. The Town is well ahead of other government agencies in the funding of this liability due to the substantial reserves that have been accumulated in this fund.

The remaining balance of the reserves in the Health Fund, estimated at approximately $1,000,000 will be used to guard against any deficiencies in the Town's self insurance health fund.

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 FY2007. 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. The table below identifies the contingency balances appropriated in the FY2007 budget:

Contingency Reserves
FY2007

Fund	FY2007 Budget
General Fund	$922,650
Capital Fund	$398,000
Risk Fund	$500,000
Health Fund	$500,000
Leisure Services Enterprise Fund	$229,790
Leisure Services Capital Fund	$30,140

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 FY2001 through FY2007 (estimated).

Reserve Balances
Fiscal Years 2002 - 2007

Fund	2002	2003	2004	2005	Est 2006	Est 2007
General Fund	$15,212,417	$19,015,967	$15,625,847	$19,580,424	$17,500,000	$17,500,000
Compensated Absence (GF)	0	0	2,496,068	2,795,916	3,471,826	2,500,000
Equipment Replacement Fund	4,497,502	4,912,691	5,214,800	5,784,030	10,752,000	10,200,000
REF	5,279,622	6,268,837	6,488,789	5,493,762	3,800,000	3,500,000
REF ERF	0	0	0	0	385,000	400,000
Dock Replacement	0	989,642	1,295,094	1,460,517	1,534,824	1,650,000
Health Fund	15,784,579	16,103,001	16,356,507	17,046,436	17,500,000	1,000,000
Risk Fund	3,968,573	4,449,672	3,782,648	5,957,681	5,950,000	5,900,000
Health - OPEB Trust	0	0	0	0	0	17,424,185
Pension Funds	115,635,106	132,888,957	144,719,097	160,203,485	172,972,000	185,600,000
Total	160,377,799	184,628,767	195,978,850	218,322,251	233,865,650	245,674,185

Town of Palm Beach, Florida
General Fund Revenues and Expenditures
Budget Comparison
Fiscal Years 2006 - 2007

	Budget FY2006	Budget FY2007	Difference	%Change	% of Total Budget
Revenues					
Ad Valorem Taxes	$38,113,459	$42,663,915	$4,550,456	11.9%	69.0%
Non Ad Valorem Taxes	6,418,000	6,515,000	$97,000	1.5%	10.5%
Licenses & Permits	5,173,800	5,156,890	($16,910)	-0.3%	8.3%
Intergovernmental	1,561,800	1,608,614	$46,814	3.0%	2.6%
Charges for Services	2,407,513	2,456,105	$48,592	2.0%	4.0%
Fines and Forfeitures	899,500	829,000	($70,500)	-7.8%	1.3%
Investment Earnings	1,187,103	1,857,430	$670,327	56.5%	3.0%
Miscellaneous Revenues	162,900	205,700	$42,800	26.3%	0.3%
Interfund Transfers	550,000	550,000	$0	0.0%	0.9%
Total Operating Revenues	**$56,474,075**	**$61,842,654**	**$5,368,579**	9.5%	100.0%
Expenditures					
Department					
Legislative	$58,800	$60,960	$2,160	3.7%	0.1%
General Government	$356,611	$285,411	($71,200)	-20.0%	0.5%
Town Manager	1,023,446	1,104,406	$80,960	7.9%	1.8%
Human Resources	735,252	784,821	$49,569	6.7%	1.3%
Information Systems	1,711,659	1,870,144	$158,485	9.3%	3.0%
Finance	1,743,849	1,830,421	$86,572	5.0%	3.0%
Planning/Building/Zoning	3,225,384	3,576,896	$351,512	10.9%	5.8%
Library	235,000	247,000	$12,000	5.1%	0.4%
Fire-Rescue	9,954,180	11,143,374	$1,189,194	11.9%	18.0%
Police	14,384,560	15,170,854	$786,294	5.5%	24.5%
Hurricane Preparedness	92,192	88,169	($4,023)	-4.4%	0.1%
Public Works	12,523,790	14,635,846	$2,112,056	16.9%	23.7%
Transfer to Other Funds	9,594,352	10,121,702	$527,350	5.5%	16.4%
Contingent Appropriations	835,000	922,650	$87,650	10.5%	1.5%
Total Operating Expenditures	**$56,474,075**	**$61,842,654**	**$5,368,579**	**9.5%**	**100.0%**
Transfer from Undesignated Fund for one-time expenditures	**$1,070,000**	**$800,000**	**($270,000)**	**-25.2%**	
Total General Fund Budget	**$57,544,075**	**$62,642,654**	**$5,098,579**	**8.9%**	

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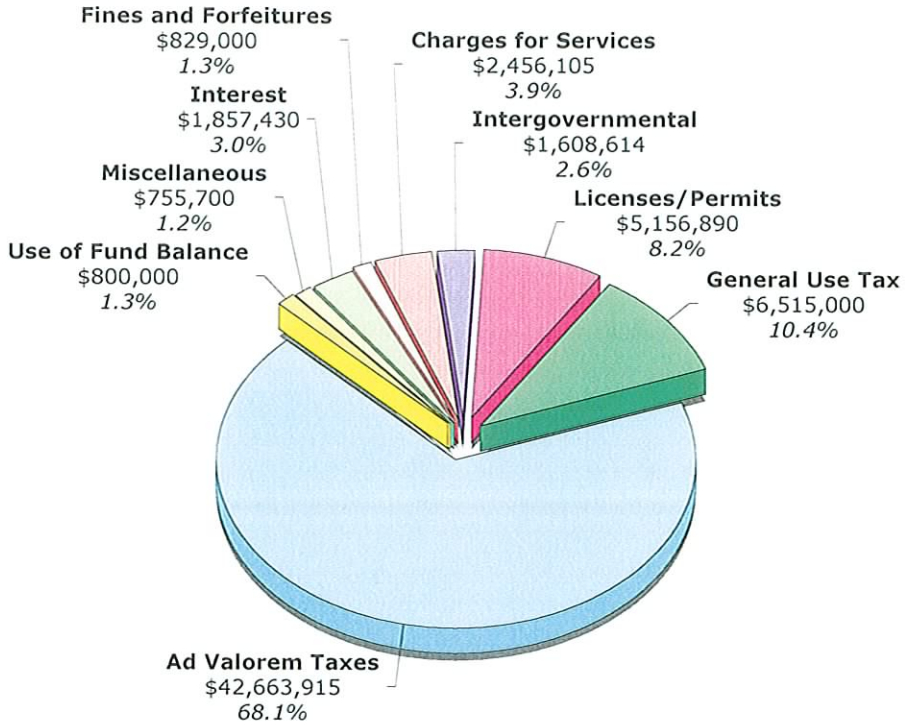
GENERAL FUND REVENUES
FY2007 BUDGET



Ad Valorem Taxes	$42,663,915
General Use Tax	6,515,000
Licenses/Permits	5,156,890
Intergovernmental	1,608,614
Charges for Services	2,456,105
Fines and Forfeitures	829,000
Interest	1,857,430
Miscellaneous	755,700
Use of Fund Balance	800,000
Total General Fund	$62,642,654

TOWN OF PALM BEACH
GENERAL FUND REVENUES

	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 AMENDED BUDGET	FY 2006 PROJECTED	FY 2007 BUDGET	% VARIANCE	% OF TOTAL GF BUDGET
AD VALOREM TAXES							
Current Ad Valorem Taxes	$32,157,950	$34,894,523	$38,113,459	$39,003,657	$42,663,915	11.94%	68.11%
Back Taxes	5,007	33,866	0	5,117	0	0.00%	0.00%
Total	$32,162,957	$34,928,389	$38,113,459	$39,008,774	$42,663,915	21.28%	68.11%
SALES & USE TAXES							
Local Option Gas Tax 6 Cents	$149,675	$152,524	$150,000	$248,530	$230,000	53.33%	0.37%
Local Option Gas Tax 5 Cents	70,080	69,702	70,000	111,680	100,000	42.86%	0.16%
Total	$219,755	$222,226	$220,000	$360,210	$330,000	50.00%	0.53%
FRANCHISE FEES							
Electricity	$1,689,108	$1,758,406	$1,905,000	$2,109,934	$1,900,000	-0.26%	3.03%
Gas	192,087	231,574	220,000	287,317	220,000	0.00%	0.35%
Total	$1,881,195	$1,989,980	$2,125,000	$2,397,251	$2,120,000	-0.24%	3.38%
UTILITY SERVICE TAX							
Electricity	$1,917,830	$1,976,980	$1,995,000	$2,045,110	$2,000,000	0.25%	3.19%
Water	648,605	811,967	770,000	756,825	770,000	0.00%	1.23%
Gas	198,849	245,599	250,000	249,735	250,000	0.00%	0.40%
Simplified Telecom Tax	1,213,252	1,120,892	1,052,000	1,111,351	1,040,000	-1.14%	1.66%
Propane	4,725	4,747	6,000	14,639	5,000	-16.67%	0.01%
Total	$3,983,261	$4,160,185	$4,073,000	$4,177,660	$4,065,000	-0.20%	6.49%
OCCUPATIONAL LICENSES							
Town Occ Licenses	$677,059	$682,391	$675,000	$706,700	$675,000	0.00%	1.08%
Occ Lic Penalities	20,238	13,153	20,000	14,959	15,000	-25.00%	0.02%
Total	$697,297	$695,544	$695,000	$721,659	$690,000	-0.72%	1.10%
BUILDING PERMITS							
Building	$4,835,549	$5,562,416	$4,000,000	$5,042,237	$4,000,000	0.00%	6.39%
Radon Gas	51	58	50	50	50	0.00%	0.00%
Electrical	58,183	79,806	52,000	101,069	55,000	5.77%	0.09%
Plumbing	25,692	26,902	28,000	22,705	20,000	-28.57%	0.03%
Except/Var. App.	99,770	80,400	52,000	84,400	55,000	5.77%	0.09%
Var./Spec. Exp. Consulting Fees	8,700	4,750	5,000	17,037	7,000	40.00%	0.01%
Special Plan Review Fee	107,900	191,250	100,000	246,000	100,000	0.00%	0.16%
Abandonments	1,851	101	500	3,333	0	-100.00%	0.00%
Architectural Fees	52,625	57,725	45,000	47,350	45,000	0.00%	0.07%
Landmarks Submittal	4,475	4,602	4,500	5,025	3,500	-22.22%	0.01%
Tax Abatement Program	0	1,200	3,600	0	1,200	-66.67%	0.00%
Mechanical Permits	78,488	64,546	62,000	58,773	55,000	-11.29%	0.09%
Total	$5,273,284	$6,073,756	$4,352,650	$5,627,979	$4,341,750	-0.25%	6.93%
OTHER LIC., FEES & PERMITS							
Right Of Way Permits	$131,127	$129,312	$110,000	$109,088	$110,000	0.00%	0.18%
Gainesville Plan	3,495	4,000	4,500	3,705	4,000	-11.11%	0.01%
Arlington Plan	10,565	10,145	11,000	10,820	10,500	-4.55%	0.02%
Newsrack Encl. Admin. Fee	720	640	650	540	640	-1.54%	0.00%
Total	$145,907	$144,097	$126,150	$124,153	$125,140	-0.80%	0.20%
FEDERAL GRANTS							
Bullet Proof Vests Grant	$0	$8,732	$0	$1,423	$6,000	100.00%	0.01%
FDLE Justice Assistance Grant	0	0	0	2,588	3,500	100.00%	0.01%
FEMA/FDOT Hurricane Reim.	2,023,282	3,772,796	2,757,800	2,698,863	0	-100.00%	0.00%
FEMA Grant - Fire-Rescue	58,962	90,594	276,000	0	80,000	-71.01%	0.13%
Total	$2,082,244	$3,872,122	$3,033,800	$2,702,874	$89,500	-97.05%	0.14%

TOWN OF PALM BEACH
GENERAL FUND REVENUES

	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 AMENDED BUDGET	FY 2006 PROJECTED	FY 2007 BUDGET	% VARIANCE	% OF TOTAL GF BUDGET
STATE GRANTS							
Grants State of Florida	$0	$0	$0	$0	$260,000	100.00%	0.42%
Historic Preservation	11,000	0	0	0	0	0.00%	0.00%
Local Law Enforcement Block Grant	6,853	0	0	1,931	0	0.00%	0.00%
Total	$17,853	$0	$0	$1,931	$260,000	100.00%	0.42%
STATE SHARED REVENUE							
State Revenue Sharing	$213,623	$258,703	$250,000	$237,381	$258,000	3.20%	0.41%
Alcoholic Beverage Lic.	22,624	25,446	24,000	23,025	24,000	0.00%	0.04%
Local Govt. Sales Tax	721,084	747,380	720,000	832,433	760,000	5.56%	1.21%
Fire Supp. Comp.	19,140	21,427	27,200	25,948	27,200	0.00%	0.04%
Siezed Tag	783	3,200	1,900	4,083	3,000	57.89%	0.00%
Fuel Tax Refund	9,033	9,890	7,500	9,438	9,000	20.00%	0.01%
Total	$986,287	$1,066,046	$1,030,600	$1,132,308	$1,081,200	4.91%	1.73%
GRANTS - LOCAL UNITS							
EMS Grant - Palm Beach County	$12,712	$45,278	$50,000	$45,922	$50,000	0.00%	0.08%
Vegetation Clearing Grant - PBC	0	20,612	0	0	0	0.00%	0.00%
	$12,712	$65,890	$50,000	$45,922	$50,000	0.00%	0.07%
SHARED REV-LOCAL REVENUE							
County Occ. Licenses	$26,551	$23,705	$20,000	$26,107	$15,000	-25.00%	0.02%
City of West Palm Beach	0	102,631	0	0	0	0.00%	0.00%
911 Equip Reimbursement	128,202	59,792	185,200	81,420	90,914	-50.91%	0.15%
$12.50 Citation Monies	42,088	21,453	0	0	22,000	100.00%	0.04%
Total	$196,841	$207,581	$205,200	$107,527	$127,914	-37.66%	0.20%
GENERAL GOVERNMENT							
Bep Code Sales	$110	$170	$500	$153	$100	-80.00%	0.00%
Map/Sales Code	2,119	2,146	2,500	1,931	1,500	-40.00%	0.00%
Certification Copy	298	661	650	657	200	-69.23%	0.00%
Misc. Copies	1,449	2,564	2,400	1,840	2,400	0.00%	0.00%
Meeting Tapes Sales	800	767	600	650	600	0.00%	0.00%
Lien Search Fee	30,945	26,610	25,000	25,345	24,000	-4.00%	0.04%
Micro-Fiche/Scanned Docs	10,343	16,437	12,000	15,316	12,000	0.00%	0.02%
Data Processing Services	180	210	0	180	0	0.00%	0.00%
Total	$46,244	$49,565	$43,650	$46,072	$40,800	-6.53%	0.07%
PUBLIC SAFETY							
Special Detail - Other	$296,010	$282,445	$355,000	$322,290	$350,000	-1.41%	0.56%
Police ID Cards	22,630	31,042	20,000	26,230	25,000	25.00%	0.04%
Burg. Alarm False Alarm Fees	39,480	30,950	35,000	31,300	35,000	0.00%	0.06%
Burg. Alarm Registration Fees	49,575	47,773	50,000	39,473	48,000	-4.00%	0.08%
Burglar Alarm-Direct Connect	4,750	4,750	6,000	9,250	5,000	-16.67%	0.01%
Burglar Alarm - Penalties	230	3,384	3,500	5,528	5,000	42.86%	0.01%
Valet Parking Permit	1,250	4,500	4,500	4,500	4,500	0.00%	0.01%
Tent Permits	14,830	4,383	1,500	5,710	3,000	100.00%	0.00%
Special Detail - Fire	31,415	67,870	50,000	116,446	50,000	0.00%	0.08%
Room Rental - South Fire	916	0	300	338	300	0.00%	0.00%
Washer/Extractor Revenue	700	700	700	700	700	0.00%	0.00%
Fire Prevention Fireworks	0	0	15,000	4,000	15,000	0.00%	0.02%
Fire Prevention Bonfires	0	0	1,500	2,100	1,500	0.00%	0.00%
Fire Prevention Fire Hydrant	0	0	12,500	2,500	12,500	0.00%	0.02%
Fire Prevention Hot Work	0	0	7,500	825	7,500	0.00%	0.01%
Fire Prevention Technical Fire Insp.	0	0	15,000	2,000	15,000	0.00%	0.02%
Fire Prevention Public Assembly	0	0	10,000	1,860	10,000	0.00%	0.02%
Fire Prevention Annual Inspection Fee	0	0	61,755	35,496	61,755	0.00%	0.10%
Bldg. Insp. Fund Fees	142	67	100	69	50	-50.00%	0.00%
EMS Transport Fees	243,514	251,220	300,000	510,383	325,000	8.33%	0.52%
Total	$705,442	$729,084	$949,855	$1,120,998	$974,805	2.63%	1.56%

TOWN OF PALM BEACH
GENERAL FUND REVENUES

	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 AMENDED BUDGET	FY 2006 PROJECTED	FY 2007 BUDGET	% VARIANCE	% OF TOTAL GF BUDGET
PHYSICAL ENVIRONMENT							
Special Solid Waste	$9,815	$12,591	$10,000	$7,620	$10,000	0.00%	0.02%
Solid Waste	624,378	690,159	730,000	723,774	750,000	2.74%	1.20%
Comp. Garbage Collection Fee	165,471	167,487	212,508	209,390	220,000	3.53%	0.35%
Yard Trash Collection	4,057	0	0	0	0	0.00%	0.00%
Beach Cleaning Citizens Assoc.	65,730	55,408	60,000	45,927	54,000	-10.00%	0.09%
Easement Acquisition	0	0	0	5,000	0	0.00%	0.00%
Total	$869,451	$925,645	$1,012,508	$991,711	$1,034,000	2.12%	1.65%
TRANSPORTATION							
Pkg. Meter Royal Palm Way Lot	$8,848	$7,742	$9,000	$8,673	$9,000	0.00%	0.01%
Pkg. Meter Ocean Front	212,253	193,093	200,000	203,981	200,000	0.00%	0.32%
Pkg. Meter Lake Front	58,483	59,676	55,000	57,565	55,000	0.00%	0.09%
Pkg. Meter Phipps Ocean Front	40,920	20,290	25,000	26,656	30,000	20.00%	0.05%
Pkg. Meter Puruvian	73,058	75,729	75,000	74,386	75,000	0.00%	0.12%
Pkg. Meter Main Post Office	2,116	1,861	2,000	2,327	2,000	0.00%	0.00%
Pkg. Meter Bradley Place	13,524	11,749	12,000	11,735	12,000	0.00%	0.02%
Pkg. Meter Phipps Plaza	5,709	6,416	6,000	6,871	6,000	0.00%	0.01%
Pkg. Meter North County	6,731	6,542	6,000	6,262	6,000	0.00%	0.01%
Pkg. Meter South County	11,412	9,914	11,500	12,126	11,500	0.00%	0.02%
Total	$433,054	$393,012	$401,500	$410,582	$406,500	1.25%	0.65%
JUDGMENTS AND FINES							
Penalty - Other Parking	$147,040	$130,062	$175,000	$213,933	$175,000	0.00%	0.28%
Penalty - Parking Meters	58,833	78,242	75,000	116,634	75,000	0.00%	0.12%
Fines - Other Parking	418,858	191,370	350,000	259,823	300,000	-14.29%	0.48%
Fines - Parking Meters	150,439	108,817	160,000	161,780	150,000	-6.25%	0.24%
Row Parking Violation Fines	22,913	29,482	25,000	15,705	20,000	-20.00%	0.03%
Moving Violations	43,940	67,305	70,000	38,633	55,000	-21.43%	0.09%
Revenue/2nd $ Funding	3,424	4,768	3,500	4,101	4,000	14.29%	0.01%
Code Comp. Fee	194,675	196,092	25,000	110,767	25,000	0.00%	0.04%
Code Comp. Admin Fee	0	0	10,000	3,792	20,000	100.00%	0.03%
Boot Fees	6,555	4,900	6,000	4,850	5,000	-16.67%	0.01%
Total	$1,046,677	$811,038	$899,500	$930,018	$829,000	-7.84%	1.32%
INTEREST EARNINGS							
Interest - Checking	$35,938	$114,202	$80,000	$161,543	$150,000	87.50%	0.24%
State Board Interest	421,927	690,890	1,017,103	1,500,025	1,577,430	55.09%	2.52%
Inv. Earnings/Ad Valorem	50,824	63,297	65,000	108,954	75,000	15.38%	0.12%
Interest-Money Market	0	0	0	1,304	0	0.00%	0.00%
Treasury Interest	0	0	0	70,888	0	0.00%	0.00%
SBA Interest - ECR	18,997	36,636	25,000	60,078	55,000	120.00%	0.09%
Total	$527,686	$905,025	$1,187,103	$1,902,792	$1,857,430	56.47%	2.97%
RENTS & ROYALTIES							
Vending Machine Commissions	272	419	400	452	400	0.00%	0.00%
AT&T Rooftop Lease	72,105	50,041	74,000	39,181	52,000	-29.73%	0.08%
Total	$72,377	$50,460	$74,400	$39,633	$52,400	-29.57%	0.08%
SALE OF FIXED ASSETS							
Surplus Furn & Equipment	($5,657)	($1,651)	$0	$660	$0	0.00%	0.00%
Inventory Adjustments	(22,387)	(1,835)	0	(55,250)	0	0.00%	0.00%
Total	($28,044)	($3,486)	$0	($54,590)	$0	0.00%	0.00%
CONTRIB/DONATIONS - PRIVATE							
Donations	$150,000	$4,035	$0	$0	$0	0.00%	0.00%
Total	$150,000	$4,035	$0	$0	$0	0.00%	0.00%

TOWN OF PALM BEACH
GENERAL FUND REVENUES

	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 AMENDED BUDGET	FY 2006 PROJECTED	FY 2007 BUDGET	% VARIANCE	% OF TOTAL GF BUDGET
OTHER MISC REVENUE							
Insurance Proceeds	$0	$0	$0	$104,783	$0	0.00%	0.00%
Kreusler Park Admin.	34,180	30,699	40,000	46,539	45,000	12.50%	0.07%
Rebate For Town Towing	1,581	1,593	1,000	2,246	1,500	50.00%	0.00%
Pike Road Property Sale	1,964,879	0	0	0	0	0.00%	0.00%
State Highway Lighting Maint.	0	55,917	0	59,272	56,000	100.00%	0.09%
Tennis Light Meter	0	16	0	0	0	0.00%	0.00%
Charitable Solicitations Fee	21,750	20,560	20,000	26,790	22,500	12.50%	0.04%
Charitable Solicit. Adv. Fee	16,500	16,920	17,000	24,079	18,000	5.88%	0.03%
Char. Solicit. Late Filing Fee	475	452	500	825	300	-40.00%	0.00%
Miscellaneous Revenue	9,408	14,160	10,000	4,933	10,000	0.00%	0.02%
Total	$2,048,773	$140,317	$88,500	$269,467	$153,300	73.22%	0.24%
INTERFUND TRANSFERS							
Transfer from CIP (307)	$0	$5,000	$0	$0	$0	0.00%	0.00%
Transfer From Undesignated FB	0	0	7,977,469	0	800,000	-89.97%	1.28%
Interfund Transfer - Marina	525,000	525,000	525,000	481,250	525,000	0.00%	0.84%
Interfund Transfer - Golf	25,000	25,000	25,000	30,594	25,000	0.00%	0.04%
Total	$550,000	$555,000	$8,527,469	$511,844	$1,350,000	-84.17%	2.16%
GRAND TOTAL	**$54,081,253**	**$57,985,511**	**$67,209,344**	**$62,576,775**	**$62,642,654**	**-6.79%**	**100.00%**

MAJOR REVENUE SOURCES

PROPERTY TAX

General Description

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

Property Assessment Procedure

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

Exemptions

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

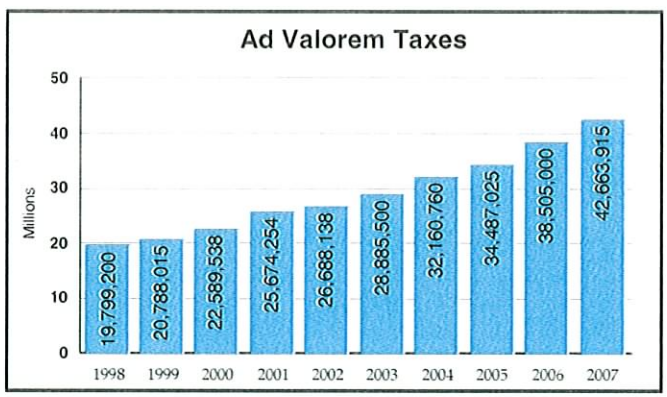
Major Revenue Sources

Levy of Ad Valorem Taxes

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

Tax Collection Procedure

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



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

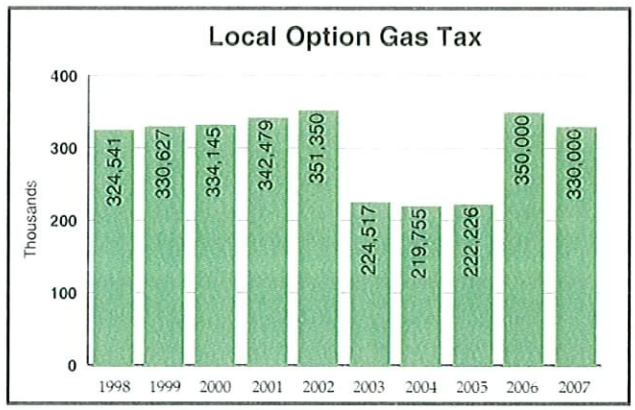
SHARED REVENUE

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 an inter-local agreement concerning the distribution of the tax proceeds is established between the local governments in the county.

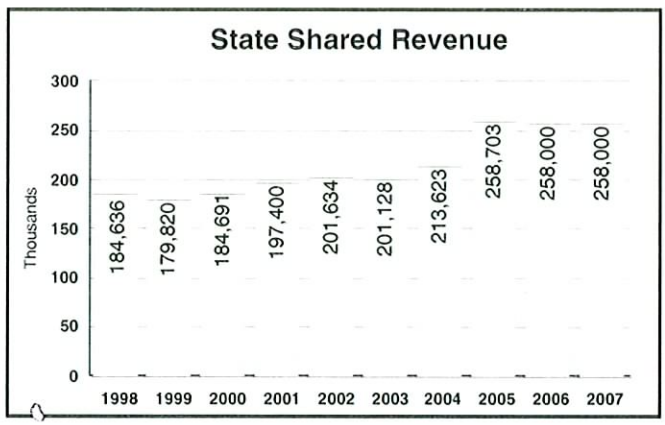
The Town participates in two separate and distinct inter-local agreements relative to Local Option Gas Tax as follows:

1. In 1986, an inter-local 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.



2. A second inter-local 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 are distributed to municipalities and 79% of all sums collected are distributed 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



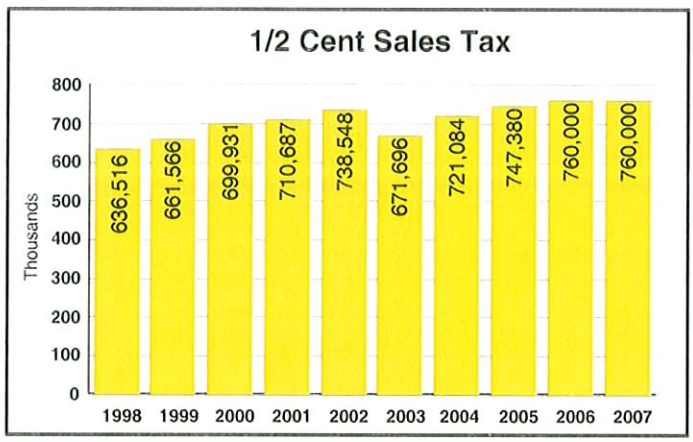
Sharing of certain state revenues with cities and counties began in Florida at least as early as 1931. Financial rescue of the counties from their overwhelming road debts from the 1920's came principally through sharing of the state's motor fuel tax. Little sharing with cities occurred until the state 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.

Major Revenue Sources

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

Half Cent Sales Tax

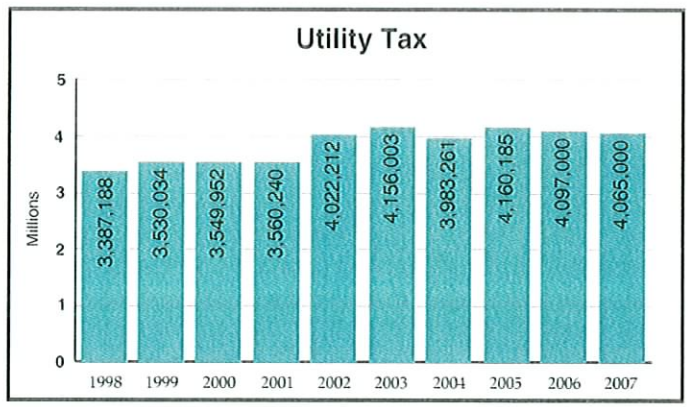
In 1982, the State sales tax was increased from 4% to 5% with .5% distributed to counties and municipalities. In 1985, the law was amended to provide that 9.697% of all sales tax receipts, except out-of-state taxes collected, is returned to municipalities and counties. The amount distributed to each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



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

SHARED REVENUE COLLECTIONS					
Fiscal Year	**Cigarette Tax**	**Local Option Gas Tax**	**State Shared Revenue**	**Half Cent Sales Tax**	**Total**
2007 (Budgeted)	0	330,000	258,000	760,000	**1,348,000**
2006 (Anticipated)	0	330,000	258,000	760,000	**1,348,000**
2005	0	222,226	258,703	747,380	**1,228,309**
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**

UTILITY TAX



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

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

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

UTILITY TAX

Fiscal Year	Electricity	Telephone	Communications Services Tax	Water	Gas	Propane	Total
2007 (Budgeted)	2,000,000	0	1,040,000	770,000	250,000	5,000	**4,065,000**
2006 (Anticipated)	2,045,000	0	1,112,000	755,000	250,000	14,700	**4,176,700**
2005	1,976,980		1,120,892	811,967	245,599	4,747	**4,160,185**
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**

FRANCHISE FEES

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

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

FRANCHISE FEES					
Fiscal Year	**Electricity**	**Telephone**	**Gas**	**Cable Television**	**Total**
Provider	**Florida Power and Light**	**BellSouth Telecommunications**	**Florida Public Utilities**	**Adelphia Cable**	
Effective Date	**3/10/81**	**4/13/87**	**4/13/93**	**7/11/2000**	
Term	**30 years**	**10 years**	**30 years**	**15 years**	
Rate	**6%**	**1%**	**6%**	**5%**	
2007 (Budgeted)	1,900,000	0	220,000	0	**2,120,000**
2006 (Anticipated)	2,110,000	0	288,000	0	**2,398,000**
2005	1,758,406		231,574		**1,989,980**
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**

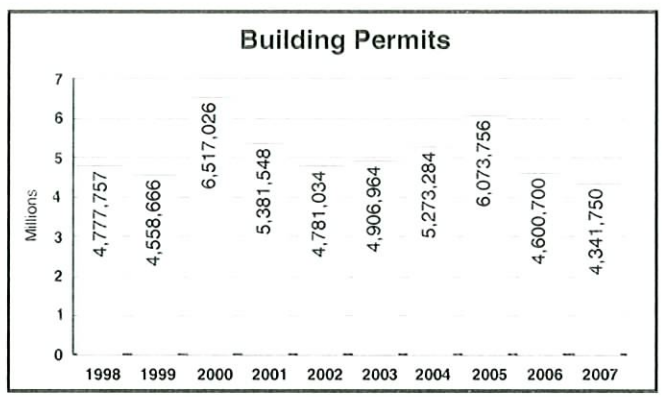
Major Revenue Sources

Occupational Licenses

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

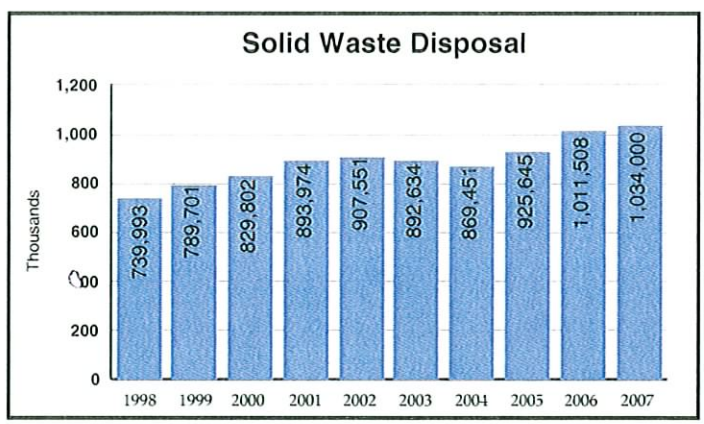
Building Permits

Permits must be issued to any individual or business who does construction work within the corporate limits of the Town of Palm Beach. Permits are issued for building, electrical, plumbing, and mechanical construction. The revenue from building permits fluctuates based upon current economic conditions and major construction projects. Since FY2000, building permit revenue has been exceeding expectations. This revenue source is budgeted conservatively in case of a downturn in construction on the island.



Solid Waste Disposal

Commercial establishments, including apartments, are charged 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.

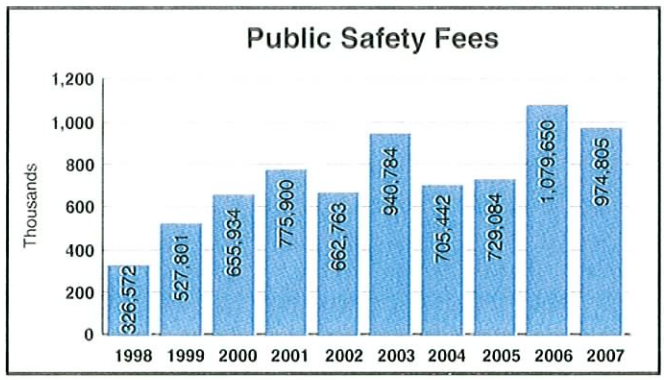
The solid waste disposal charges were billed as a non-ad valorem assessment on the customer's property tax bill. This new process has improved the efficiency of the collection of this fee.

Major Revenue Sources

Public Safety Fees

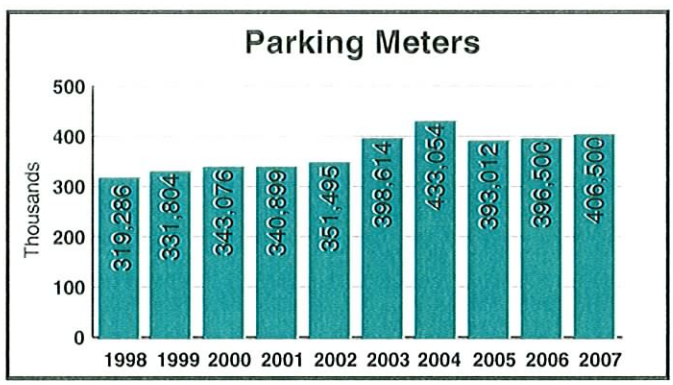
Public Safety Fees include special detail charges for police and fire-rescue services, alarm registration fees and false alarm fees, fire prevention fees and EMS transport fees.

The increase in fees in recent years is due to the implementation of new fees. The Town began charging for EMS transport fees in FY2003 and fire prevention fees in FY2006.



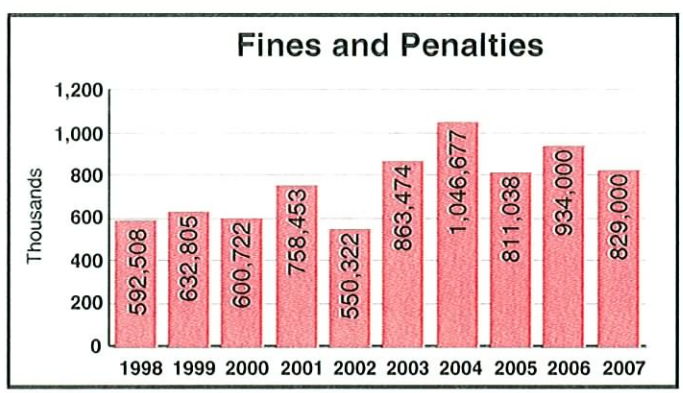
Parking Meter Fees

The Town has parking meters in various commercial locations in Town. The revenue also includes parking placards that are issued for parking meters on the ocean and on the lake front. The largest source of revenue from meters is from the ocean front meters at Mid-town beach. This revenue amounts to approximately 50% of the total parking meter revenue. Revenues increased in FY2003 due to the re-nourishment of the Mid-Town beach.



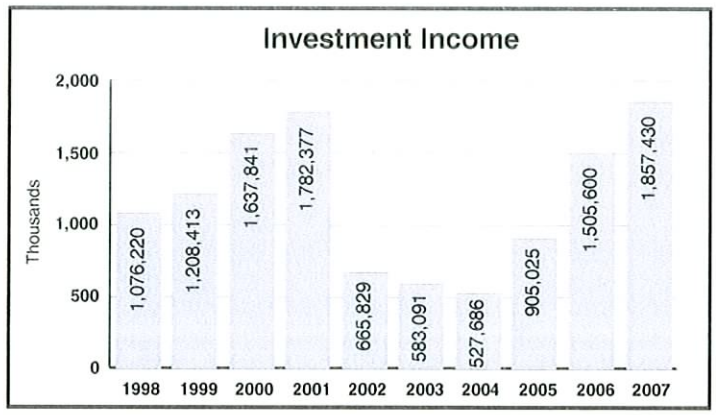
Fines and Penalties

Parking fines and penalties make up a significant portion of this revenue source. Revenues from these sources has increased in recent years due to improved collection efforts. In FY2003, a collection agency was hired and revenues increased due to the collection of old tickets and penalties. In addition to parking fines and penalties, code compliance fines, right of way parking violation fines, and moving violations are included in this category of revenues. Revenues received from parking fines and penalties are expected to trend downward due to the fact that many of the old tickets have been collected or written off.



Major Revenue Sources

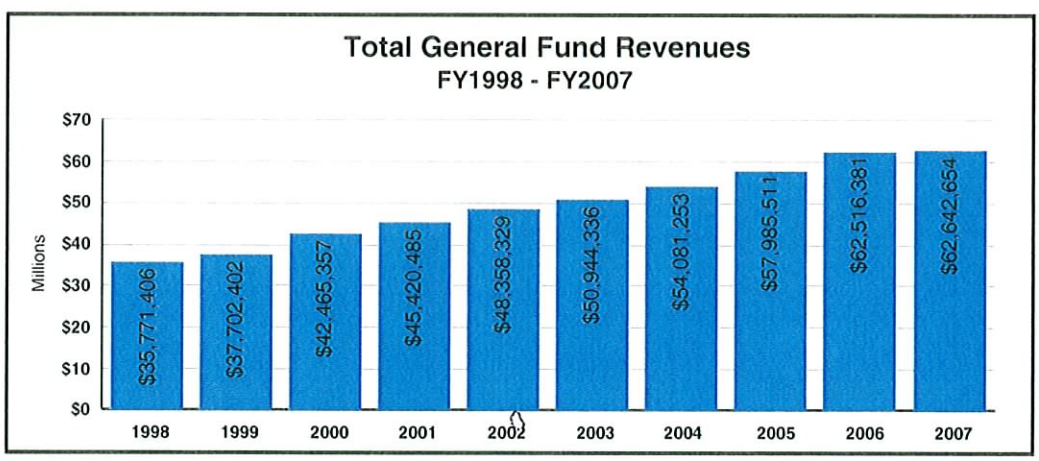
Investment Income



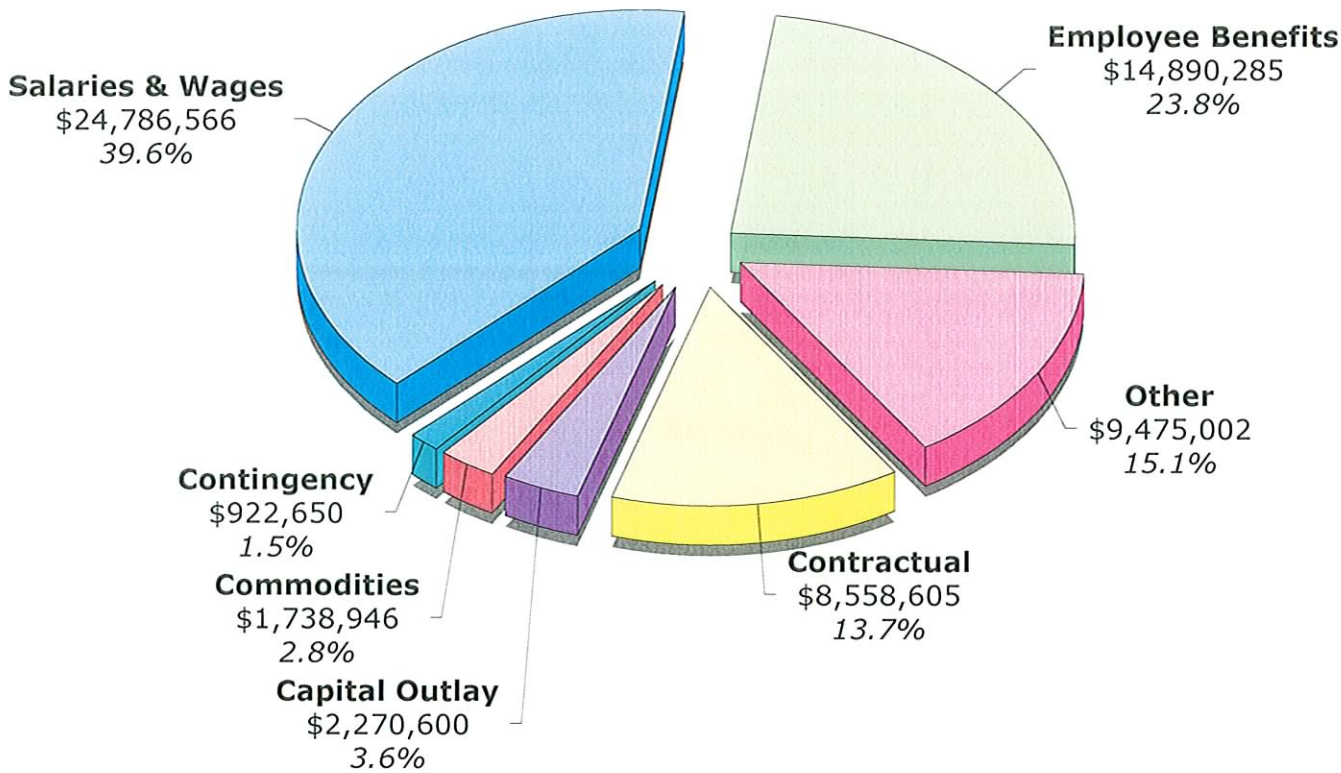
Investment income increased from 1998 through 2001 due to increases in the reserve balances and high rates of return. From FY2002 through FY2004 historically low interest rates caused investment income to decline. In FY2002 the Town Council approved the formation of an Investment Advisory Committee. This committee was instructed to develop an investment plan for Town surplus reserves. The committee recommended that a portion of the Town's reserves be invested with the Florida League of Cities Investment pools. For FY2007 an interest rate of 5% was used to calculate the budgeted amount for investment income.

General Fund Revenue Trend Summary

Total General Fund revenues have increased at an average annual rate of 6.77% since FY1998. This trend is due to increases in ad valorem revenues, building permit revenues, fine revenue, One time revenues from the sale of Town owned property and FEMA reimbursements in FY2004, FY2005 and FY2006 contribute to increase the annual average.

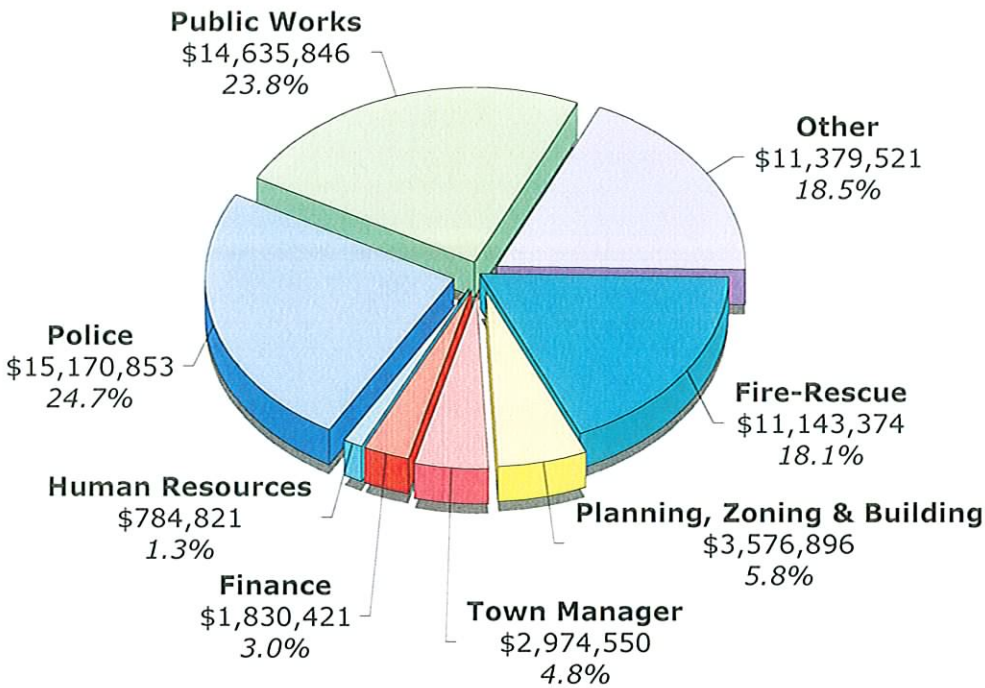


GENERAL FUND EXPENDITURES
FY2007 BUDGET
BY EXPENDITURE TYPE



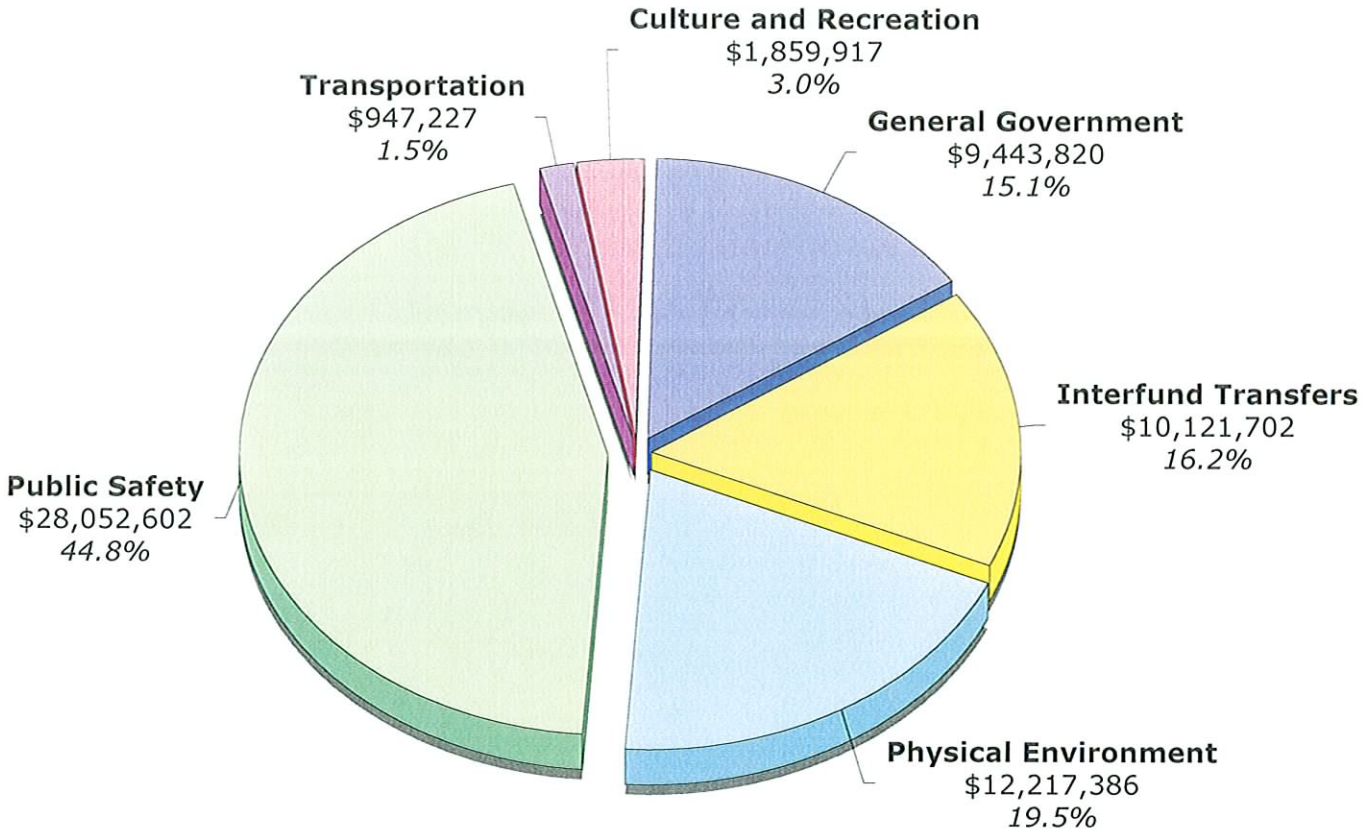
Salaries & Wages	$24,786,566
Employee Benefits	14,890,285
Contractual	8,558,605
Commodities	1,738,946
Capital Outlay	2,270,600
Contingency	922,650
Other	9,475,002
Total General Fund	$62,642,654

GENERAL FUND EXPENDITURES
FY2007 BUDGET
BY DEPARTMENT



Legislative	$60,960
General Government	1,085,412
Town Manager	2,974,550
Human Resources	784,821
Finance	1,830,421
Planning, Zoning & Building	3,576,896
Fire-Rescue	11,143,374
Police	15,170,853
Public Works	14,635,846
Other	11,379,521
Total General Fund	$62,642,654

GENERAL FUND EXPENDITURES
FY2007 BUDGET
BY FUNCTION



General Government	$9,443,820
Public Safety	28,052,602
Physical Environment	12,217,386
Transportation	947,227
Culture and Recreation	1,859,917
Interfund Transfers	10,121,702
Total General Fund	$62,642,654

GENERAL FUND AND OTHER FUNDS EXPENDITURES
SUMMARY BY PROGRAM

Program		FY04 Actual	FY05 Actual	FY06 Amended Budget	FY06 Projected	FY07 Budget	% Variance	% of Total GF Budget
LEGISLATIVE	111	**$51,825**	**$46,420**	**$58,800**	**$60,080**	**$60,960**	**3.7%**	**0.10%**
GENERAL GOVERNMENT	113	**$462,543**	**$966,100**	**$1,030,362**	**$1,003,503**	**$1,085,412**	**5.3%**	**1.73%**
TOWN MANAGER								
Administrative Management	121	574,379	641,850	736,128	705,712	782,906	6.4%	1.25%
Advice & Litigation	122	310,828	315,037	325,176	287,481	321,500	-1.1%	0.51%
Information Systems	125	1,174,205	1,295,076	1,776,946	1,598,957	1,870,144	5.2%	2.99%
		$2,059,412	**$2,251,963**	**$2,838,250**	**$2,592,150**	**$2,974,550**	**4.8%**	**4.75%**
HUMAN RESOURCES	123	**$604,668**	**$713,383**	**$737,657**	**$675,911**	**$784,821**	**6.4%**	**1.25%**
FINANCE								
Records Management	131	$291,067	$280,102	$290,864	$280,209	$318,451	9.5%	0.51%
Financial Management	141	819,379	894,146	981,957	968,305	1,018,687	3.7%	1.63%
Purchasing	144	410,097	441,212	495,373	477,595	493,283	-0.4%	0.79%
		$1,520,543	**$1,615,460**	**$1,768,194**	**$1,726,109**	**$1,830,421**	**3.5%**	**2.92%**
PLANNING/ZONING/BUILDING								
Planning & Zoning	211	$526,066	$647,215	$911,647	$741,710	$693,630	-23.9%	1.11%
Permit Issuance	212	811,549	953,273	1,013,937	1,032,656	1,091,376	7.6%	1.74%
Inspection/Compliance	213	846,965	873,249	926,920	998,685	1,139,940	23.0%	1.82%
Landmarks Preservation	214	125,008	124,275	140,379	127,443	141,684	0.9%	0.23%
Fire Prevention	215	169,373	191,783	513,003	445,549	510,266	-0.5%	0.81%
		$2,478,961	**$2,789,795**	**$3,505,886**	**$3,346,043**	**$3,576,896**	**2.0%**	**5.71%**
LIBRARY SERVICES	321	**$235,000**	**$335,000**	**$235,000**	**$235,000**	**$247,000**	**5.1%**	**0.39%**
FIRE-RESCUE								
Fire Administration	411	$619,553	$519,542	$657,401	$657,751	$836,115	27.2%	1.33%
Operations	417	7,265,832	8,186,416	9,178,477	8,937,474	10,037,917	9.4%	16.02%
Training	418	165,959	194,295	235,094	227,186	269,342	14.6%	0.43%
		$8,051,344	**$8,900,253**	**$10,070,972**	**$9,822,411**	**$11,143,374**	**10.6%**	**17.79%**
POLICE								
Administrative Management	421	$894,184	$908,622	$1,003,517	$1,010,330	$1,064,089	6.0%	1.70%
Org Crime/Vice/Narcotics	422	568,443	585,969	661,571	596,523	687,784	4.0%	1.10%
Records Information Systems	423	257,872	193,989	225,462	224,514	236,805	5.0%	0.38%
Training/Per/Pub Enf	424	262,159	324,467	390,181	374,157	408,140	4.6%	0.65%
Communications	425	1,203,666	1,239,349	2,112,445	2,015,212	1,503,287	-28.8%	2.40%
Crime Scene/Evidence	426	340,143	332,789	389,592	380,115	416,536	6.9%	0.66%
Patrol Services	428	6,400,107	6,906,243	7,587,457	7,601,673	7,789,496	2.7%	12.43%
Criminal Investigation	429	1,409,937	1,440,995	1,621,005	1,498,773	1,714,421	5.8%	2.74%
Parking Control	430	470,766	491,515	528,359	524,089	562,346	6.4%	0.90%
Beach Rescue	432	569,985	654,940	809,640	791,085	787,949	-2.7%	1.26%
		$12,377,262	**$13,078,878**	**$15,329,229**	**$15,016,471**	**$15,170,853**	**-1.0%**	**24.22%**
PUBLIC WORKS								
Administrative Management	511	$600,099	$623,221	$799,310	$791,673	$843,516	5.5%	1.35%
Street Repair/Maintenance	521	249,761	389,736	593,224	557,796	297,650	-49.8%	0.48%
Traffic Control	523	183,052	206,277	219,688	203,741	214,911	-2.2%	0.34%
Street Lighting	524	300,093	281,629	432,376	403,713	434,666	0.5%	0.69%
Storm Sewer Maintenance	531	360,988	428,927	840,927	633,384	802,997	-4.5%	1.28%
Sanitary Sewer Maintenance	532	1,137,467	1,067,267	1,347,178	1,459,436	1,256,179	-6.8%	2.01%
Sanitary Sewer Treatment	533	1,237,694	1,345,409	1,650,412	1,343,217	1,773,100	7.4%	2.83%
Residential Collection	541	631,947	658,246	730,125	765,183	820,586	12.4%	1.31%
Commercial Collection	542	741,139	778,222	852,505	850,914	891,052	4.5%	1.42%
Refuse Disposal	543	68,642	87,886	90,000	99,647	90,000	0.0%	0.14%
Yard Trash Collection	544	1,572,658	1,511,901	3,523,109	3,411,524	1,654,314	-53.0%	2.64%
Recycling	545	233,114	246,721	267,551	260,158	282,600	5.6%	0.45%
Beach Cleaning	546	153,431	123,560	156,899	139,849	164,089	4.6%	0.26%
Parks	551	1,062,295	1,120,816	1,647,729	1,587,714	1,307,144	-20.7%	2.09%
Facilities Maintenance	554	694,834	729,919	1,179,083	996,701	1,089,025	-7.6%	1.74%
Parking Meter Maint & Collections	558	51,970	54,981	67,419	56,892	78,244	16.1%	0.12%
General Engineering Services	561	362,641	372,536	398,176	373,533	409,703	2.9%	0.65%
Right of Way Inspections	565	89,974	95,886	103,042	103,975	112,681	9.4%	0.18%
Equip Operations/Maintenance	571	427,530	589,896	642,103	627,902	658,850	2.6%	1.05%
Coastal Management	581	262,983	435,476	383,690	412,368	1,454,539	279.1%	2.32%
		$10,422,312	**$11,148,512**	**$15,924,546**	**$15,079,320**	**$14,635,846**	**-8.1%**	**23.36%**

GENERAL FUND AND OTHER FUNDS EXPENDITURES
SUMMARY BY PROGRAM

Program		FY04 Actual	FY05 Actual	FY06 Amended Budget	FY06 Projected	FY07 Budget	% Variance	% of Total GF Budget
TRANSFER TO OTHER FUNDS								
Cap Impr Program (307/308/310/320)	611	$2,682,000	$4,788,000	$8,040,586	$8,040,586	$3,378,801	-58.0%	5.39%
Debt Service Fund (203/204)	612	2,480,000	2,572,810	3,402,060	3,402,060	3,529,000	3.7%	5.63%
Donation Fund (103)	613	50,000	0	0	0	0	0.0%	0.00%
Group Health Ins. (502)	621	763,731	712,256	918,991	918,991	993,700	8.1%	1.59%
Risk-W/C, Liab.Prop. (501)	622	2,810,033	4,294,410	2,390,000	2,390,000	2,220,201	-7.1%	3.54%
Employee Retirement Fund (600)	624	1,835	1,811	1,900	146	0	-100.0%	0.00%
Public Safety Retire Fund (601)	625	3,696	0	4,800	0	0	-100.0%	0.00%
		$8,791,295	**$12,369,287**	**$14,758,337**	**$14,751,783**	**$10,121,702**	**-31.4%**	**16.16%**
EMERGENCY/DISASTER RESPONSE	710	**$2,028,708**	**$1,954,404**	**$184,367**	**$182,232**	**$88,169**	**-52.2%**	**0.14%**
CONTINGENT APPROPRIATIONS	711	**$0**	**$0**	**$608,105**	**$0**	**$922,650**	**51.7%**	**1.47%**
CAPITAL LEASE AQUISITIONS	722	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0%**	**0.00%**
General Operating Fund (001) Total		**$40,292,578**	**$43,800,168**	**$52,291,368**	**$49,739,230**	**$52,520,952**	**0.4%**	**83.84%**
Transfers to Other Funds		$8,791,295	$12,369,287	$14,758,337	$14,751,783	$10,121,702	**-31.4%**	16.16%
TOTAL GENERAL FUND		**$49,083,873**	**$56,169,455**	**$67,049,705**	**$64,491,013**	**$62,642,654**	**-6.6%**	**100.00%**

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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. 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 and protect 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

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	34,428	40,536	45,900	44,644	47,260	2.96%
Commodities	10,436	5,884	12,900	15,436	13,700	6.20%
Capital Outlay	6,961	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	51,825	46,420	58,800	60,080	60,960	3.67%

EXPENDITURES

Contractual:
The increase is due primarily to the addition of annual visits to Tallahassee and Washington, D.C. by the Mayor to meet with legislators and agency staff members regarding issues pertinent to Palm Beach. The telephone toll account has been increased for expenses relating to mobile email access. Membership dues have also increased.

Commodities:
Increased costs of supplies (stationary, plaques, etc.) necessitated a small increase to the commodities budget.

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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 the activities in this program are overseen by the Town Manager's Office.

Program 113 - General Government
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	362,907	738,799	555,664	563,070	865,055	55.68%
Contractual	99,636	224,776	472,251	437,986	218,300	-53.77%
Commodities	0	0	0	0	0	0.00%
Capital Outlay	0	2,525	2,447	2,447	2,056	-15.98%
Other	0	0	0	0	0	0.00%
TOTALS	462,543	966,100	1,030,362	1,003,503	1,085,411	5.34%

EXPENDITURES

Employee Benefits:
Increase in compensated absence reserve. Transfer for retirement health savings plan expenses and vacation/sick balance payouts to departing employees.

Contractual:
These accounts have decreased due to the removal of Consulting Fees for the Seafarer Pipeline and funds for the traffic and parking study, and reduction of the costs for the Town Employee Memorial Plaque. (Note: FY2006 unexpended funds for the traffic and parking study will be rolled into FY2007.)

Capital Outlay:
Change is due to a decrease in annual depreciation.

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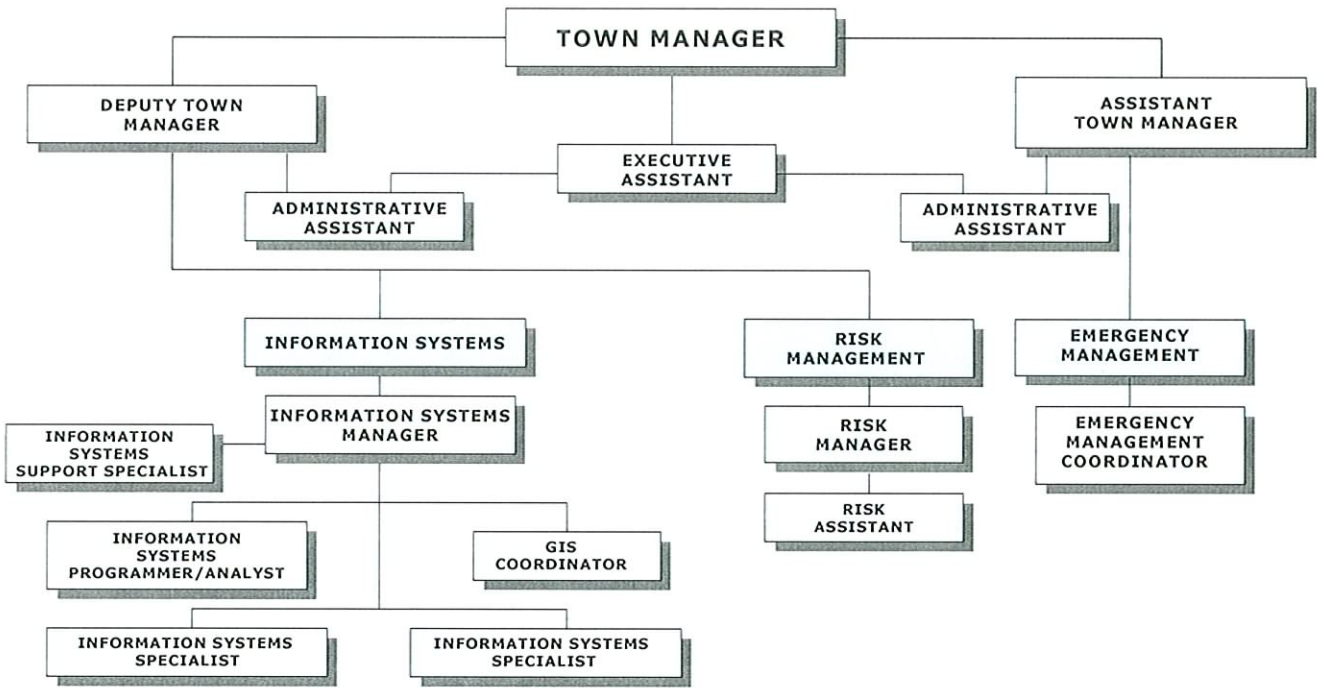
Town Manager's Office

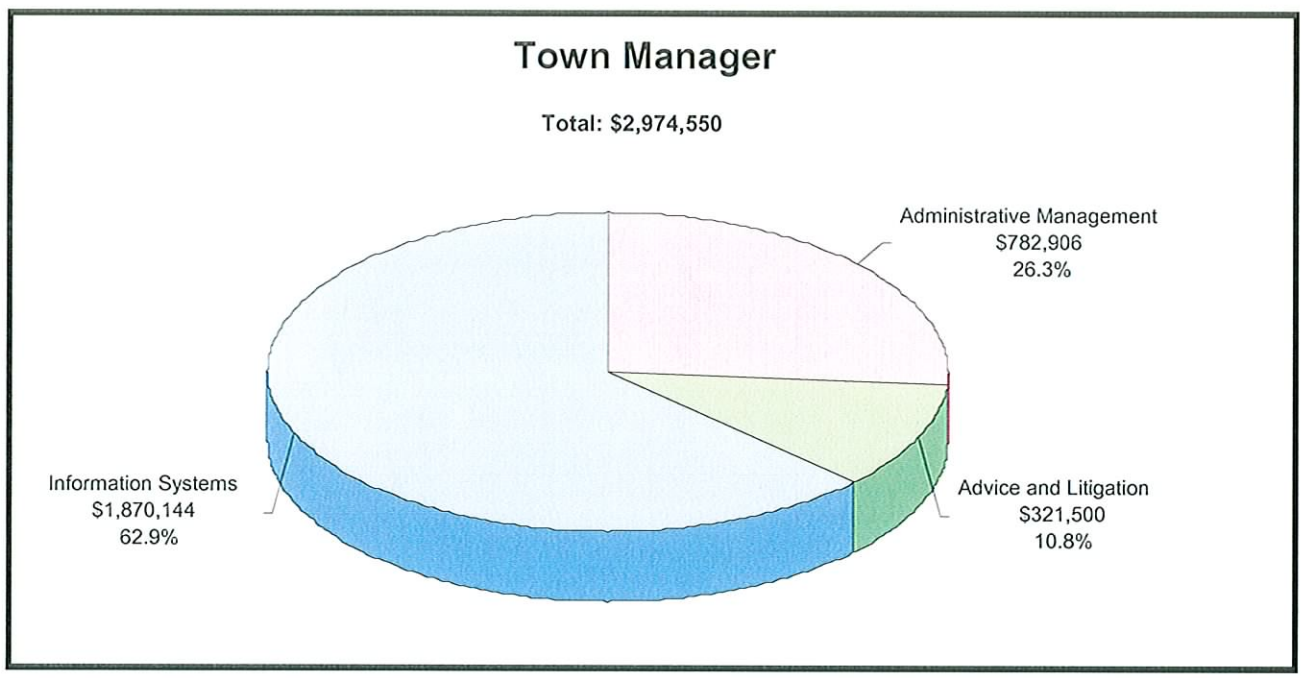
Town Manager's Office



	FY2004	FY2005	FY2006	FY2007
Total Full Time Equivalent Employees	10.5	12.0	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.



	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2007 Budget
Expenditures	$2,059,412	$2,251,963	$2,838,250	$2,974,550

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. 2006 Results: Every employee participated in the visioning process and a representative cross section of all employees participated in the cascading of KRMs to the department program level. The Town Manager reviewed the KRMs for each program. Some are very well correlated to the related budget requests; others need more work. In the year ahead, we will be refining the individual KRMs and the KRM system to improve the integration of our vision and goals into our management processes.
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. 2006 Results: As of October, 2006, 56 employees (14% of the Town's workforce) have participated in five orientation/reorientation sessions conducted in FY06. An Employee Bulletin Board was created on the Town's Intranet to facilitate employee-to-employee communications. Interdepartmental projects, training, and social activities have increased in FY06.

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. 1. **Continue with implementation of the Town's Coastal Management Plan, including construction of beach restoration projects at Reach 7 and Mid-Town. Continue with expedited permitting for Reach 8 and construct it, too, if possible.** *Beach restoration completed at Mid-Town and Reach 7; dune restoration completed in Reach 8.* 2. **Complete Royal Poinciana Way "Undergrounding" demonstration project and finalize a long-range plan to bury electric, telephone, and cable wires.** *Town Council decided not to proceed with the demonstration project because (1) it offered insufficient savings compared to cost of utility companies doing the work and (2) we had learned a great deal regarding how to approach the long-term project. Planning continues on the long-range plan, with the intent of taking this matter to the voters as a referendum in February 2007.* 3. **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.** *After thorough review of these matters with the above noted entities and the general public, the Town Council decided not to proceed with the neighborhood index concept. The R-B subdistricting concept and potential changes in the manner of reviewing zoning matters will be further reviewed during the 2006-2007 zoning season.* 4. **Complete a Townwide 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).** *This project was completed during October 2006. Implementation will begin in FY07 and continue for years into the future.* 5. **Continue to develop, establish, and enforce policies that limit negative impacts of construction projects on the quality of life in Palm Beach.** *Staff assisted the Town's elected officials in the establishment of stricter noise regulations and the prohibition of construction work on Sundays during the winter season. We have committed additional attention and resources to enforcing limitations to on-street construction related parking, but this continues to be a problem area. We will address this further through the Traffic and Parking Improvement Plan and through additional staff actions.*

Town Manager's Office

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>2006 Results:</u> 2006 scores were 3.75 or above (scale of 1 to 5) in all categories. "Overall Performance" score was 4.70. These compare to 4.00 or above in all categories and an "Overall Performance" score of 4.92 in 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. <u>2006 Results:</u> In FY 2006, programs 111,113,121,122, and 125 accounted for 4.84% of the total General Fund budget. In FY 2007, these programs account for 4.75% of the total General Fund budget.

Town Manager's Office

Town Manager's Office - All Programs
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	735,964	836,218	941,917	936,064	995,371	5.68%
Employee Benefits	228,756	275,384	344,223	329,616	368,809	7.14%
Contractual	610,249	704,055	744,760	682,116	767,820	3.10%
Commodities	181,006	114,406	356,650	200,245	89,550	-74.89%
Capital Outlay	254,335	317,796	450,700	444,109	753,000	67.07%
Other	49,102	4,104	0	0	0	0.00%
TOTALS	2,059,412	2,251,963	2,838,250	2,592,150	2,974,550	4.80%

EXPENDITURES

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

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

Contractual:
Increases are due to higher costs of travel resulting from higher fuel prices and the addition of annual visits to Washington, D.C. and Tallahassee to meet with legislators and agency staff members. Additionally, in the area of Information Services, contractual programing will be needed to convert existing software data to the new software systems program. There have also been increases for software maintenance, licenses and the growing cost of support.

Commodities:
This decrease is primarily due to the reduction in software costs that are charged to a non-capital account. The increase in the capital outlay in Information Services is somewhat proportionate to the decrease in this account series.

Capital Outlay:
The increase in this account series is primarily due to the Town's funding of the five year software plan. The $350,000 increase is the amount requested for funding each year for the next five years to cover the cost of this project. This includes new software for Finance, Human Resources, Planning, Zoning and Building and the future systems for Public Safety pursuant to the software consultant's recommendations and the implementation decisions that have been made and will be made by the Town's elected officials and staff.

Program 121 - Administrative Management
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	412,510	466,392	512,827	504,289	550,123	7.27%
Employee Benefits	124,415	140,041	185,417	173,642	193,763	4.50%
Contractual	25,005	22,661	25,684	17,750	26,920	4.81%
Commodities	12,449	12,756	12,200	10,031	12,100	-0.82%
Capital Outlay	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	574,379	641,850	736,128	705,712	782,906	6.35%

EXPENDITURES

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

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

Contractual:
The increase is due primarily to the addition of annual visits to Tallahassee and Washington, D.C. by the Town Manager to accompany the Mayor when requested to meet with legislators and agency staff members regarding issues pertinent to Palm Beach. Inflationary increases have impacted other accounts.

Commodities:
Commodities have been decreased because of the non-renewal of the ICMA Urban Data Service subscription.

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	FY2004	FY2005	FY2006	FY2007
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	1.50	2.00	2.00	2.00
	5.50	6.00	6.00	6.00

Program 122 - Advice and Litigation
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	310,828	315,037	325,176	287,481	321,500	-1.13%
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	310,828	315,037	325,176	287,481	321,500	-1.13%

EXPENDITURES

Contractual:
The slight decrease is due to an anticipated legal fee rate increase offset by a decrease in legal advice for labor matters and the transfer of legal advice for FPL matters to the capital fund.

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.

Program 125 - Information Systems
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	323,454	369,826	429,090	431,775	445,248	3.77%
Employee Benefits	104,341	135,343	158,806	155,974	175,046	10.23%
Contractual	274,416	366,357	393,900	376,885	419,400	6.47%
Commodities	168,557	101,650	344,450	190,214	77,450	-77.51%
Capital Outlay	254,335	317,796	450,700	444,109	753,000	67.07%
Other	49,102	4,104	0	0	0	0.00%
TOTALS	1,174,205	1,295,076	1,776,946	1,598,957	1,870,144	5.24%

EXPENDITURES

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

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

Contractual:
This change is partially due to additional contractual programming that will be needed in order to successfully convert existing software systems data into the new software systems. There has also been an increase in the amount of funds needed for software maintenance for FY2007. This increase is a based on additional licenses and the growing cost of support.

Commodities:
This decrease is due to the reduction in software costs that are charged to a non-capital account. The increase in the capital outlay is somewhat proportionate to the decrease in this account series.

Capital Outlay:
The increase in this account series is due to the Town's funding of the five year software plan. The $350,000 increase is the amount requested for funding each year for the next five years to cover the cost of this project. This includes new software for Finance, Human Resources, Planning, Zoning and Building and the future systems for Public Safety pursuant to the software consultant's recommendations and the implementation decisions that have been made and will be made by the Town's elected officials and staff.

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
- Coordinate the Town Wide Software Systems 5 year plan
- Oversee GIS Systems Activities and assist Departments with the use of these 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 Update As of May 2006 the main computer systems in the Town had no unscheduled downtime. Routine Maintenance and upgrades were performed during off hours to minimize interruptions to Town Operations. The last unscheduled system downtime was in June of 2005 and was caused by a fault in a main network switch. The recovery was completed within 4 hours.
Result:	Assure data integrity and security
Measure:	Protection systems in place with security exceptions noted Update In January 2006, the Office of Information Systems was audited by the Town's auditors and was found to have in place all the necessary safeguards for the Town's data as well as security for the Town's systems. Daily backups are done 5 days a week on a four week rotation along with permanent monthly backups. All backups are rotated offsite.
Result:	Employees will have the knowledge to take advantage of available systems and software.
Measure:	Classes provided and customer satisfaction by user surveys Update During the Month of March 2006, the Office of Information Systems provided extensive training on the use of the Town's GIS systems. Training has also been provided on several occasions to the entire staff of the Fire Rescue Department as well as many of the Police Patrol officers. Overview classes were provided in the fall of 2005 and individual training has been on going with the implementation of the Windows domain infrastructure and the Public Works system. Training was also provided on a one on one basis for all Public Works Employees in the use of the Town's email system as part of the Town's Vision and Values plan. In total about 150 employees attended classes and about 55 more received one on one training. Surveys where handed out at the end of each class and the overwhelming response was that the content and setting of these classes was excellent and that employees would like to see more in house training. Based on this, the Office of Information Systems will be providing more training during the next fiscal year.

Result:	Maximum interoperability among a broad spectrum of applications
Measure:	Success rate of bringing data and software together and customer satisfaction Update During the implementation of the Public Works work order system, we have integrated the work order process into the payroll process in order to streamline operations. We have also taken steps to integrate FEMA reporting into the work order system. The implementation of the Town's new GIS GEO database is also an example of bringing data together in a single application that can be easily accessed by all users. The success of the new GIS applications is a good example of these applications. The ability of the end user to easily access data elements will be the ultimate measure of how well the Town's data has been integrated. Annual satisfaction surveys will be generated each summer to help determine this ease of use. The Town's GIS system has been converted into a GEO database and the install of the SDE indexing system is scheduled for late June. This centralized system will provide the Town with the base infrastructure for all future database applications. During the past 4 months the Town has been in the process of implementing a Windows Domain Structure. The Domain has been created and the base security polices are in place. This single domain security structure allows for all software applications and data to be accessed via a single point of entry. This creates a behind the scenes authorization and gives the end user an easy non intrusive means to access all systems. As of May 2006 over 100 of the Town's 250 computers has been activated within the domain. All 400+ users have been set up and the goal is complete the implementation of the rest of the computers by the end of the fiscal year
Result:	High service level to minimize limitations to productive work...24/7 timely response to priority requests
Measure:	Timeliness of response to call and customer satisfaction (Work Order Completion Rate) Update The average response time for a priority work order is 2 to 4 hours. The average response time to a normal work order is 1.5 to 2 days. The average response time to a low priority work order was 10 to 12 days. The average response time to a call to the Town's hotline is immediate The average response time to an off hours call is 2 hours An annual satisfaction survey will be created each summer and used as a way to help measure whether or not the Office of Information Systems is meeting the needs of the end users in a timely manner.
Result:	Maintain an advanced knowledge base of emergent technologies among I.S. staff
Measure:	Relevant training hours and report new ideas and approaches Update Starting in December of 2005, two Information Systems staff members began taking classes to become MCSE certified (Microsoft Certified Systems Engineers) in order to bring that knowledge back to the Town and implement the Windows Domain structure that is required. The GIS Coordinator and the I.S. Manager have also attended seminars this year to enhance their skills and knowledge. In total these two employees have spent over 120 hours in class. The I.S. Manager and GIS Coordinator have spent a total of 56 hours in classes. During 2005, a total of 80 hours was set aside for Information Systems training. During 2006, it is estimated that over 280 hours of time will be spent on Information Systems training.

Town Manager's Office

Result:	Plan and implement multi year software systems plan
Measure:	Successful implementation and conversion to new systems Update As of May 30, 2006 the initial Town Wide analysis of the existing software systems has been completed. The RFP's for the new systems have been distributed and responded to. A committee has been formed to review the RFP's and evaluate the eight responses that were received. The evaluation will be complete and initial demos will be reviewed this summer with a decision on the vendor in November. The initial systems that are included in this phase of the plan are for Financials, Human Resources, Time keeping, Planning, Zoning and Building and web based applications.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Computer Availability (%)	100%	100%	100%	100%
Computer Upgrades-Hardware & Software (# of Implementations)	110	110	125	125
Computer Connectivity (%)	100%	100%	100%	100%
Number of Failures (Reliability)	1	0	0	0
Provide Training and Support (# of People Trained/Assisted)	90	100	100	150
Number of Work Orders (Avg Per Year)			1200	1570
Number of Devices Supported			352	376
Number of Employees per Device			58.6	62.6
Response Times to Work Orders (ASAP)	4-8 hours	2-6 hours	2-6 hours	2-4 hours
Number of Off-Hour Calls for Service	10	10	19	25
Off Hour Response Time	1-4 hours	1-4 Hours	1-3 Hours	1-3 Hours

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Information Systems Manager	1.00	1.00	1.00	1.00
Systems Analyst	1.00	1.00	1.00	1.00
GIS Coordinator	1.00	1.00	1.00	1.00
Information Systems Specialist	1.00	2.00	3.00	3.00
Information Systems Support Specialist	1.00	1.00	0.00	0.00
	5.00	6.00	6.00	6.00

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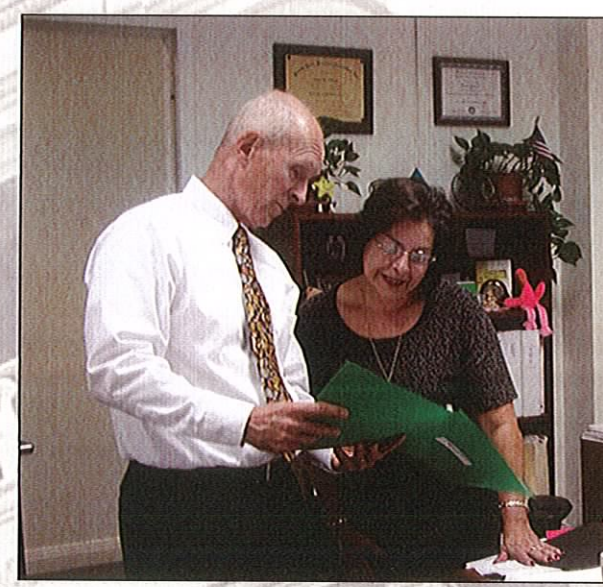
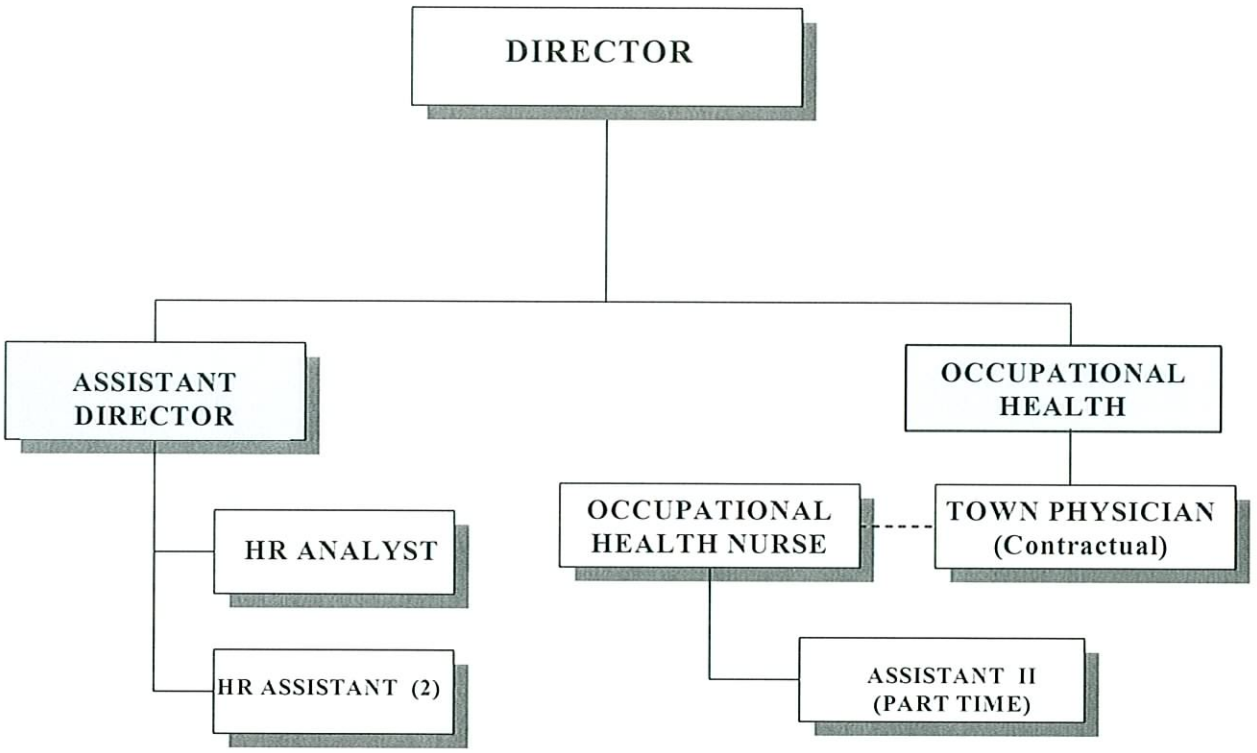
Human Resources



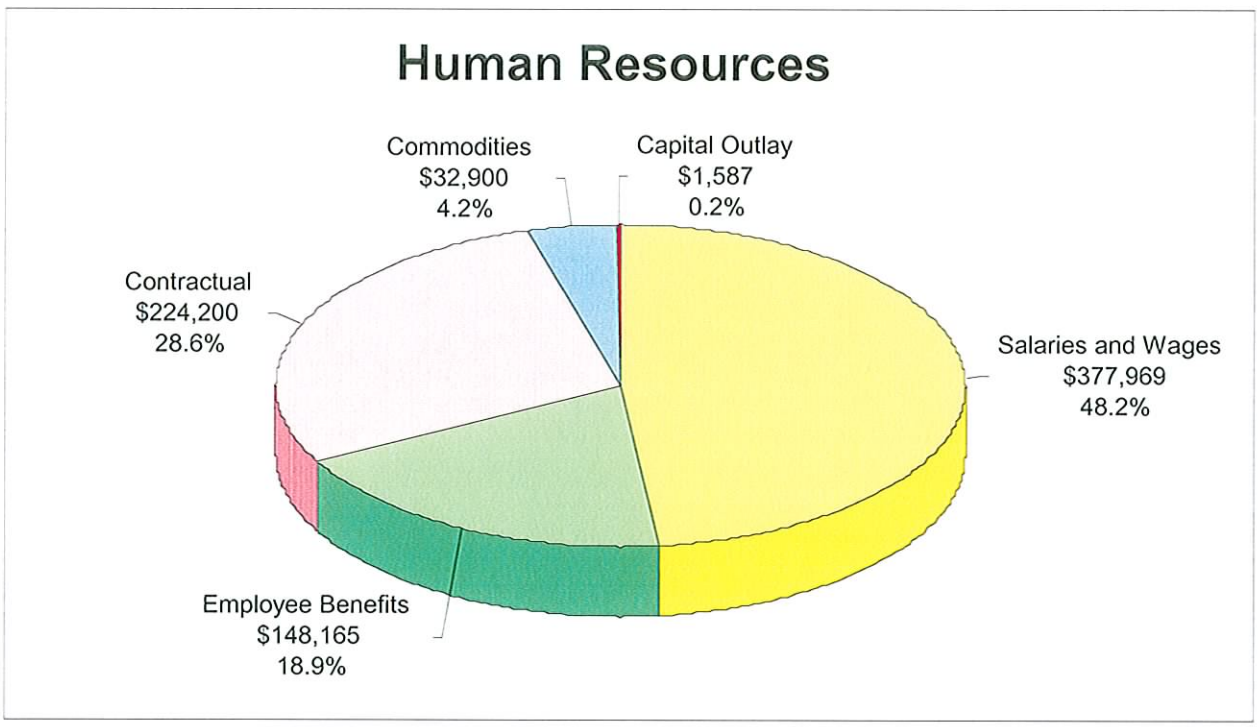
Human Resources Department



	FY2004	FY2005	FY2006	FY2007
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.



	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2007 Budget
Expenditures	$604,668	$713,383	$737,657	$784,821

Human Resources

Key Results and Measurement Methodology

Key Result #1	Recruit and retain a productive workforce.
Measurement	Maintain an employee turnover rate of 8.5% or lower 2006 Update: During the 2006 fiscal year, there were 24 separations from Town employment resulting in a 5.82% annual turnover rate. Exit interviews indicate no major concerns relative to the organization's pay or benefits. State and national median turnover rates during this same period is 13.2%.
Key Result #2	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. 2006 Update: Results of the 2006 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.
Key Result #3	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. 2006 Update: The Employee Personnel Manual has been reviewed by the Town Manager and Department Directors and is now ready for employee review. It is anticipated that updated manuals will be ready for distribution early in the next fiscal year.

Human Resources

Key Result #4	Administer an employee health plan that is understandable, useful, and competitive.
Measurement	Ensure employees' awareness and perception of the value of the benefit through informal employee feedback at open enrollment and during the year. 2006 Update: The structure of the plan meets the needs of employees and continues to be viewed as a valuable benefit. Employee feedback during open enrollment continues to indicate that the Town's health plan is understandable, useful, and competitive.
Key Result #5	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 regional trends as determined by the Town's Third Party Administrator. 2006 Update: The results of the 2006 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. While the first 6 months of medical gross claims experience is up this fiscal year over last year by approximately 16.7%, we anticipate the year end (net) claims experience to be at or below medical trend for the region, which is 13%.
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. 2006 Update: The percentage of general fund budget dedicated to this program decreased from 1.30% in FY06 to 1.25% in FY07.

Human Resources Department

Program 123 - Human Resources
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	320,206	337,637	362,045	360,246	377,969	4.40%
Employee Benefits	115,539	132,114	144,245	133,360	148,165	2.72%
Contractual	141,518	213,688	204,100	151,111	224,200	9.85%
Commodities	21,902	27,577	24,900	28,827	32,900	32.13%
Capital Outlay	5,503	2,367	2,367	2,367	1,587	-32.95%
Other	0	0	0	0	0	0.00%
TOTALS	604,668	713,383	737,657	675,911	784,821	6.39%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 is due to anticipated increase in number of employee retirements and resulting recruitment expenses; increased costs for employee events; and printing costs associated with employee communications.

Commodities:
Increase is due to the rising cost of supplies, including medical and data processing supplies, and medical testing.

Capital Outlay:
Decrease is due to depreciation.

Human Resources Department

PROGRAM: HUMAN RESOURCES 123

Main Activities: The most important things we do to fulfill the Town's 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.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 ACTUAL
Respond to Requests for Applications	1,480	1,628	1,790	1,249
Process and Screen Applications	886	854	1,200	804
Administer Employment and Promotional Exams	236	482	451	693
Provide Training and Orientation to New Employees	37	27	65	52
Process Employee Performance Evaluations	289	362	380	420

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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

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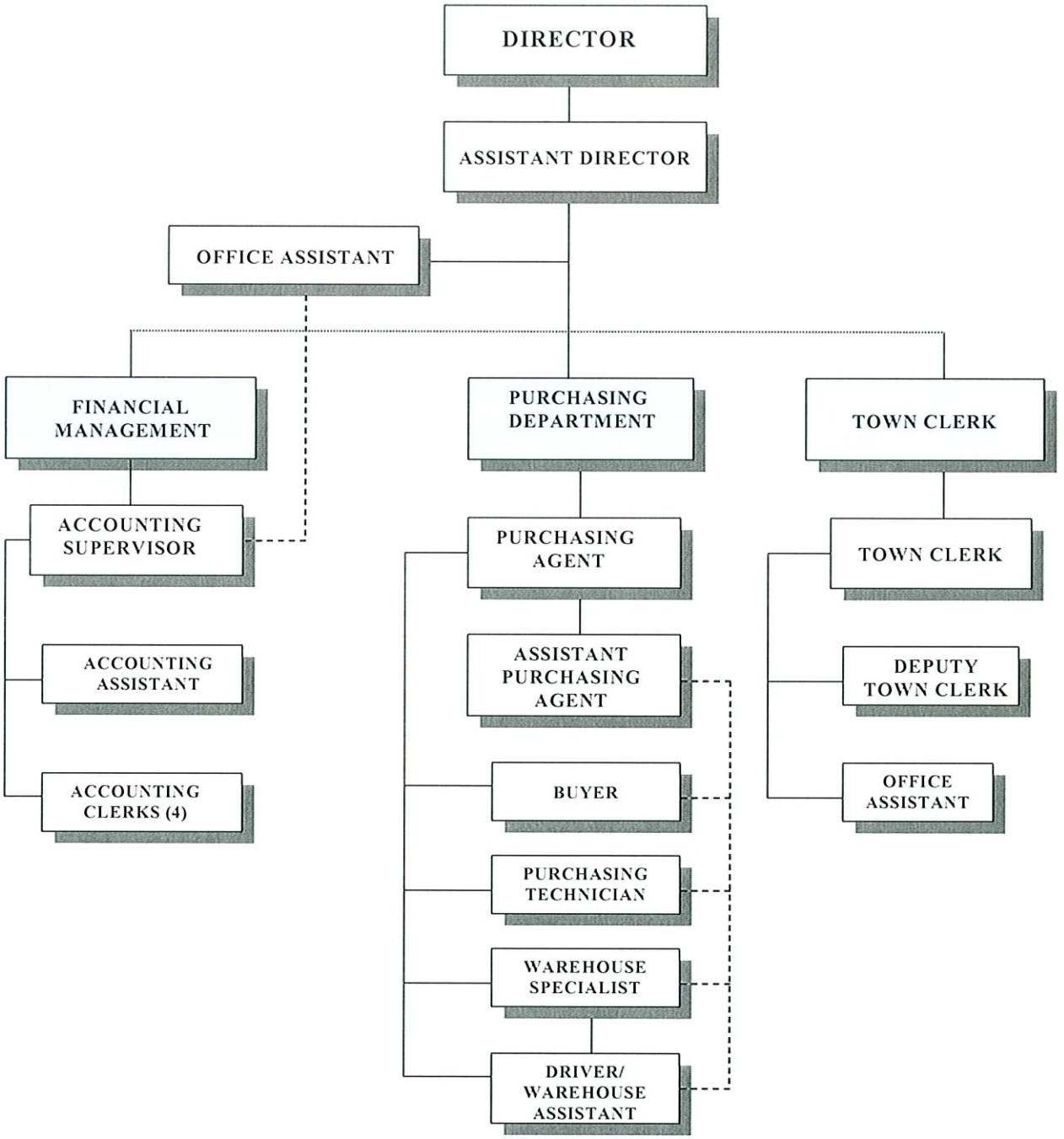
Finance

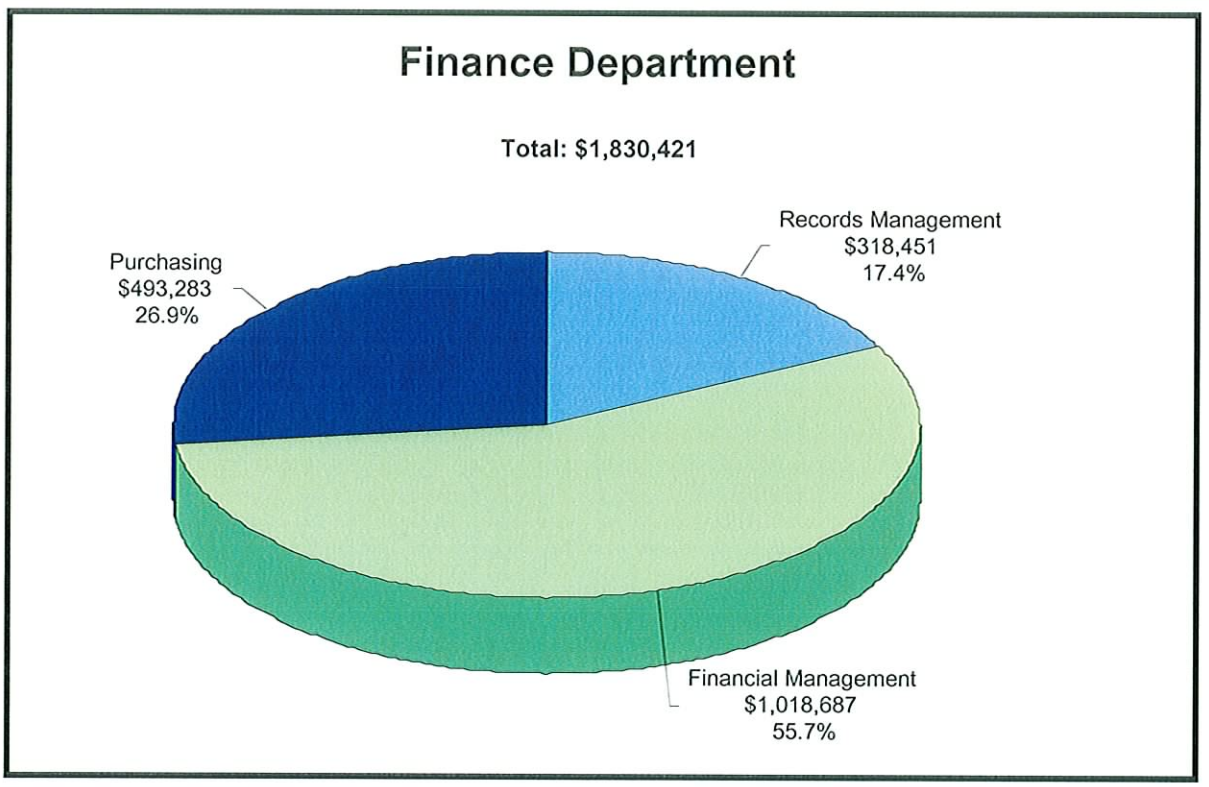
Finance Department



	FY2004	FY2005	FY2006	FY2007
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.



	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2007 Budget
Revenues	$70,470	$65,309	$63,100	$65,400
Expenditures	$1,520,543	$1,615,460	$1,768,194	$1,830,421

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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 15 of the 27 criteria. 2006 Results: ▸ Received GFOA Distinguished Budget Presentation Award. Received outstanding ratings as follows: FY2005 FY2004 FY2003 20 17 11
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 exceeds 25% of the operating budget. 2005 Results: ▸ AAA ratings with Moody's and Standard and Poor's ▸ FY06 Fund Balance represents 35% of operating budget

Finance Department

Finance Department - All Programs
Revenue Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Lien Search Fee	30,945	26,610	25,000	25,345	24,000	-4.00%
Charitable Solicitations Fee	21,750	20,560	20,000	26,790	22,500	12.50%
Charitable Solicitations Advertising Fee	16,500	16,920	17,000	24,079	18,000	5.88%
Charitable Solicitations Late Filing Fee	475	452	500	825	300	-40.00%
Meeting Tape Sales	800	767	600	650	600	0.00%
TOTALS	70,470	65,309	63,100	77,689	65,400	3.65%

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

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	992,998	1,029,741	1,085,692	1,072,492	1,118,476	3.02%
Employee Benefits	334,538	373,576	436,980	425,997	459,887	5.24%
Contractual	168,153	174,400	216,759	197,150	218,172	0.65%
Commodities	21,942	31,242	23,650	25,357	29,510	24.78%
Capital Outlay	2,912	6,501	5,113	5,113	4,376	-14.41%
Other	0	0	0	0	0	0.00%
TOTALS	1,520,543	1,615,460	1,768,194	1,726,109	1,830,421	3.52%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 advertising requirements and associated costs relating to elections and charitable solicitation permits, increases in bank service charges, printing and auditing expenditures, and travel funding for certification training for staff.

Commodities:
Purchase of two scanners ($1,000), increase in office supply costs due to inflation and requirements of additional meetings, funding for a dictation machine, fuel costs and the purchase of replacement pallets.

Capital Outlay:
Depreciation decline is due to the elimination of a high speed duplication machine.

Program 131 - Records Management
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	187,821	171,499	163,381	164,189	182,268	11.56%
Employee Benefits	59,346	64,061	70,902	70,936	76,812	8.34%
Contractual	39,676	33,867	51,910	40,204	53,375	2.82%
Commodities	3,318	7,730	3,850	4,059	5,175	34.42%
Capital Outlay	906	2,945	821	821	821	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	291,067	280,102	290,864	280,209	318,451	9.48%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 advertising requirements and associated costs relating to elections and charitable solicitation permits.

Commodities:
Purchase of two scanners ($1,000) and increase in office supply costs due to inflation and requirements of additional meetings.

Capital Outlay:
No change

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:	Conduct all municipal elections in accordance with State law.
Measure:	100% of election notices are published within the time limit required by State law. Update For FY2006 to date, there were 7 election notices, of which 100% were published within the time limit required by State law.
Measure:	100% of candidates meet filing deadlines for campaign contribution and expenditure reports and personal financial statements. Update During the FY2006 election, there were 4 candidates, 100% of which met the deadlines for filing the campaign contribution and expenditure reports and for filing personal financial statements.
Result:	All Town Council actions are recorded and reported in a timely manner.
Measure:	All ordinances, resolutions and other Council actions are processed within four working days of passage; notices are published within statutory requirements. Update For FY2006 to date, 100% of Town Council actions have been processed within four working days of passage. This includes 12 ordinances, 68 resolutions, 27 agreements, 20 contracts, 225 bulletin board postings, 119 board/commission applications and 22 vehicle certificates of title. All ordinances were published within the time limit required by State law.
Measure:	▪ Action items posted within three working days. ▪ Town Council minutes are transcribed in time to be approved at the next Town Council meeting. Update Posting of action items began in April, 2006. Of the seven meetings held to date, six of the postings were done within the time period stated above. All Town Council meeting minutes were transcribed in time to be approved at the next Town Council meeting.

Finance Department

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. Update The percentage of general fund budget dedicated to this program remained at .51%.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Charitable Solicitation Permits Issued	102	95	94	124
All Other Permits Issued	12	13	14	19
Meetings Attended - Minutes Transcribed	43	49	33	78
Town Council and Special Town Council	N/A	N/A	26	42
Other	N/A	N/A	7	36
Total Number of Meeting Hours	N/A	N/A	162	325
Transcription Hours	N/A	N/A	864	1800
Town Council and Special Town Council	N/A	N/A	704	1100
Other	N/A	N/A	160	700

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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

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Finance Department

Program 141 - Financial Management
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	507,410	544,477	584,083	582,900	608,421	4.17%
Employee Benefits	173,516	196,936	226,837	222,189	239,831	5.73%
Contractual	124,893	135,866	156,049	146,904	154,247	-1.15%
Commodities	11,972	15,279	13,400	14,724	14,600	8.96%
Capital Outlay	1,588	1,588	1,588	1,588	1,588	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	819,379	894,146	981,957	968,305	1,018,687	3.74%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 effect of the FY2006 budget amendment for hurricane expenditures. Without the FY2006 budget amendment, increases occurred in bank service charges, printing and auditing expenditures.

Commodities:
The increase is due to funding for a dictation machine.

Capital Outlay:
No change.

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 with a goal to receive an outstanding award designation. Update KRMs have been established for each program. Received Distinguished Budget Presentation Award and received 20 outstanding ratings out of 27 categories.
Result:	Maximize rate of return on investments 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. Update Through August 2006, we fell short of the benchmark; the Town's rate of return on investments was 4.00%. The SBA rate was 4.27%.
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 Update According to an internal customer survey taken in April of 2004, The Finance Department had an overall satisfaction rate of 92.4%
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 Update Maintained AAA bond rating with Moody's and S&P Clean opinion from auditors for Town's financial statements. Received 5 management letter comments.

Finance Department

Result:	Conduct the work of Financial 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. Update The percentage of general fund budget dedicated to this program decreased from 1.72% in FY06 to 1.63% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Parking Tickets Issued	24,332	23,244	24,330	22,042
Parking Tickets Paid	21,998	20,675	21,777	18,688
Parking Ticket Collection Rate (not including penalties)				
Collected in fiscal year	N/A	84.5%	83.6%	84.8%
Ultimately collected	90.4%	88.9%	89.5%	N/A
GO Bond Ratings				
Moody's Investor Services	Aaa	Aaa	Aaa	Aaa
Standard & Poor's	AAA	AAA	AAA	AAA
Investment Yield - Blended	1.68%	2.36%	2.53%	4.5%

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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

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Program 144 - Purchasing
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	297,767	313,765	338,228	325,403	327,787	-3.09%
Employee Benefits	101,676	112,579	139,241	132,872	143,244	2.87%
Contractual	3,584	4,667	8,800	10,042	10,550	19.89%
Commodities	6,652	8,233	6,400	6,574	9,735	52.11%
Capital Outlay	418	1,968	2,704	2,704	1,967	-27.26%
Other	0	0	0	0	0	0.00%
TOTALS	410,097	441,212	495,373	477,595	493,283	-0.42%

EXPENDITURES

Salaries and Wages:
Decrease due to the retirement of a long term employee offset by an increase due to 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 increases in travel funding for certification training for staff.

Commodities:
Increase is due to increased fuel costs and the purchase of replacement pallets.

Capital Outlay:
Depreciation decline is due to the elimination of a high speed duplication machine.

Finance Department

PROGRAM: PURCHASING 144

Mission: The Purchasing Division provides professional procurement services to the Town Departments while ensuring compliance with Florida State Statutes, and Town Purchasing Policies and Procedures. These services include purchase of supplies, equipment and services in an efficient, effective manner as well as managing the purchasing card program, the fixed asset inventory, central stores warehouse, and surplus property.

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

- Develop and administer purchasing policies consistent with established policies and procedures and sound business practice.
- Continually seek to improve procurement and inventory processes while providing top quality service and products.
- Ensure delivery of critical purchases on time
- Maintain positive vendor relationships
- Evaluate warehouse stock to minimize long term storage and obsolete materials

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

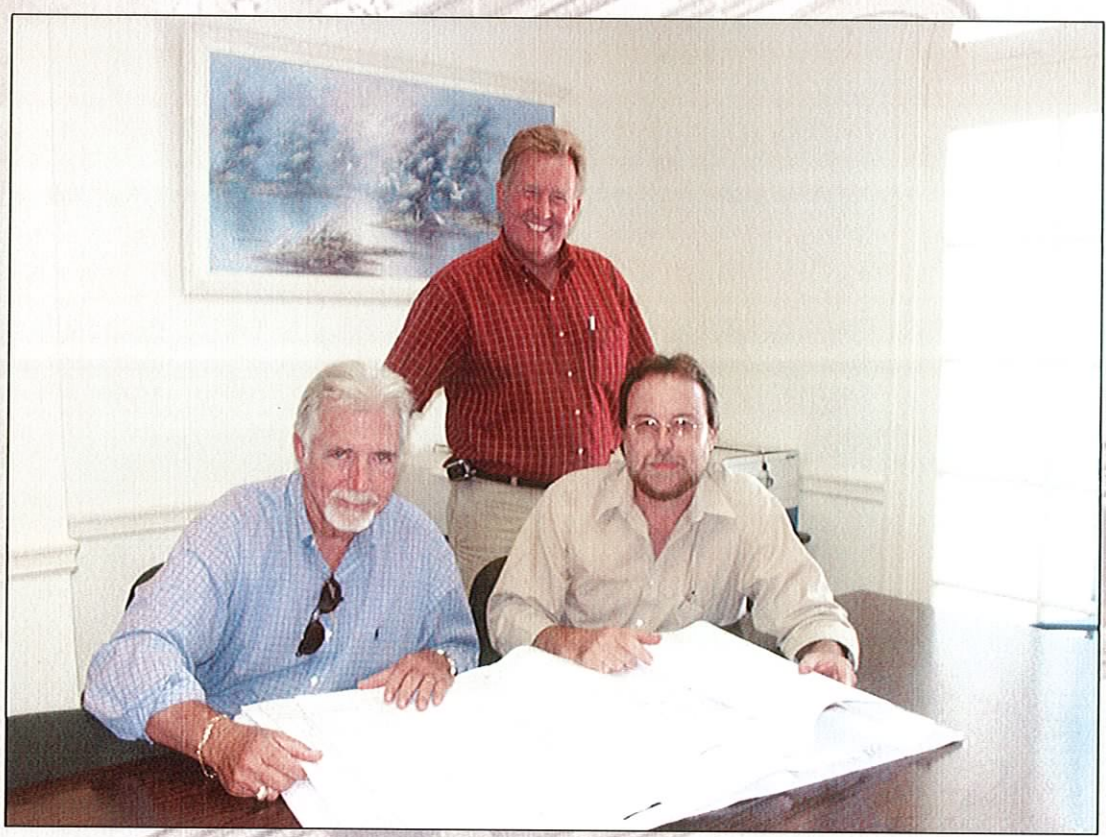
Result:	Manage inventory to meet Town Departments' requirements without overstock, understock or waste.
Measure:	Evaluation of inventory usage and elimination of obsolete items. Update Approximately 400 items have been identified as obsolete, resulting in reduction in value of the inventory of approximately $35,000. Surplus items have been sent to the Palm Beach County Surplus Store in June.
Result:	Good relationships with vendors to secure best bids from best vendors
Measure:	Maintain unbiased vendor selections and timely payment of vendor invoices. Update New sources of supplies have been found for Town requirements that has resulted in considerable cost savings. A cost avoidance worksheet will be maintained identifying cost savings.
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. Update The percentage of general fund budget dedicated to this program deceased from .86% in FY06 to .79% in FY07.
Result:	Provide value added services to the Town through the procurement process.
Measure:	Review current purchasing methods and identify alternate means of procurement that will result in cost savings for the Town. Update Quotations are now being advertised on the DemandStar web site and has resulted in finding more supply sources and in obtaining lower cost of goods.

Finance Department

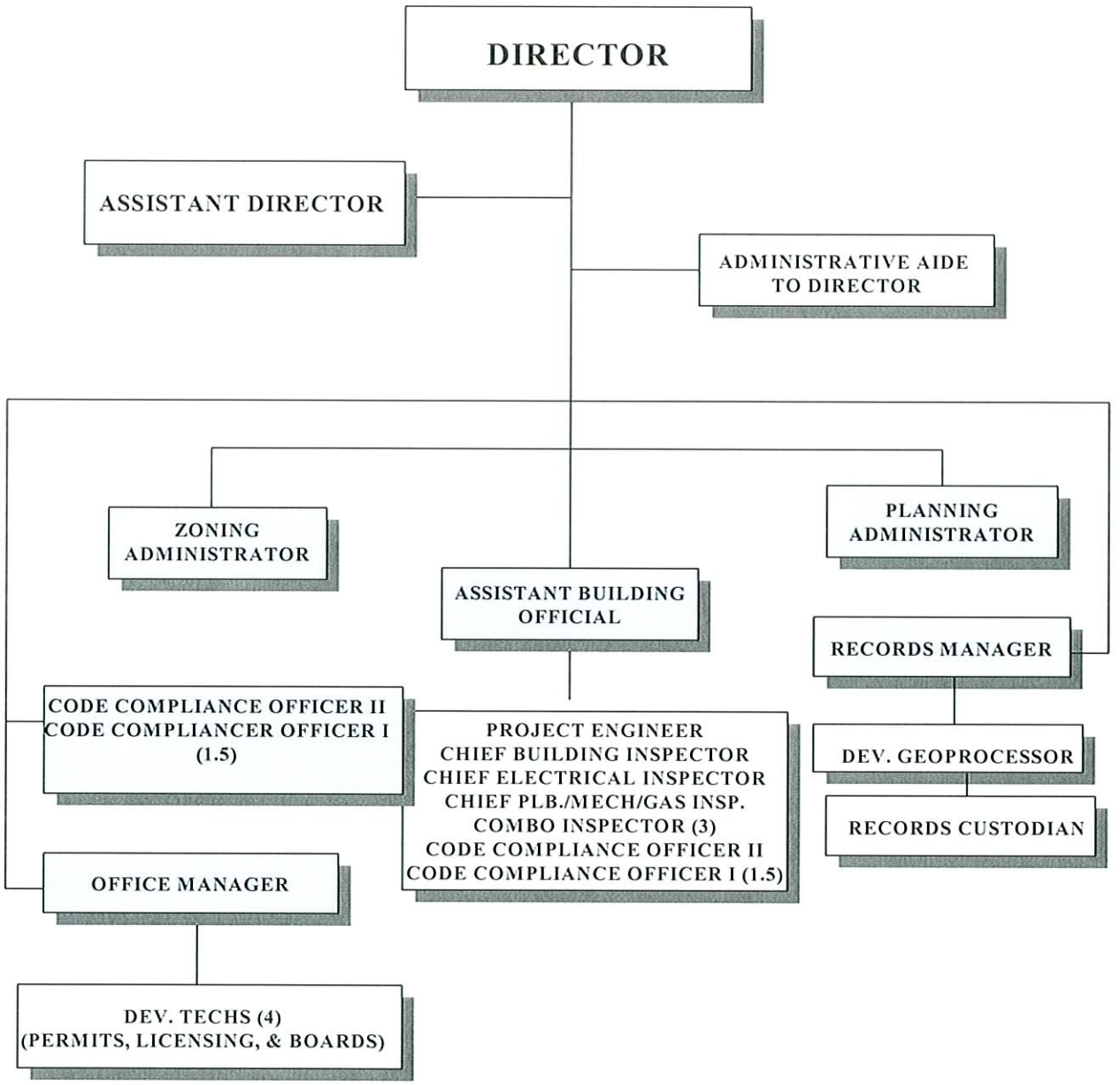
Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Purchase Orders Written	1,070	1,106	1,109	1,650
Bids	14	9	9	6
Warehouse				
Number of issues	17,407	14,781	10,783	9,450
Dollar value	$287,825	$314,327	$329,753	$423,800
Cost Avoidance	N/A	N/A	N/A	$65,000
Dollars Spent Using Purchasing Card Program	$461,056	$594,125	$894,085	$950,000

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Purchasing Agent	1.00	1.00	1.00	1.00
Assistant Purchasing Agent	0.00	0.00	1.00	1.00
Buyer	2.00	2.00	1.00	1.00
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

Planning, Zoning and Building



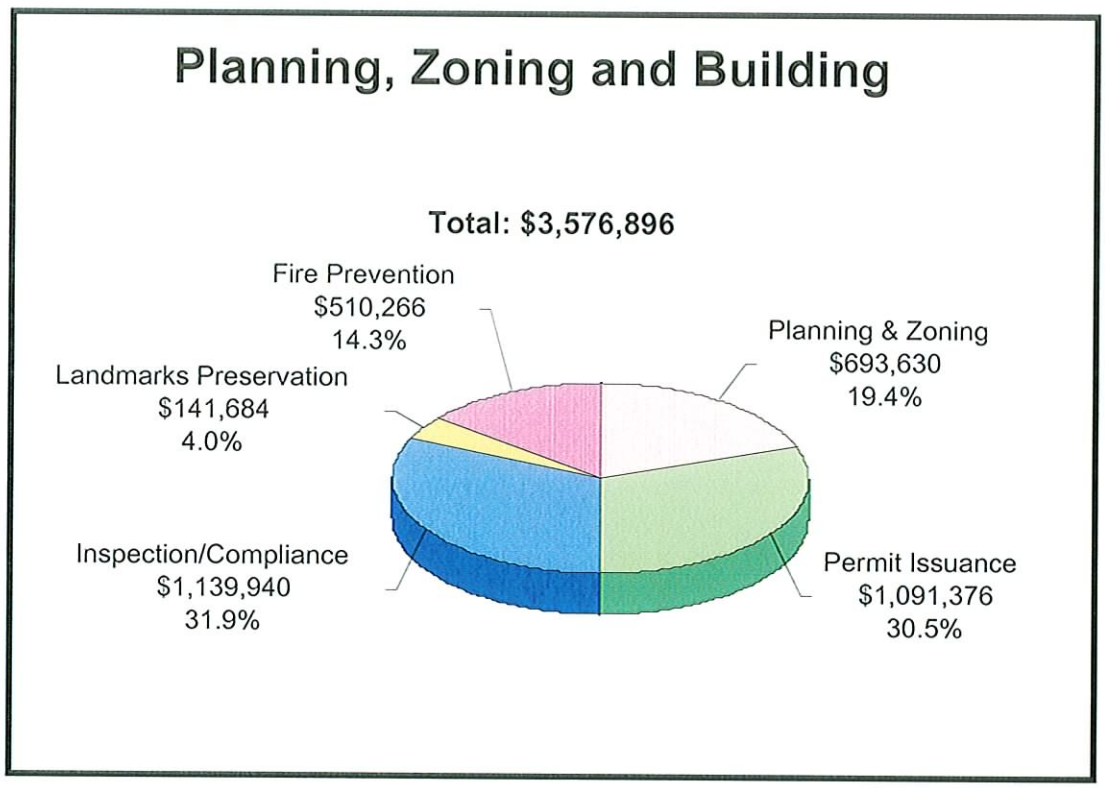
Planning, Zoning & Building Department



	FY2004	FY2005	FY2006	FY2007
Total Full Time Equivalent Employees	23.50	24.50	27.50	27.50

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.



	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2007 Budget
Revenues	$6,361,776	$7,142,273	$5,229,900	$5,218,600
Expenditures	$2,478,961	$2,789,795	$3,505,886	$3,576,896

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>2006 Results:</u> Checklists developed and implemented in 2006. Currently being used as guides for plan review and inspections. When they are merged into the new computer system, they will be used as a permanent record for each project. Current ISO rating is 3 and date of next ISO review is 2009.
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>2006 Results:</u> Code Compliance Brochures developed and disseminated. Additional information is being developed department wide for implementation in 2006, as staffing levels permit.
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>2006 Results:</u> Computerization of department in formulation stages. New system will provide ability to track changes. Actions taken to assist town-serving businesses include passage of an ordinance was passed that allows outdoor seating for restaurants. Department is now collecting data relating to the number, type and size of town-serving businesses to provide base data for future tracking of changes.

Planning, Zoning and Building

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. 2006 Results: Annual evaluations of all landmarked properties completed in FY2006. Landmark properties are now being visited and assessed annually. Any comprehensive evaluation of neighborhood conditions will be conducted as staffing levels permit. New computer system will enable department to track condition of properties over time.
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. 2006 Results: Influx of permit applications above norm during summer have increased review time. Plan review during the 2nd quarter FY06 returned to optimum 10-day average review time. Plan review during 3rd and 4th quarter expected to slow down due to increasing demand. Inspections still being completed within 24 hours through maximum use of outside contractors. Training of new inspection staff of FY2006 has been completed. Computerization of department in formulation stages. New system will provide ability to track review times.

Planning, Zoning, and Building Department

Planning, Zoning and Building Department - All Programs
Revenue Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Town Occupational Licenses	677,059	682,391	675,000	706,700	675,000	0.00%
Occupational License Penalties	20,238	13,153	20,000	14,959	15,000	-25.00%
Building Permits	4,835,549	5,562,416	4,000,000	5,042,237	4,000,000	0.00%
Radon Gas	51	58	50	50	50	0.00%
Electrical Permits	58,183	79,806	52,000	101,069	55,000	5.77%
Plumbing Permits	25,692	26,902	28,000	22,705	20,000	-28.57%
Except/Variance App.	99,770	80,400	52,000	84,440	55,000	5.77%
Consultants Fees	8,700	4,750	5,000	17,037	7,000	40.00%
Special Plan Review Fee	107,900	191,250	100,000	246,000	100,000	0.00%
Abandonments	1,851	101	500	3,333	0	-100.00%
Architectural Fees	52,625	57,725	45,000	47,350	45,000	0.00%
Landmarks Submittal	4,475	4,602	4,500	5,025	3,500	-22.22%
Tax Abatement Program	0	1,200	3,600	0	1,200	-66.67%
Mechanical Permits	78,488	64,546	62,000	58,773	55,000	-11.29%
Right of Way Permits	131,127	129,312	110,000	109,088	110,000	0.00%
Historic Preservation Grant	11,000	0	0	0	0	0.00%
County Occupational License	26,551	23,705	20,000	26,107	15,000	-25.00%
Bldg/Elec/Plumbing Code Sales	110	170	500	153	100	-80.00%
Map/Sales Code	2,119	2,146	2,500	1,931	1,500	-40.00%
Certification Copy	298	661	650	647	200	-69.23%
Microfiche/Scanned Documents	10,343	16,437	12,000	15,316	12,000	0.00%
Tent Permits	14,830	4,383	1,500	5,710	3,000	100.00%
Building Inspection Fund Fees	142	67	100	69	50	-50.00%
Code Compliance Fines	194,675	196,092	25,000	110,767	25,000	0.00%
Code Comp Admin Fee	0	0	10,000	3,792	20,000	100.00%
TOTALS	6,361,776	7,142,273	5,229,900	6,623,258	5,218,600	-0.22%

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. No change anticipated.

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.

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 increase slightly 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 decrease based on present trends.

Exception/Variance Applications:
This account is composed of fees associated with zoning applications. Application activity is expected to increase slightly 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 continuation of this service at the present rate.

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 remain the same 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. Estimated revenues are anticipated at lower levels based on current trends.

Mechanical Permits:
This account is composed of fees associated with the issuance of mechanical permits. A decrease is expected based on current trends.

Historic Preservation Grant:
This account reflects any grant funds received under the State Historic Preservation Program. No grants are anticipated during FY07.

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 decrease based on possible market conditions.

Building/Electric/Plumbing Code Sales:
This account is for the collection of fees paid for the sale of amendments to the respective codes. A decrease is expected due to availability of these codes on-line.

Map/Sales Code:
This account is for the collection of fees paid for the sale of maps. Sales are expected to decrease based on current trends.

Certification Copy:
This account consists of revenue for sales of certified copies of Town documents. Requests for these services are expected to decrease based on current trends.

Microfiche Copies:
This account consists of revenue for sales of copies of Town microfiche documents. No change is expected in this account.

Tent Permits:
This account is composed of fees associated with the issuance of tent permits. An increase is expected based on current trends.

Building Inspection Fund Fees:
This account is composed of State mandated fees generated for building inspector professional development. A decreased in these fees is expected based on current trends.

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 fee was implemented in FY2006. An increase in collections is expected reflecting a full year of implementation of this new fee.

Planning, Zoning, and Building Department

Planning, Zoning and Building Department - All Programs
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	1,455,950	1,545,792	1,760,609	1,651,147	1,902,154	8.04%
Employee Benefits	480,215	560,192	701,241	684,061	782,099	11.53%
Contractual	462,637	623,092	918,455	898,309	784,770	-14.56%
Commodities	35,149	40,831	58,650	54,216	71,550	21.99%
Capital Outlay	45,010	19,888	66,931	58,310	36,323	-45.73%
Other	0	0	0	0	0	0.00%
TOTALS	2,478,961	2,789,795	3,505,886	3,346,043	3,576,896	2.03%

EXPENDITURES

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

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
A decrease in costs associated with litigation is anticipated for FY2007.

Commodities
An increase is expected due to fuel, uniform, and office and computer equipment replacement costs.

Capital Outlay
Decrease in this category is due to the purchase of large, long term equipment during the first year of the reorganization of the Fire Prevention program. The items will be added to the Town's replacement schedule and funded accordingly in future years.

Planning, Zoning, and Building Department

Program 211 - Planning and Zoning
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	295,759	314,030	322,746	263,142	308,745	-4.34%
Employee Benefits	87,424	110,978	107,343	102,274	107,685	0.32%
Contractual	136,833	213,154	472,058	369,647	264,100	-44.05%
Commodities	6,050	8,231	7,500	6,647	7,000	-6.67%
Capital Outlay	0	822	2,000	0	6,100	205.00%
Other	0	0	0	0	0	0.00%
TOTALS	526,066	647,215	911,647	741,710	693,630	-23.91%

EXPENDITURES

Salaries and Wages:
Decrease is due to adjustment in allocation of salaries.

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

Contractual:
FY2006 reflects increase in litigation costs. These costs are expected to decrease in FY2007.

Commodities:
Decrease in minor computer equipment needing replacement.

Capital Outlay:
Represents acquisition of an AED (defribillator) and replacement of major computer equipment.

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 Update Property values increased 15% in FY2006.
Result:	The quality of life meets or exceeds the community's expectation
Measure:	Annual community survey indicates satisfaction level of 90% or better Update Town has not conducted an annual survey in 2006. The department is implementing customer satisfaction comment cards to measure customer satisfaction in the 4th quarter of FY 2006.
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 Update The department has initiated a log of interpretations to maintain the record of all interpretations of the code of ordinances for use by all members of staff to maintain consistency and accuracy in it's interpretations.
Result:	The Comprehensive Plan and zoning amendments process is clear, straightforward and regulatory applications are structured as to elicit complete and correct information.
Measure:	Time spent answering questions, mistakes on applications and work contemplated is clear and understood Update The department has begun manually tracking the number of applications which are incomplete or require modification. Since the department has instituted a checklist system, the quality and accuracy of zoning applications continues to improve. Our goal is 97% accuracy. We will be able to measure this key result more accurately upon implementation of a computerized system for application submission.

Planning, Zoning & Building Department

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. Update Staff strives to improve its procedures continually with limited space and resources. The staff will be able to more adequately measure key results and workload indicators upon implementation of the new computer system.
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 Update The percentage of general fund budget dedicated to this program decreased from 1.16% in FY06 to 1.11% in FY07

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Zoning Applications	83	81	69	70
Zoning Study Items	33	23	17	20
Zoning Inquiries	6,000	6,250	6,250	6,350*
ARCOM Applications	158	134	168	168
ARCOM Staff Approvals	300	360	249	250

*Yearly figures through 2006 are estimates only. Actual data is now being tracked manually for more accurate reporting in FY 07.

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Director	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	0.50
Office Manager	0.00	0.10	0.10	0.12
TOTAL	4.30	4.10	4.10	3.72

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Planning, Zoning, and Building Department

Program 212 - Permit Issuance
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	512,979	546,263	572,884	546,576	583,775	1.90%
Employee Benefits	170,024	195,197	212,609	213,307	230,254	8.30%
Contractual	103,061	194,335	196,247	244,827	245,700	25.20%
Commodities	12,919	11,771	17,400	14,394	17,950	3.16%
Capital Outlay	12,566	5,707	14,797	13,552	13,697	-7.43%
Other	0	0	0	0	0	0.00%
TOTALS	811,549	953,273	1,013,937	1,032,656	1,091,376	7.64%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 contract costs for special plan review, caused by increased time required for more technical reviews, higher costs for service, and increase in plan review applications.

Commodities:
Increase in costs for minor computer replacement and additional software licenses.

Capital Outlay:
Decrease in major computer equipment replacement costs.

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. Update Computerization of department in formulation stages. New system will provide ability to track permits. Average time for first review of building permit applications was 15 days in May of 2005, and 19 days in May of 2006. Changes in the Florida Building Code requiring more technical reviews, an increase in permit applications, additional training requirements, and increased cost for plan review services all have contributed to this increase in review time. New computer system will enable Department to monitor review times to more effectively allocate existing resources.
Result:	Exceptional level of customer service
Measure:	Annual citizen satisfaction survey and customer feedback survey. Update Town has not conducted an annual survey in 2006. The department is implementing customer satisfaction comment cards to measure customer satisfaction in the 4th quarter of FY 2006. Results of 2005 town-wide survey indicate that 66% of surveyed residents feel the Town meets or exceeds their expectations in the area of building construction code enforcement.
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 plans scanned within three years. Update The current plans are being scanned within a 6 month time frame after completion of the permit. However, there remains a 10-15 year backlog of additional plans that need to be organized and scanned to bring the backlog up to date. When a new computer software system is implemented, we will be better able to determine when this backlog will be addressed.

Planning, Zoning & Building Department

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. Update The percentage of general fund budget dedicated to this program decreased from 1.79% in FY06 to 1.74% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Construction Permits Issued	6,527	6,262	8,576*	8,600
Certificates of Occupancy Issued	58	52	35	26
Master Property Files Digitally Maintained	1,500	2,575	2,575	2,613
Number of Records Digitized***	115,000	101,000	34,000**	72,165
Number of Days to Scan Current Records	N/A	30	30	14
Property Record Inquiries On-Site	1,400	1,700	1,700	640
Property Record Inquiries-Telephone	1,200	1,500	1,600	750
Number of Special Plan Reviews Conducted	N/A	1,000	1,130	1,448

* 15% increase over FY2004 due to hurricane activity. **Assuming no hurricane damage in 2006, and the economy experiences a mild slow down. *** A new computerized system will enable this Division to more accurately measure workload indicators. Manual tracking has recently been implemented to measure basic workload indicators. **Decrease in number because of lack of employee, 2 months to train new employee. Also began organization of large plans which caused daily scanning to slow down.

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Assistant Building Official	1.00	1.00	1.00	1.00
Planning Administrator	0.30	0.30	0.30	0.30
Administrative Aide	0.10	0.10	0.10	0.30
Chief Construction Inspectors	0.30	0.30	0.30	0.30
Plan Reviewer	0.50	0.50	0.50	0.70
Development Geoprocessor	1.00	1.00	1.00	1.00
Storm Water Engineer	1.00	1.00	1.00	0.50
Permit Technician	1.00	1.00	1.00	1.00
Office Manager	0.53	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
	9.23	9.23	9.23	9.13

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Program 213 - Inspection and Compliance

Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	466,748	499,009	494,026	535,572	649,963	31.56%
Employee Benefits	160,701	182,557	221,360	219,502	251,331	13.54%
Contractual	173,851	163,033	178,400	214,994	201,620	13.02%
Commodities	13,221	15,291	18,300	15,483	23,500	28.42%
Capital Outlay	32,444	13,359	14,834	13,134	13,526	-8.82%
Other	0	0	0	0	0	0.00%
TOTALS	846,965	873,249	926,920	998,685	1,139,940	22.98%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase. Also caused by adjustment in allocation of salaries from other programs to more accurately reflect current distribution of workload.

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

Contractual:
Increase due to increase in number of inspections required because of new building code requirements, and increased construction activity.

Commodities:
Increase due to replacement of obsolete office furniture and replacement office equipment. Addition of uniform allowance for inspectors and code compliance.

Capital Outlay:
Change in annual depreciation.

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. Update Computerization of department in formulation stages. The department is implementing customer satisfaction comment cards to measure customer satisfaction. Results of 2005 town-wide survey indicate that 75% of surveyed residents feel the Town meets or exceeds their expectations in the area of enforcement of town codes.
Result:	Inspections are completed in a professional manner by the end of the next working day with results readily available.
Measure:	Results of all inspections posted on day of inspection Update 90% of inspections results are posted on day of inspection. Goal for 2007 is 96%.
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 Update The department is implementing customer satisfaction comment cards to measure customer satisfaction. The department will be tracking the number of 30, 60, 90 and 120-day-past-due delinquencies in occupational license renewal. As new software is implemented with increased ability to issue reminder notices the department hopes to streamline the administration of the occupational license program, and reduce the percentage of delinquencies in renewals.
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. Update Property values have increased by 15.2% within the past year. According to a 2005 Townwide survey, 71% of respondents felt that the Town was taking appropriate steps to ensure the continued small-town character of the Town, and 73% agreed that the design of new homes is consistent with the aesthetic heritage of the Town.

Planning, Zoning & Building Department

Result:	Business licenses issued in a timely fashion
Measure:	Software in process of acquisition to measure this result. Specifics will be established upon installation. Update The Department currently processes licenses within 18 calendar days of receipt. The goal for FY2007 is 15 calendar days with the addition of a computer system which will facilitate the review process.
Result:	Maintain professional certifications to ISO standards
Measure:	Maintenance of professional certifications at twice the minimum CEUs required. Update Certifications are being maintained at the twice the minimum 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. Update The percentage of general fund budget dedicated to this program increased from 1.61% in FY06 to 1.82% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY 2006 PROJECTED
Construction Inspections	21,109	23,327	23,008	21,500
Number of Occupational Licenses 9/30	2,203	2,225	2,500	2,550
Code Violation Reports*	3,100	3,000	3,000	3,100
Code Violation Cases Scheduled for CEB	146	208	295	325

*The Department has recently instituted a manual system for tracking this information. Upon installation of a new software system, this data will be tracked closely, to assist in allocating resources more effectively. Code enforcement numbers represent the fact that we were not a full complement throughout the year

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Director	0.20	0.20	0.20	0.20
Administrative Aide	0.00	0.00	0.00	0.20
Building Inspector	0.00	0.00	0.00	1.00
Chief Construction Inspectors	2.70	2.70	2.70	2.70
Combination Inspector	2.50	2.50	2.50	1.30
Code Compliance Officer II	1.00	1.00	1.00	1.00
Code Compliance Officer I	1.00	1.00	1.50	1.50
Stormwater Engineer	0.00	0.00	0.00	0.50
Development Review Specialist	1.00	1.00	1.00	1.00
Development Review Coordinator	0.50	0.50	0.50	0.50
	8.90	8.90	9.40	9.90

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Planning, Zoning, and Building Department

Program 214 - Landmarks
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	58,571	52,446	52,118	43,494	54,178	3.95%
Employee Benefits	17,039	19,050	20,961	20,167	22,356	6.66%
Contractual	48,809	52,570	66,250	63,175	63,850	-3.62%
Commodities	589	209	1,050	607	1,300	23.81%
Capital Outlay	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	125,008	124,275	140,379	127,443	141,684	0.93%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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:
Minor increase in expenditure related to additional publications/subscriptions for Department and Commission.

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 Update The department is implementing customer satisfaction comment cards to measure customer satisfaction.
Result:	Property values are maintained or increased
Measure:	Identify and report % and exceptions annually Update Information is currently being gathered to track changes in value of historic properties over time. Initial information will be available in FY2007.
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. Update The percentage of general fund budget dedicated to this program decreased from .25% in FY06 to .23% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Landmark Properties Designations/Undesignations Considered	1	2	2	4
Tax Abatements Considered	0	0	1	4
Certificate of Appropriateness Applications	29	32	36	40
Designation Reports Updated	6	5	5	4

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Director	0.10	0.10	0.10	0.10
Planning Administrator	0.30	0.30	0.30	0.30
Office Manager	0.35	0.35	0.35	0.35
	0.75	0.75	0.75	0.75

Planning, Zoning, and Building Department

Program 215 - Fire Prevention
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	121,893	134,044	318,835	262,363	305,493	-4.18%
Employee Benefits	45,027	52,410	138,968	128,811	170,473	22.67%
Contractual	83	0	5,500	5,666	9,500	72.73%
Commodities	2,370	5,329	14,400	17,085	21,800	51.39%
Capital Outlay	0	0	35,300	31,624	3,000	-91.50%
Other	0	0	0	0	0	0.00%
TOTALS	169,373	191,783	513,003	445,549	510,266	-0.53%

EXPENDITURES

Salaries and Wages:
Decrease is due to the changes in assigned personnel due to promotions. Includes merit pay and step pay increases for eligible personnel 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, and the addition of three new positions.

Contractual:
Increased due to the addition of funding for printing and postage that was previously funded through the Fire Administration program.

Commodities:
Increased due to the addition of funds for office and data processing supplies and membership dues previously funded through the Fire Administration program. Also includes funding for additional file storage.

Capital Outlay:
Decrease in this category is due to the purchase of large, long term equipment during the first year of the reorganization of the Fire Prevention program. The items will be added to the Town's replacement schedule and funded accordingly in future years.

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:	Enhance fire protection of community through a fire inspection program
Measure:	Identify fire risks in all inspectible properties and make corrections through Fire Prevention Inspections Update Began new fire prevention program in January 2006 with two new Fire Prevention Officers and an Office Assistant to inspect approximately 600 properties.
Result:	Enhance community education to address fire safety issues
Measure:	Provide community with NFPA approved information to reduce fire risks Update Developed new fire prevention literature for all Town contractors and residents in coordination with the Fire Department.
Result:	Continually improve the CPR and AED capability of the Town through training and education
Measure:	Provide American Heart Association CPR & AED programs for target groups within the Town. Update Conducted initial CPR & AED training for Department Directors, Assistant Department Directors, Citizens Fire Academy students, and re-certification of 100% of fire personnel.
Result:	Improve the reliability and validity of the fire alarm systems in the community
Measure:	Reduce false fire alarm activations by 5% each year Update Began new program of inspections of all occupancies with fire alarm systems and began correcting systems that failed to meet industry standards.
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 Update The percentage of general fund budget dedicated to this program decreased from .89% in FY06 to .81% in FY07.

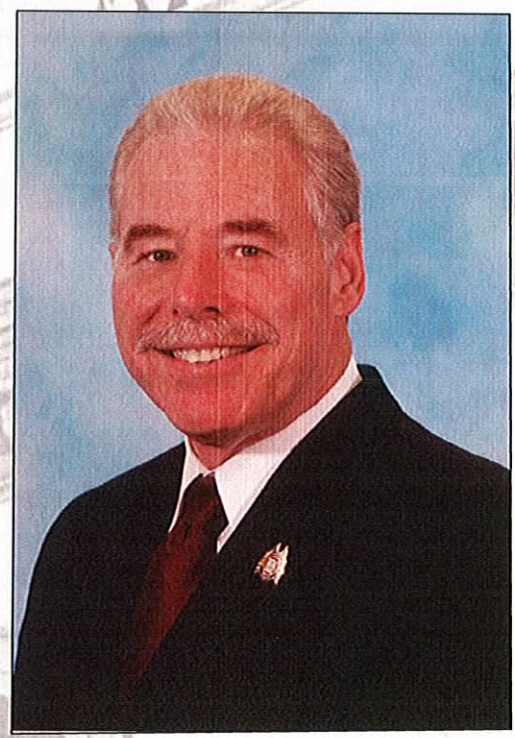
Planning, Zoning & Building Department

PROGRAM: FIRE PREVENTION 215

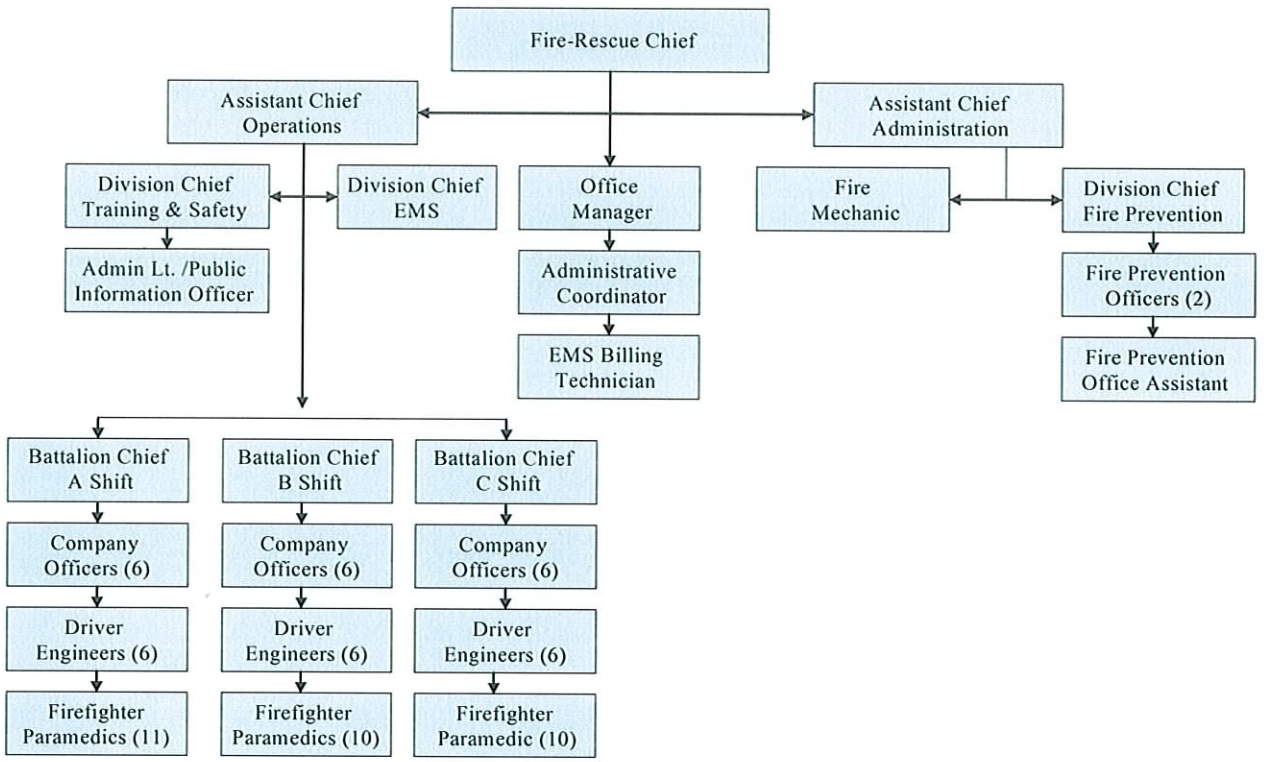
Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Occupancies Inspected	725	700	715	765
Code Violations Corrected	474	485	492	511
Hours of Inspection	854	802	834	950
Number of Buildings	574	570	578	634
Fire Loss	$1,013,650	$8,256,200	$837,100	$227,500
Value of Property Protected	8.153B	9.2B	10.0B	11.95B
Plans Reviewed	615	575	675	715
Technical Inspections	82	85	98	87

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Fire Marshal	1.00	1.00	1.00	1.00
Fire Inspector	0.00	0.00	0.00	0.00
Administrative Lieutenant	0.50	0.50	0.00	0.00
Fire Prevention Officer	0.00	0.00	2.00	2.00
Office Assistant	0.00	0.00	1.00	1.00
	1.50	1.50	4.00	4.00

Fire-Rescue



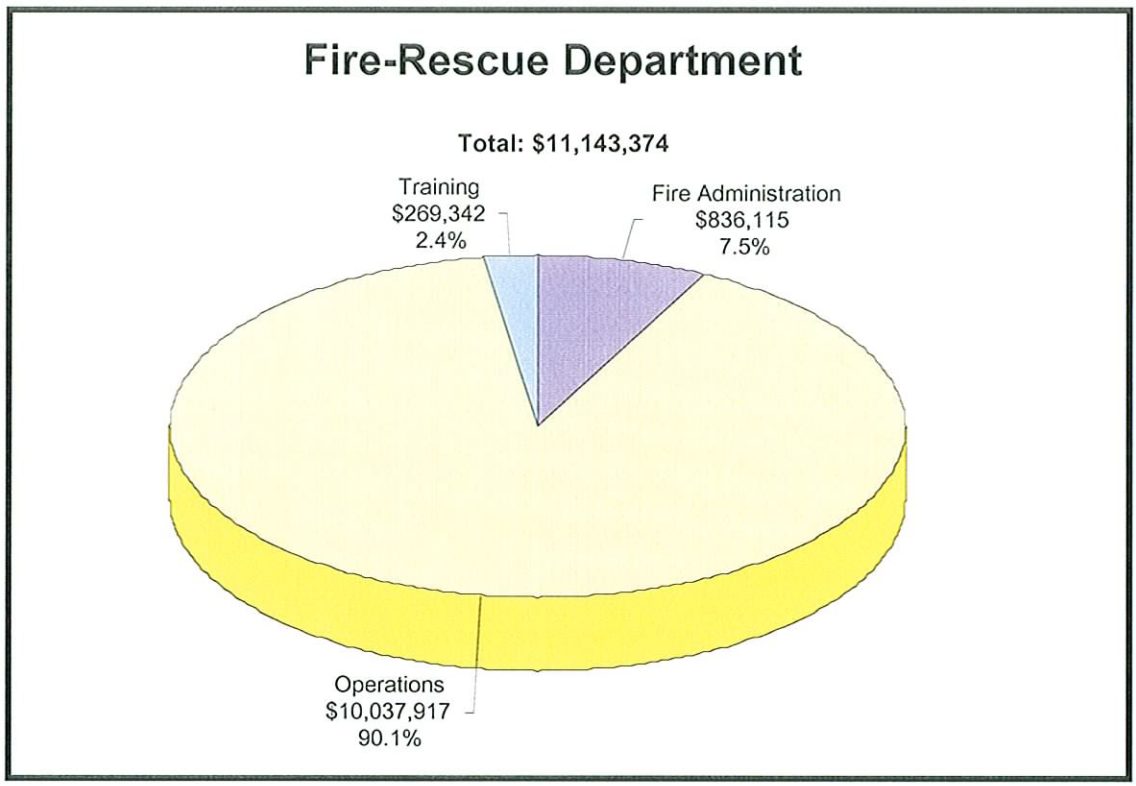
Fire-Rescue Department



	FY2004	FY2005	FY2006	FY2007
Total Full Time Equivalent Employees	78.50	79.50	80.00	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.



	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2007 Budget
Revenues	$366,659	$476,389	$826,755	$655,755
Expenditures	$8,051,344	$8,900,253	$10,070,972	$11,143,374

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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	NFPA Industry Standards for Response Time - 8 minutes or less for 90% of the time. 2006 Update: A new tracking system has been implemented to record response times for EMS and Fire Calls for each zone. In 2008, new data will be available for review.
Measurement	EMS Transports - Transport to designated hospital 100% of the time. 2006 Update: New medical protocols have been instituted by the department's Medical Director for transporting patients to specific hospitals for cardiac and stroke treatment. Utilizing a new Quality Assurance Program, the Battalion Chief on each shift will analyze 100% of the medical calls to ensure all medical protocols are followed appropriately.
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. 2006 Update: The new Safety Committee reviewed 100% of accidents and injuries and made recommendations for safety improvements to the Fire-Rescue Chief.
Key Result #3	Reduce property loss and personal injuries for residential fires.
Measurement	Confine fires to Building of Origin in 100% of all residential fires. 2006 Update: During the first 6 months of FY06, the department responded to 12 confirmed structure fires and 100% of the fires were confined to the Building of Origin.
Measurement	Teach CPR and AED classes to at least 90% of all Town Employees. 2006 Update: A CPR Instructor class has been planned to be taught to a select group of Town employees to enable them to teach CPR and AED classes to their own employees in-house.

Fire-Rescue Department

Fire Department - All Programs
Revenue Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
FEMA Grant	58,962	90,594	276,000	0	80,000	-71.01%
Fire Supplemental Compensation	19,140	21,427	27,200	25,948	27,200	0.00%
Special Detail	31,415	67,870	50,000	116,446	50,000	0.00%
EMS Grant-PB County	12,712	45,278	50,000	45,922	50,000	0.00%
Room Rental - South Fire	916	0	300	338	300	0.00%
Fireworks Permit	0	0	15,000	4,000	15,000	0.00%
Bonfire Permit	0	0	1,500	2,100	1,500	0.00%
Fire Hydrant Flow Test	0	0	12,500	2,500	12,500	0.00%
Hot Works Permit	0	0	7,500	825	7,500	0.00%
Technical Fire Inspections	0	0	15,000	2,000	15,000	0.00%
Public Assembly	0	0	10,000	1,860	10,000	0.00%
Fire Prevention Annual Inspection Fee	0	0	61,755	35,496	61,755	0.00%
EMS Transport Fees	243,514	251,220	300,000	510,383	325,000	8.33%
TOTALS	366,659	476,389	826,755	747,818	655,755	-20.68%

Fire-Rescue Department

REVENUES

FEMA Grant:
The application for the 2006 grant period was sent on April 4, 2006, requesting funding for the installation of a Plymovent Vehicle Exhaust System for the Central Fire Station and the Mechanic's Bay at the South Fire Station. The proposed cost for this project is $75,982. The Federal share being $72,183 and the Town's share $3,799 in a 95/5 cost share.

In April 2005, the Department submitted a grant proposal for the next application 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. On November 2, 2005, the Department received notification from FEMA that this grant would not be funded.

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

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 31 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 are made available annually to enhance and improve EMS services within Palm Beach County. A maximum of $50,000 is available for successful grant applications. For FY2006 the Department received funding of a MCI / Emergency Response trailer at a total cost of $46,922.

A new application for FY2007 was recently submitted for the purchase of hydraulic stretchers. Notification of award status is pending.

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.

Fire-Rescue Department

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 $60 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 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. Hot work is defined as those work activities that include a great amount of heat being generated such as roof tarring and welding.

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 $325,000. These funds are expected to come from Medicare, private insurance, and the patient.

Fire-Rescue Department

Fire Department - All Programs
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	5,206,720	5,473,208	5,927,191	5,981,850	6,159,375	3.92%
Employee Benefits	2,048,042	2,416,579	2,809,253	2,785,149	3,707,330	31.97%
Contractual	115,632	157,226	191,770	168,168	259,300	35.21%
Commodities	213,010	450,560	319,600	376,937	352,950	10.43%
Capital Outlay	372,941	307,681	728,158	415,307	569,419	-21.80%
Other	94,999	94,999	95,000	95,000	95,000	0.00%
TOTALS	8,051,344	8,900,253	10,070,972	9,822,411	11,143,374	10.65%

EXPENDITURES

Salaries and Wages:
Increase is due to step pay increases for bargaining unit personnel and 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 in contractual services are due in large part to increased costs in postage, printing, and outside services. The Department is preparing for the Accreditation process and preparing documentation for review by the accrediting agency. There are also increases in equipment maintenance contracts and a proposal for installation of a mold remediation system at the North Fire Station. In-house training was funded in lieu of sending personnel to outside training conferences and seminars.

Commodities:
The cost of necessary supplies has increased and several minor office equipment items are necessary to improve efficiency and productivity without increasing staff.

Capital Outlay:
The annual depreciation for the Department is down because several large cost items have been fully depreciated and are ready for replacement within the 2007 fiscal year.

Fire-Rescue Department

Program 411 - Fire Administration
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	420,828	231,065	403,791	391,058	499,860	23.79%
Employee Benefits	126,709	159,698	175,267	173,906	239,244	36.50%
Contractual	44,431	60,454	53,960	57,109	55,900	3.60%
Commodities	11,681	56,740	14,000	25,295	21,500	53.57%
Capital Outlay	15,904	11,585	10,383	10,383	19,611	88.88%
Other	0	0	0	0	0	0.00%
TOTALS	619,553	519,542	657,401	657,751	836,115	27.18%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase. Increase is also due to a reallocation of the Administrative Lieutenant wages to come fully from Administration.

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

Contractual:
Increase in postage and printing related to EMS Transport billing and anticipated costs for Department Accreditation process. There is a small increase for the Medical Director's contract.

Commodities:
Increase includes purchase of office equipment, card scanners for rescue units, and new software for billing collections.

Capital Outlay:
Increase is due annual depreciation funding.

Fire-Rescue Department

PROGRAM: FIRE ADMINISTRATION 411

Mission: This division exists to oversee the Fire-Rescue department to ensure that the community is provided with 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 the services of the Fire-Rescue Department.
Measure:	Results from Citizen Satisfaction survey indicate at least a 90% or higher approval rating in the excellent or very good rating. Update In the 2005 Citizen Satisfaction survey, 95% reported that the Fire Department either met or exceeded their expectations. A Citizen Satisfaction Survey specifically measuring satisfaction with fire-rescue services is under development and is expected to be completed and submitted to the Fire-Rescue Chief in June 2007.
Result:	Maintain a professional Fire-Rescue agency.
Measure:	Begin process for 100% compliance with Accreditation standards for completion in 2009. Update Began internal review of polices and procedures to comply with National Fire Protection Association industry standards. Completed revision of 100% of Department's Rules and Regulations to comply with Accreditation standards.
Result:	Maximize EMS transport revenue through efficient, timely filing of claims
Measure:	Maintain collection rate of 85% or better Update The collection rate on FY05 invoices to date is 84.08%. For invoices created during the first half of FY06, the collection rate is 73.67%. Through efforts of new EMS Billing Technician, collection of back payments from previous years has increased 26%.
Result:	Maintain ISO classification
Measure:	Review policies and procedures to maintain best possible ISO Fire Insurance rating. Update Procured new software to ensure 100% documentation of fire activities required for ISO Class 2 rating.
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. Update The percentage of general fund budget dedicated to this program increased from 1.16% in FY06 to 1.33% in FY07.

Fire-Rescue Department

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
EMS Transport Revenue	$314,422	$243,514	$251,220	$374,546

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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 Chief (EMS Coordinator)	1.00	1.00	0.00	0.00
Administrative Lieutenant (PIO)	0.50	0.50	1.00	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	1.00	1.00	1.00
TOTALS	5.50	6.50	6.00	6.00

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Fire-Rescue Department

Program 417 - Operations
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	4,701,069	5,146,122	5,420,929	5,482,664	5,547,844	2.34%
Employee Benefits	1,887,652	2,217,551	2,586,813	2,565,749	3,407,715	31.73%
Contractual	30,762	46,953	64,860	48,824	121,400	87.17%
Commodities	194,313	384,695	293,100	340,313	316,150	7.86%
Capital Outlay	357,037	296,096	717,775	404,924	549,808	-23.40%
Other	94,999	94,999	95,000	95,000	95,000	0.00%
TOTALS	7,265,832	8,186,416	9,178,477	8,937,474	10,037,917	9.36%

EXPENDITURES

Salaries and Wages:
Increase is due to step pay increases for eligible personnel pursuant to the Bargaining Unit contract 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 required maintenance contracts and services, installation of mold remediation in air conditioning system at North Fire Station.

Commodities:
Increase in annual costs of cleaning supplies for stations, vehicle maintenance, fuel, uniform costs, medical supplies and operating equipment.

Capital Outlay:
Includes funding to replace worn out tables and chairs for the South Station meeting room and add records storage and filing systems to Stations 2 and 3. There are machinery and equipment items to improve security of the Fire Stations and improve operations. These purchases were offset by a $210,000 decrease in budgeted grant equipment. The annual depreciation for this program is also down because several large cost items have been fully depreciated and are ready for replacement in the 2007 fiscal year.

Other:
Sixth year of a seven year lease to buy a fire pumper

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 emergency response for:

- Fire protection and suppression
- Advanced Life Support services and EMS transport
- Hazardous condition response
- Technical Rescue

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 and property protection
Measure:	First unit response time of 5 minutes or less from receipt of alarm to arrival 90% of the time Update Created a new response time tracking program to measure first unit response time of 5 minutes or less from receipt of alarm in fire station to arrival on scene 90% of the time. In 2007, new data will be available for review.
Result:	Minimize property loss as a result of structure fires
Measure:	Contain structure fires to floor of origin 80% of the time Update 100% confinement of fires to building of origin in 12 structure fires from October 1, 2005 - June 1, 2006.
Result:	Maintain optimum response time for ALS/EMS to enhance life safety support
Measure:	First ALS unit response time of 5 minutes or less 90% of the time Update Created a new response time tracking program to measure first unit response time of 5 minutes or less from receipt of alarm in fire station to arrival on scene 90% of the time. In 2007, new data will be available for review.
Result:	Minimize time between arrival and transport on cardiac, stroke and trauma alerts
Measure:	Meet or exceed industry standards for treatment and rapid transport Update Conducted EMS training programs for 100% of paramedics on Advanced Cardiac Life Support and Basic Trauma Life Support to comply with industry standards for rapid treatment and transport of EMS patients.
Result:	Maintain EMT/Paramedic re-certification of all personnel as required
Measure:	Achieve 100% of required training to maintain certification required by Florida State Statute Update Began a new on-line EMS training program for required re-certification of 100% of personnel to comply with state statutes

Fire-Rescue Department

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. Update The percentage of general fund budget dedicated to this program increased from 15.43% in FY06 to 16.02% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Number of Medical Calls	1,594	1,580	1,571	1,134
Average Response Time (EMS)	3:54	3:31	4:43	4:44
Number of Patients	1,575	1,533	1,538	1,134
Number of Transports	957	974	1,000	685
Number of Fire Calls	1,109	1,341	1,346	951
Average Response Time (Fire)	4:20	4:09	5:21	5:37
Fire Loss	$1,013,650	$8,256,200	$384,350	$227,500

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Assistant Chief, Operations	1.00	1.00	1.00	1.00
Battalion Chief	3.00	3.00	3.00	3.00
EMS Division Chief	0.00	0.00	1.00	1.00
Captain	0.00	0.00	0.00	0.00
Lieutenant	15.00	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	72.00	72.00	73.00	73.00

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Fire-Rescue Department

Program 418 - Training
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	84,823	96,021	102,471	108,128	111,671	8.98%
Employee Benefits	33,681	39,330	47,173	45,494	60,371	27.98%
Contractual	40,439	49,819	72,950	62,235	82,000	12.41%
Commodities	7,016	9,125	12,500	11,329	15,300	22.40%
Capital Outlay	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	165,959	194,295	235,094	227,186	269,342	14.57%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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:
Contractual services increased due to the increased use of in-house training instead of sending individuals to outside conferences and seminars. Funding for job development courses for promotional requirements has increased due to retirements and subsequent promotions, exhausting the list of qualified applicants. Funding for outside training was reduced.

Commodities:
Minor operating equipment increased for the purchase of training/recertification props for in-house training. Subscription/Publication costs also increased.

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 for Fire, EMS, Haz Mat, Technical Rescue and all aspects for fire-rescue operations
- 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:	Enhance Incident Command System capabilities for managing critical incidents
Measure:	Provide National Incident Management System (NIMS) training for 90% of fire-rescue department personnel. Update Conducted training for 100% of operations personnel on I-700 and I-800 NIMS program. Conducted training for 80% of Command Officers on I-200 and I-300 NIMS program. Officers.
Result:	Enhance EMS response capabilities through Medical Director approved training programs
Measure:	Provide training for 80% of department personnel in EMS training using props for simulation under controlled conditions Update Completed Medical protocol testing for 100% of new paramedics with Mega-Code Kelly under the direction of the Department's Medical Director. Began new Field Training Officers Program to provide monthly training for 100% of operations personnel.
Result:	Enhance Fire Suppression response capabilities through NFPA approved firefighting training
Measure:	Provide training for 80% of department personnel in fire training using props for simulation under controlled conditions Update Conducted Live Fire training for 80% of personnel using a Fire Blast Trailer, and also conducted Live Fire training in joint operation with WPB Fire-Rescue on houses in WPB under the direction of Fire Instructors.
Result:	Enhance Technical Rescue response capabilities through NFPA approved technical rescue training
Measure:	Provide training for 80% of department personnel in technical rescue operations using props for simulation under controlled conditions Update Conducted Confined Space Rescue training for 80% of personnel using Public Works underground access holes in joint training sessions with Public Works Department personnel.

Fire-Rescue Department

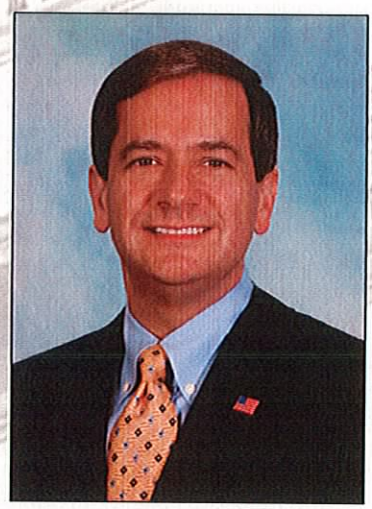
Result:	Enhance Hazardous Materials response capabilities through NFPA approved haz mat training
Measure:	Provide training for 80% of department personnel in technical rescue operations using props for simulation under controlled conditions Update Planned hazardous materials training class for summer 2006 for 100% of operations personnel to comply with county-wide Level of Service standard.
Result:	Enhance Community Education programs to improve the level of knowledge in the community for Fire protection and EMS.
Measure:	Provide an annual Citizens Fire Academy for education and training of residents to form partnerships in the community. Update Graduated 18 students from the 4th Citizens Fire Academy including a practice landing at the Par 3 Golf Course by the TraumaHawk Helicopter from the Health Care District.
Result:	Conduct the work of Training 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. Update The percentage of general fund budget dedicated to this program increased from .42% in FY06 to .43% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Annual Training Hours	54,044	47,472	46,277	47,000
Citizens' Fire Academy Participants	20	14	17	22

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Training and Safety Officer	1.00	1.00	1.00	1.00

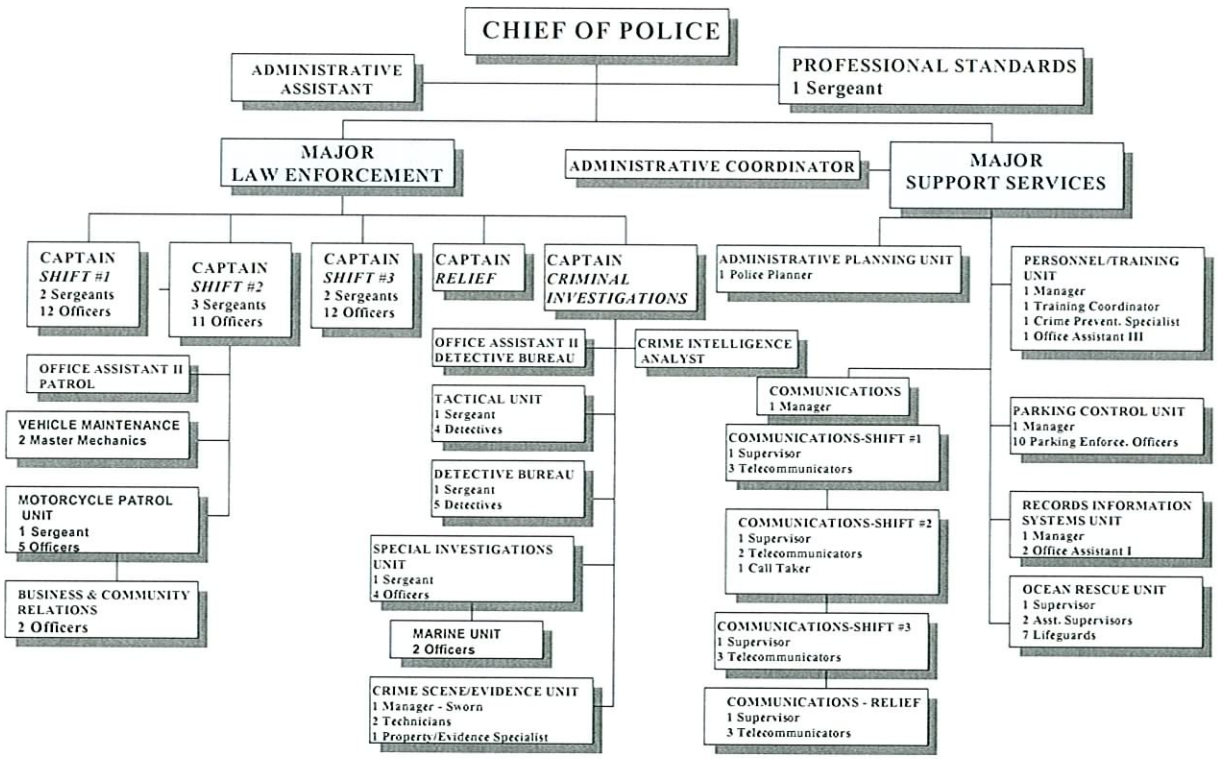
Police

COMMUNITY HELPE
TEACHER
POLICE OFFICER
MAIL CARRIER
FIRE FIGHTER



POLICE
PALM BEACH

Police Department



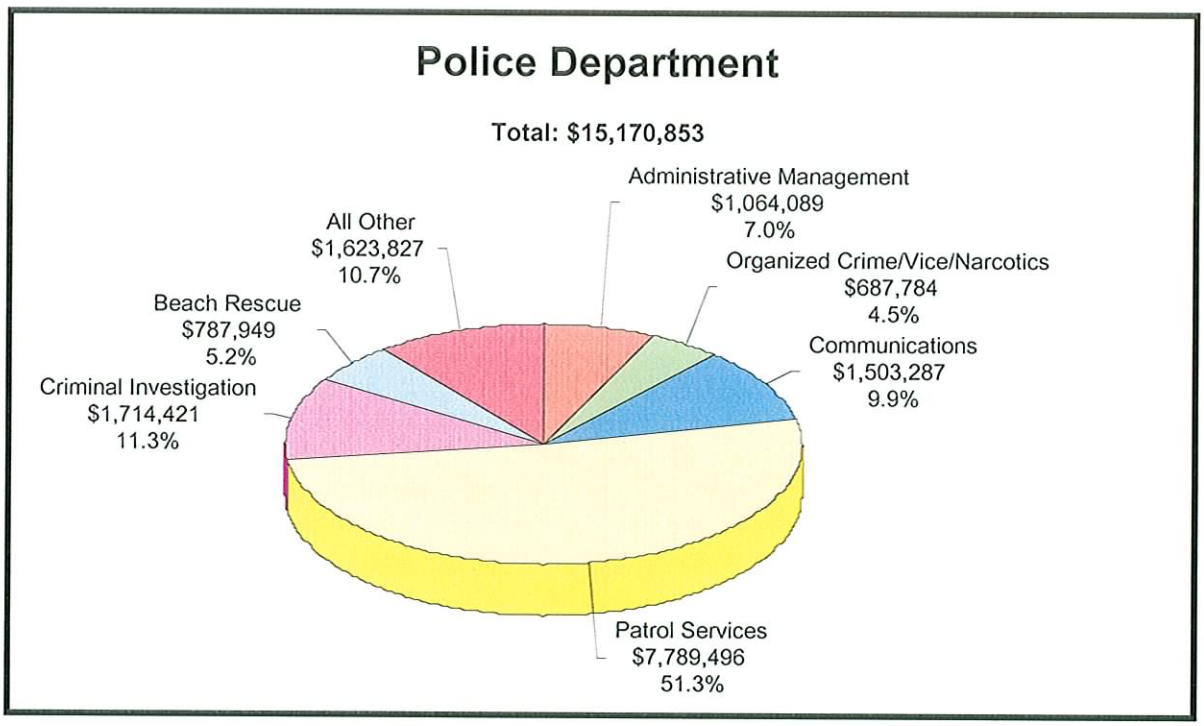
	FY2004	FY2005	FY2006	FY2007
Total Full Time Equivalent Employees	131.00	131.00	131.00	131.00

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.



	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2007 Budget
Revenues	$1,378,852	$1,062,032	$1,500,600	$1,339,914
Expenditures	$12,377,262	$13,078,878	$15,329,229	$15,170,853

Police Department

Key Results and Measurement Methodology

Key Result #1	The community feels safe.
Measurement	At least 85% of respondents chose responses of either "Strongly Agree" or "Agree" to the following survey question: "I feel safe in Palm Beach." 2003 Results: 99.3% (Police Department Survey) 2005 Results: 96.0% (Town-wide Citizen Satisfaction Survey) 2006 Results: 99.6% (Police Department Survey)
Key Result #2	Prevent crime and protect life and property.
Measurement	Crime rate for violent crime below that of the US and State of Florida averages. 2004 U.S. Violent Crime down 1.2% 2005 U.S. Violent Crime down 3.3% 2004 State of Florida Violent Crime down .6% 2005 State of Florida Violent Crime up .6% 2004 Palm Beach Serious Crime down 1.39% 2005 Palm Beach Serious Crime down 8.45%
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 chose responses of either "Exceeds" or "Meets" to the following survey question: "Police Department's effectiveness at preventing crime and enforcing laws." **At least 85% of respondents chose either "Excellent" or "Good" when asked "overall, how would you rate the Palm Beach Police Department in providing police services?" *2005 Results: (Town-wide Citizen Satisfaction Survey) "Exceeds" 62%; "Meets" 34% Combined 96% **2006 Results: (Police Department Survey) "Excellent" 81.7% "Good" 17.2% 98.8% Combined

Police Department

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 P.B. Crime Watch and Marine Crime Watch Membership 1,094
Measurement	The Palm Beach Police Department's internet web site experiences an average of at least 2,500 successful hits per day. 2005 Results: Average of 6,012 hits per day as reported on the 6 month review of the Department's Goals and Objectives. There are no statistics for the second half of 2005 due to the system update that was completed in February 2006.
Measurement	Provide Citizen and Teen Police Academy programs to at least 75 persons. 2005 Results: 47 Adults and 33 Teens attended the programs.

Police Department

Police Department - All Programs
Revenue Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Bullet Proof Vests Grant	0	8,732	0	1,423	6,000	100.00%
FDLE Justice Assistance Grant	0	0	0	2,588	3,500	100.00%
Local Law Enforcement Block Grant	6,853	0	0	1,931	0	0.00%
Seized Tag	783	3,200	1,900	4,083	3,000	57.89%
911 Equipment Reimbursement	128,202	59,792	185,200	81,420	90,914	-50.91%
Special Assignment Overtime	296,010	282,445	355,000	322,290	350,000	-1.41%
Police ID Cards	22,630	31,042	20,000	26,230	25,000	25.00%
Burglar Alarm False Alarm Fees	39,480	30,950	35,000	31,300	35,000	0.00%
Burglar Alarm Registration Fees	49,575	47,773	50,000	39,473	48,000	-4.00%
Burglar Alarm Penalty	230	3,384	3,500	5,528	5,000	42.86%
Burglar Alarm Direct Connect	4,750	4,750	6,000	9,250	5,000	-16.67%
Valet Parking Permit	1,250	4,500	4,500	4,500	4,500	0.00%
Fines-Parking Meters	150,439	108,817	160,000	161,780	150,000	-6.25%
Penalties-Parking Meters	58,833	78,242	75,000	116,634	75,000	0.00%
Fines-Other Parking	418,858	191,370	350,000	259,823	300,000	-14.29%
Penalties-Other Parking	147,040	130,062	175,000	213,933	175,000	0.00%
Moving Violations	43,940	67,305	70,000	38,633	55,000	-21.43%
Revenue/2nd $ Funding	3,424	4,768	3,500	4,101	4,000	14.29%
Boot Fees	6,555	4,900	6,000	4,850	5,000	-16.67%
TOTALS	1,378,852	1,062,032	1,500,600	1,329,770	1,339,914	-10.71%

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.

Each year the Police Department budget a minimum of 10 vests per year at a cost of approximately $8,000. During FY 2007, the department anticipates buying 15 vests in order to cover new hires and regular replacements. 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.

FDLE Justice Assistance Grant:
The U.S. Department of Justice, Local Law Enforcement Block Grant program awards funds to the State of Florida. The Florida Department of Law Enforcement (FDLE) in turn allocates these funds to units of local government based on locally reported Part I crimes. These funds must be used for one of seven Program Purposes Areas as established by FDLE and usually requires a 10% cash match by the receiving agency.

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. For fiscal year 2006, the county is reimbursed salaries at 7.50%. This trend is expected to continue through FY07.

Special Assignment Overtime:
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 the 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

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	7,807,542	7,811,889	8,462,050	8,245,470	8,746,763	3.36%
Employee Benefits	3,500,553	3,969,523	4,728,894	4,649,848	5,091,332	7.66%
Contractual	328,414	401,014	486,327	1,081,543	501,183	3.05%
Commodities	317,817	465,308	374,706	429,926	399,786	6.69%
Capital Outlay	422,936	431,144	1,272,252	606,508	426,789	-66.45%
Other	0	0	5,000	3,176	5,000	0%
TOTALS	12,377,262	13,078,878	15,329,229	15,016,471	15,170,853	-1.03%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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:
Most units within the police department realized reductions due to such items as the implementation of a town-wide phone stipend, reduced postage and printing expenses for the Citizen Satisfaction Survey that was printed/mailed in FY06, reduced building maintenance expenses, the elimination of expenses for multi-year maintenance contracts that will expire in FY08 or later, and lower wireless connection fees. However, overall, contractual services increased due to the purchase of maintenance contracts in the Patrol Unit (428) for various equipment such as tasers, the talon robot, and required software upgrade of 29 AEDs.

Commodities:
Department-wide increase is due primarily to the increase in fuel/motor oil expenses. Unit increases are due to the purchase of specific items such as: shelving/cabinets , wireless computer air cards, Bird Flu protective supplies, additional ammunition for training purposes, the 5 year replacement of telecommunicator equipment such as chairs, monitor arms and copy holders, office equipment for evidence/crime scene collection and storage needs, an increase in publications/subscription in which telecommunicator online training is charged, uniforms for new hires, and radio and AED batteries for patrol.

Capital Outlay:
Large reduction due to the purchase of County-wide radio system in FY06. New proposed purchases for FY07 are: Key Management System; standard equipment for patrol vehicles; 1 hand held laser radar unit and 1 standard radar unit; 2 night vision devices for sniper rifles, bullet proof shields for the Special Operations Unit, 1 ATV for Ocean Rescue, 1 lifeguard tower, and 1 surf ski for long distance rescues.

Police Department

Program 421 - Administrative Management
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	574,210	556,030	614,166	627,214	655,525	6.73%
Employee Benefits	229,745	232,433	278,110	267,807	293,887	5.67%
Contractual	41,617	57,274	56,554	54,175	55,064	-2.63%
Commodities	42,756	60,898	47,700	52,171	52,900	10.90%
Capital Outlay	5,856	1,987	1,987	5,787	1,713	-13.79%
Other	0	0	5,000	3,176	5,000	0.00%
TOTALS	894,184	908,622	1,003,517	1,010,330	1,064,089	6.04%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 is due to the implementation of a town-wide cell phone stipend, the reduction in postage and printing expenses for the Citizen Satisfaction Survey that was printed/mailed in FY06, and for building maintenance expenses.

Commodities:
Increase is due to the purchase of shelving/cabinets for the Administrative supply room, 2 wireless computer air cards, and Bird Flu protective supplies.

Capital:
No Capital Outlay is requested for FY07. Amount budgeted is annual depreciation expense.

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 Palm Beach 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". Update 2003 Results: 97.7% 2006 Results: 98.8 %
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. Update National and state re-accreditation was received by the agency at the CALEA conference in March of 2005 and the CFA conference in June 2005 after a successful four day on-site assessment in November 2004. The department's next on-site assessment is scheduled for December 2007.
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 Update The units percentage of department budget for FY2006 was 6.56%. The units percentage of budget for FY2007 is 6.87%. The percentage of general fund budget decreased from 1.74% in FY06 to 1.70% in FY07.

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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**

Program 422 - Special Investigations Unit (SIU)
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	347,275	337,296	372,839	322,710	377,187	1.17%
Employee Benefits	168,573	190,390	224,523	217,424	248,293	10.59%
Contractual	34,088	35,816	44,200	35,438	41,000	-7.24%
Commodities	9,233	12,639	15,000	15,942	12,920	-13.87%
Capital Outlay	9,274	9,828	5,009	5,009	8,384	67.38%
Other	0	0	0	0	0	0.00%
TOTALS	568,443	585,969	661,571	596,523	687,784	3.96%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 town-wide implementation of cell phone stipend.

Commodities:
Reduction due to decrease in office furniture/equipment purchases for FY07.

Capital Outlay:
Annual depreciation expense.

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. Update The unit regularly attends monthly intelligence meetings as part of the Regional Domestic Security Task Force for the tri-county area. Additionally, the unit has a designated member who participates in the FBI Joint Terrorism Task Force.
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. Update In 2005 the unit had 10 arrests, 249 investigations, 8 using confidential informants and conducted 676 hours of surveillance.
Result:	Police personnel are well informed of applicable intelligence.
Measure:	Number of intelligence bulletins prepared and disseminated. Update The unit prepared and distributed 52 intelligence bulletins in 2005.
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 Update The units percentage of department budget for FY2006 was 4.30%. The units percentage of budget for FY2007 is 4.44%. The percentage of general fund budget decreased from 1.14% in FY06 to 1.10% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Total Cases Investigated	269	108	249	225
Total Intelligence Reports	354	362	169	200
Disseminated Intelligence Bulletins	90	78	52	65

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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 423 - Records Information Systems Unit

Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	168,737	116,435	135,201	137,184	142,425	5.34%
Employee Benefits	75,971	60,143	71,520	71,503	76,139	6.46%
Contractual	9,522	13,496	13,450	10,453	12,950	-3.72%
Commodities	2,879	3,724	5,100	5,183	5,100	0.00%
Capital Outlay	763	191	191	191	191	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	257,872	193,989	225,462	224,514	236,805	5.03%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 slight decrease in travel/professional development.

Commodities:
No change.

Capital:
Annual depreciation expense.

Police Department

PROGRAM: RECORDS INFORMATION SYSTEMS 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. Update Data is entered on a daily basis except on weekends, in which case it is entered on Monday morning.
Result:	Effective access to public records.
Measure:	Provide records requested by the public and police department no later than 3 business days from receipt of the request. Update In 2005 there were 830 records requests made from the public. The average turn around time was less than 2 days.
Result:	Timely and accurate accounting of all department property, equipment, and firearms.
Measure:	Accurate yearly audit of fixed assets and department property. Update A yearly Fixed Asset Inventory is done by the Support Services Major. The last inventory was completed on September 13, 2006 to include digital pictures of items. All department property was accounted for during the inventory.
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 Update The units percentage of department budget for FY2006 was 1.49%. The units percentage of budget for FY2007 is 1.53%. The percentage of general fund budget decreased from .40% in FY06 to .38% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Incident Reports	2,006	1,839	1,863	1,850
Citations/Violations Processed	4,625	4,638	6,859	5,000

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Records Supervisor	1.00	1.00	1.00	1.00
Records Information Assistant I	3.00	2.00	2.00	2.00
TOTAL	**4.00**	**3.00**	**3.00**	**3.00**

Police Department

Program 424 - Training/Personnel/Crime Prevention/Public Information

Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	164,195	190,797	218,609	215,645	238,983	9.32%
Employee Benefits	64,215	87,286	98,394	97,596	94,291	-4.17%
Contractual	14,470	24,078	34,650	26,033	34,550	-0.29%
Commodities	15,097	18,124	34,346	30,701	36,655	6.72%
Capital Outlay	4,182	4,182	4,182	4,182	3,661	-12.46%
Other	0	0	0	0	0	0.00%
TOTALS	262,159	324,467	390,181	374,157	408,140	4.60%

EXPENDITURES

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

Employee Benefits:
Decrease due to funds added to FY06 budget for hurricane expenses which are not budgeted in FY07, along with a drop in retirement expenses for the program due to one employee entering the drop program. These decreases are offset by significant increases in the actuarially determined retirement costs and increases in health insurance costs.

Contractual:
No significant change.

Commodities:
Increase due to the purchase of additional ammunition for training purposes.

Capital Outlay:
Annual depreciation expense.

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 citizen 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, Inc.
- 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 regarding police activities
- 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. Update The state mandates that every officer receive 40 hours of training every four years to maintain their certification. Included every four years must be F.D.L.E. mandated training in Human Diversity, Use of Force, Incident Command System, Domestic Violence and Juvenile Sexual Abuse Investigations. O.S.H.A. required Blood Borne Pathogen training must be done annually. Also included in the training must be high liability areas such as Firearms, Defensive Tactics and Defensive Driver Training. The Palm Beach Police Department provides 56 hours of training per officer, per year, in five week cycles, eight times a year. Telecommunicators and other civilians are always included in any training on subjects relevant to their jobs including N.C.I.C./F.C.I.C. and C.P.R./A.E.D. re-certifications every two years. In addition, the department provides in-service training opportunities to all department personnel, sworn and civilian, in subjects that impact their professional or personal lives.
Result:	Public safety is enhanced by responsible community involvement.
Measure:	Number of crime watch members and citizens involved in Crime Watch programs. Update The number of crime watch members has increase slightly to 1094 members. However, at a recent board meeting, members decided that efforts should no longer be directed at merely increasing membership, but should also focus on adequate saturation of crime prevention/safety information to the public.
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". Update 2003 Results: Question not asked. 2006 Results: 95.9%

Police Department

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. Update The units percentage of department budget for FY2006 was 2.58%. The units percentage of budget for FY2007 is 2.65%. The percentage of general fund budget decreased from .69% in FY06 to .65% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Crime Prevention Activities	30	35	63	60
Volunteers	10	58	66	78
Palm Beach Crime Watch Members	900	1,000	1,094	1,100

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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	1.00	1.00	1.00
Office Assistant II	1.00	1.00	1.00	1.00
TOTAL	**3.00**	**4.00**	**4.00**	**4.00**

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Police Department

Program 425 - Communications Unit
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	718,494	733,061	846,510	804,551	879,573	3.91%
Employee Benefits	350,157	380,334	435,092	426,093	449,942	3.41%
Contractual	115,375	106,686	141,917	759,681	133,751	-5.75%
Commodities	6,026	5,318	6,705	13,542	13,790	105.67%
Capital Outlay	13,614	13,950	682,221	11,345	26,231	-96.16%
Other	0	0	0	0	0	0.00%
TOTALS	1,203,666	1,239,349	2,112,445	2,015,212	1,503,287	-28.84%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 is the result of the implementation of the town-wide cell phone stipend, multi-year maintenance contracts that will expire in FY08 or later, and reduced wireless connection fees.

Commodities:
Increase is the result of the 5 year replacement of telecommunicator equipment such as chairs, monitor arms and copy holders which is partially reimbursed by county 911 revenues. Also, there are slight increase in the membership and publications/subscriptions account which is used for on-line training.

Capital Outlay:
Large reduction due to the purchase of County-wide radio system in FY06. Key Management System to be purchased in FY07.

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. Update The unit goal is to dispatch Priority 1 emergency calls in less than 1 minute and 30 seconds. YTD June 2006: 58 seconds 2005: 1 minute and 13 seconds 2004: 1 minute and zero seconds.
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 "Very satisfied" category with regard to the overall performance. (Note this question related to helpfulness and courtesy in the 2003 survey). Update 2003 Results: Helpfulness 85.9% Courtesy 90.1% 2006 Results: 100%
Result:	Maintain quality assurance in all facets of the communications operation.
Measure:	Report quality assurance standards compliance. Update 2006: Purchase of Call Center Plus software. Once implemented it's use will enhance quality assurance standards compliance and reporting previously implemented. 2005: A monthly quality assurance review of 1/4 of the employees was implemented. Results are reviewed with employee and documented in fact files.

Police Department

Result:	Employees are well-trained and maintain appropriate skills and abilities.
Measure:	Meet or exceed established training standards and certification. Update 2006: Monthly unit in-service training includes such training as: police and fire rescue call handling and skills and equipment training in addition to policy and EMD protocol review. Monthly training is reported as 4 continuing education hours. Employees are encouraged to participate in advanced education and skills programs, internal, local, regional and statewide committees and projects as the unit schedule allows. Currently 100% of unit members are current in their required certifications. 2005 & Previous: Telecommunicators require various certifications/recertifications and training on the following schedule: Participation in 15 week CTO program, which included HIPPA, when first employed; FCIC every 2 years; EMD every 2 years (in addition to protocol reviews and quarterly Continuing Dispatch Education (CDE) journal credits); 911 every year; TDD every year; CPR/AED every 2 years. Other training: Terrorism, Hurricane Preparedness, Incident Command System (ICS) 100, 200, 700 & 800, personal communications skills training within probationary period with any required supplemental training/exercises as scheduled. Participate in annual applicable departmental in-service training (i.e. human diversity, blood borne pathogens, domestic violence, etc)
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 Update The units percentage of department budget for FY2006 was 13.92%. The units percentage of budget for FY2007 is 9.84%. The percentage of general fund budget decreased from 2.52% in FY06 to 2.40% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Police Calls	79,119	79,213	82,653	80,328
Fire Calls	1,316	1,663	2,108	1,695
Medical Calls	2,014	1,908	2,027	1,983

Full Time Equivalent Employees	FY2002	FY2003	FY2006	FY2007
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**

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Program 426 - Crime Scene/Evidence Unit

Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	181,184	180,054	227,221	223,298	244,760	7.72%
Employee Benefits	87,314	97,474	112,781	112,038	121,174	7.44%
Contractual	21,455	15,066	19,025	16,561	20,025	5.26%
Commodities	12,704	22,937	20,200	17,853	20,750	2.72%
Capital Outlay	37,486	17,258	10,365	10,365	9,827	-5.19%
Other	0	0	0	0	0	0.00%
TOTALS	340,143	332,789	389,592	380,115	416,536	6.92%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 a slight change in travel/professional development funds and charges for installation and monthly fees for a fax line.

Commodities:
Slight increase in office furniture/equipment for various evidence/crime scene collection and storage equipment.

Capital Outlay:
Annual depreciation expense.

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. Update In accordance with department policies the following inspections/audits are required and have been completed for the calendar year 2005: CSEU Manager completes Semi-Annual Inspections; the Criminal Investigations Unit Captain performs random unannounced inspections; and the Professional Standards Sergeant conducts an annual audit.
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. Update In 2005 the unit performed 11,241 latent comparisons and had 69 identifications. Additionally the unit submitted evidence to the crime lab on 72 occasions.
Result:	Provide town residents and businesses useful services.
Measure:	Voluntary ID cards produced; civilian fingerprinting program; reproduction of audio, video and photographic evidence. Update In 2005 1,489 ID cards were issued; 473 civilians fingerprinted; 345 audio/video reproductions made; and 4514 prints of 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 Update The units percentage of department budget for FY2006 was 2.56%. The units percentage of budget for FY2007 is 2.69%. The percentage of general fund budget decreased from .68% in FY06 to .66% in FY07.

Police Department

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Latent Print Comparisons	13,650	17,520	11,241	15,000
Fingerprint Identifications	87	78	69	72
Crime Scenes Processed	171	101	66	80

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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**

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Police Department

Program 428 - Patrol Services
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	4,070,043	4,117,572	4,314,318	4,297,804	4,407,323	2.16%
Employee Benefits	1,791,837	2,054,305	2,499,984	2,465,873	2,712,342	8.49%
Contractual	51,409	109,123	134,223	144,348	162,025	20.71%
Commodities	190,585	308,583	207,120	256,561	225,221	8.74%
Capital Outlay	296,233	316,660	431,812	437,087	282,585	-34.56%
Other	0	0	0	0	0	0.00%
TOTALS	6,400,107	6,906,243	7,587,457	7,601,673	7,789,496	2.66%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 purchase of maintenance contracts on various patrol equipment such as, tasers ($10,260), talon robot ($5,000), and $14,500 for the required software upgrade of 29 AEDs.

Commodities:
Increase due to the costs of fuel/motor oil, uniform expenses due to new hires, and radio and AED batteries.

Capital Outlay:
FY07 purchases include standard equipment for patrol vehicles; 1 hand held laser radar unit and 1 standard radar unit; 2 night vision devices for sniper rifles, and bullet proof shields for the Special Operations Unit.

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 "very safe" and "somewhat safe". Update 2003 Results: 99.3% 2006 Results: 99.6%
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. Update Traffic accidents for calendar year 2005 were down 5.85%. Forty-two of the 306 accidents that occurred resulted in injuries. The traffic index for the year was 34% which is well above the departments goal of 20%.
Result:	Visible patrol to deter and prevent crime.
Measure:	Report number of vehicle, foot, bicycle and ATV hours. Update 2005: Vehicle patrol hours - 33,047; Foot patrol hours - 7,366; Bike patrol hours - 645; ATV patrol hours - 392.5
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 Update The units percentage of department budget for FY2006 was 49%. The units percentage of budget for FY2007 is 52%. The percentage of general fund budget decreased from 13.05% in FY06 to 12.43% in FY07.

Police Department

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Calls for Service	38,365	37,804	40,642	39,000
Arrest by Patrol Officers	1,713	1,340	1,877	1,700
Business Security Checks	214,063	180,424	126,525	125,000
Closed House Checks	17,798	14,784	*7,569	7,500
Field Interview Reports	619	749	1,160	1,200

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Police Captain	4.00	4.00	4.00	4.00
Sergeant	8.00	8.00	8.00	8.00
Police Officer	44.00	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	**59.00**	**59.00**	**59.00**	**59.00**

*** As of January 2005, Closed House Check activities are solely based on checks as the result of Closed House Check registration cards filed with the Police Department.**

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Police Department

Program 429 - Criminal Investigation Unit
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	916,541	874,154	967,301	858,323	1,009,638	4.38%
Employee Benefits	428,545	494,459	587,448	577,581	634,604	8.03%
Contractual	22,033	21,954	26,258	21,960	24,108	-8.19%
Commodities	15,715	17,677	16,125	17,036	13,500	-16.28%
Capital Outlay	27,103	32,751	23,873	23,873	32,571	36.43%
Other	0	0	0	0	0	0.00%
TOTALS	1,409,937	1,440,995	1,621,005	1,498,773	1,714,421	5.76%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 implementation of the town-wide cell phone stipend.

Commodities:
Decrease due to the reduction in office furniture/equipment needs.

Capital Outlay:
Annual depreciation expense.

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 the 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 recipients
- 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 the national average. Update 2005 Clearance Rates: Violent Crimes 70%; Property Crimes 25.4%. 2004 National Average Clearance Rates: Violent Crimes 46.3%; Property Crimes 16.5%.
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". Update 2003 Results: 85.9% 2006 Results: 93.1%
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. Update The unit attends monthly meetings with outside organizations/agencies covering subjects such as Economic Crime, Central Intelligence, and Robbery Task Force. Additionally, the unit distributed 52 Intelligence Bulletins and Quarterly Domestic Security Bulletins.
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 Update The units percentage of department budget for FY2006 was 10.5%. The units percentage of budget for FY2007 is 11%. The percentage of general fund budget decreased from 2.79% in FY06 to 2.74% in FY07.

Police Department

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Number of Crimes Investigated	365	362	341	350
Investigative Clearance Rate (Part 1)	24%	32%	28%	30%
Tactical Unit Activity Hours (foot, bicycle, surveillance)	4,895	4,042	2,446	3,000

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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 II	1.00	1.00	1.00	1.00
TOTAL	**14.00**	**14.00**	**14.00**	**14.00**

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Police Department

Program 430 - Parking Control Unit
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	275,756	291,740	316,892	314,045	331,539	4.62%
Employee Benefits	137,007	153,123	167,798	167,069	179,713	7.10%
Contractual	16,094	14,088	11,500	10,452	12,860	11.83%
Commodities	17,890	8,220	7,910	8,264	9,350	18.20%
Capital Outlay	24,019	24,344	24,259	24,259	28,884	19.07%
Other	0	0	0	0	0	0.00%
TOTALS	470,766	491,515	528,359	524,089	562,346	6.43%

EXPENDITURES

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

Commodities:
Increase due to fuel/motor oil expenses.

Capital Outlay:
Annual depreciation expense.

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 as 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. Update 23,060 parking tickets and 301 warnings were issued in 2005. An estimated 17,600 tickets and 312 warnings will be issued in 2006.
Result:	Citizens are satisfied with the enforcement of parking/traffic 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". Update 2003 Results: 91.9% 2006 Results: 90.9%
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 Update The units percentage of department budget for FY2006 was 3.5%. The units percentage of budget for FY2007 is 3.68%. The percentage of general fund budget decreased from .93% in FY06 to .90% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Parking Tickets	13,669	14,155	13,486	13,000
Meter Tickets	7,532	7,150	7,422	7,300
Traffic Boots	121	88	104	100

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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**

Program 432 - Ocean Rescue
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	391,107	414,750	448,993	444,696	459,810	2.41%
Employee Benefits	167,189	219,576	253,244	246,864	280,947	10.94%
Contractual	2,351	3,433	4,550	2,442	4,850	6.59%
Commodities	4,932	7,188	14,500	12,673	9,600	-33.79%
Capital Outlay	4,406	9,993	88,353	84,410	32,742	-62.94%
Other	0	0	0	0	0	0.00%
TOTALS	569,985	654,940	809,640	791,085	787,949	-2.68%

EXPENDITURES

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

Commodities:
Reduction due to decrease in office furniture/equipment needs.

Capital Outlay:
FY07 purchases include 1 ATV, 1 lifeguard tower, and 1 surf ski for long distance rescues.

Police Department

PROGRAM: OCEAN 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. Update National Standard: 500 meters in less than 10 minutes. All lifeguards met the national standard.
Result:	Meet or exceed national standards for training requirements and certification.
Measure:	Number of training exercises compared to standards. Update The national standard is a minimum of 16 hours annually per lifeguard. The unit performed 83 training exercises in 2005 which is a 14% increase over 2004. This results in an average of 29.5 hours per lifeguard in 2005.
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. Update The unit currently has 50% of it's staff EMT certified.
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. Update 2004 Stats: Beach attendance - 295,526; Rescues - 11; Preventive Actions 3076 2005 Stats: Beach attendance - 296,784; Rescues - 24; Preventive Actions 4064 Percent Change: Beach attendance - .4% 118% 32%
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 Update The units percentage of department budget for FY2006 was 5.35%. The units percentage of budget for FY2007 is 5.12%. The percentage of general fund budget decreased from 1.30% in FY06 to 1.26% in FY07.

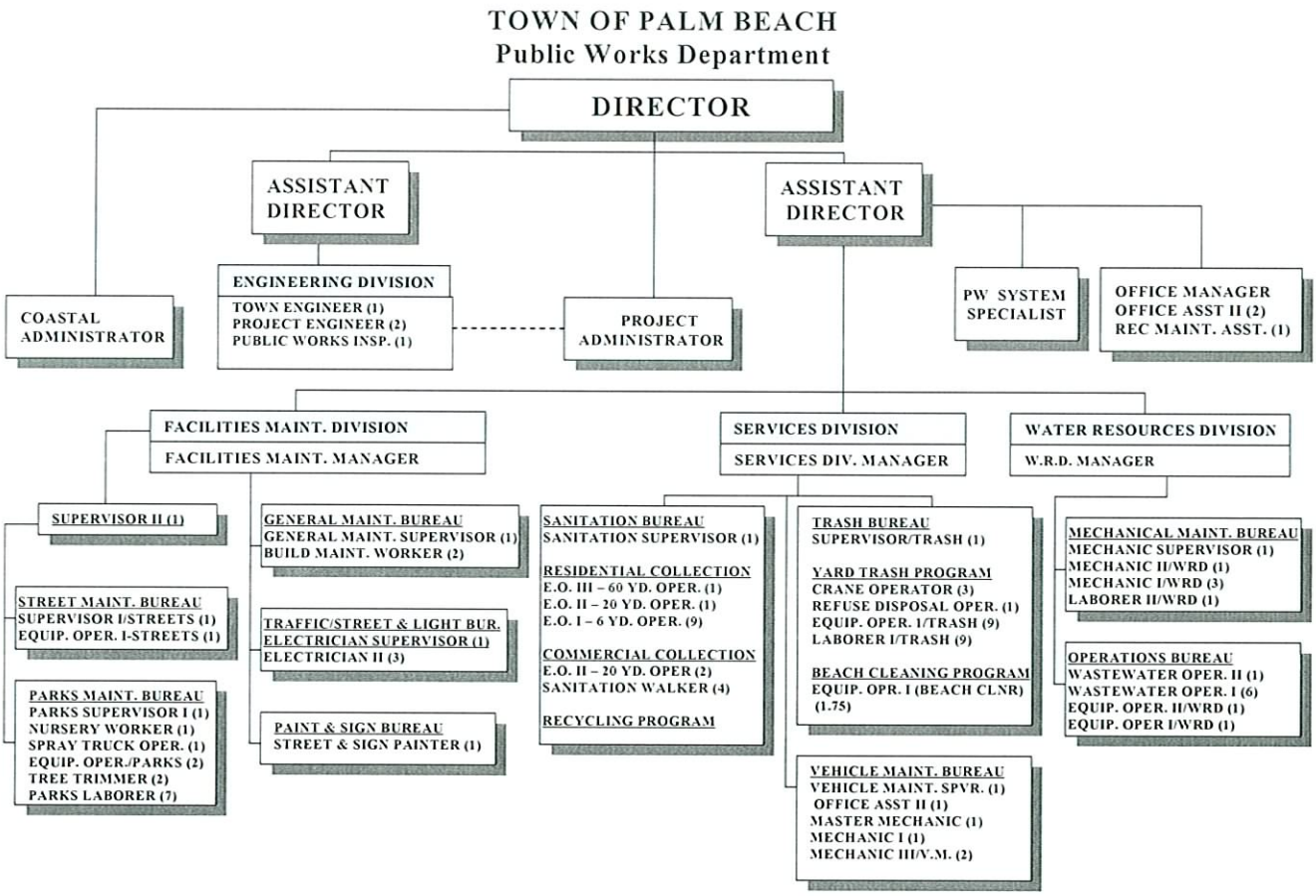
Police Department

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Beach Attendees Protected	252,477	295,526	296,784	296,000
Preventive Actions	3,190	3,076	4,064	3,500
Rescues	15	11	24	15
Enforcements	3,163	3,441	3,424	3,300

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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**

Public Works

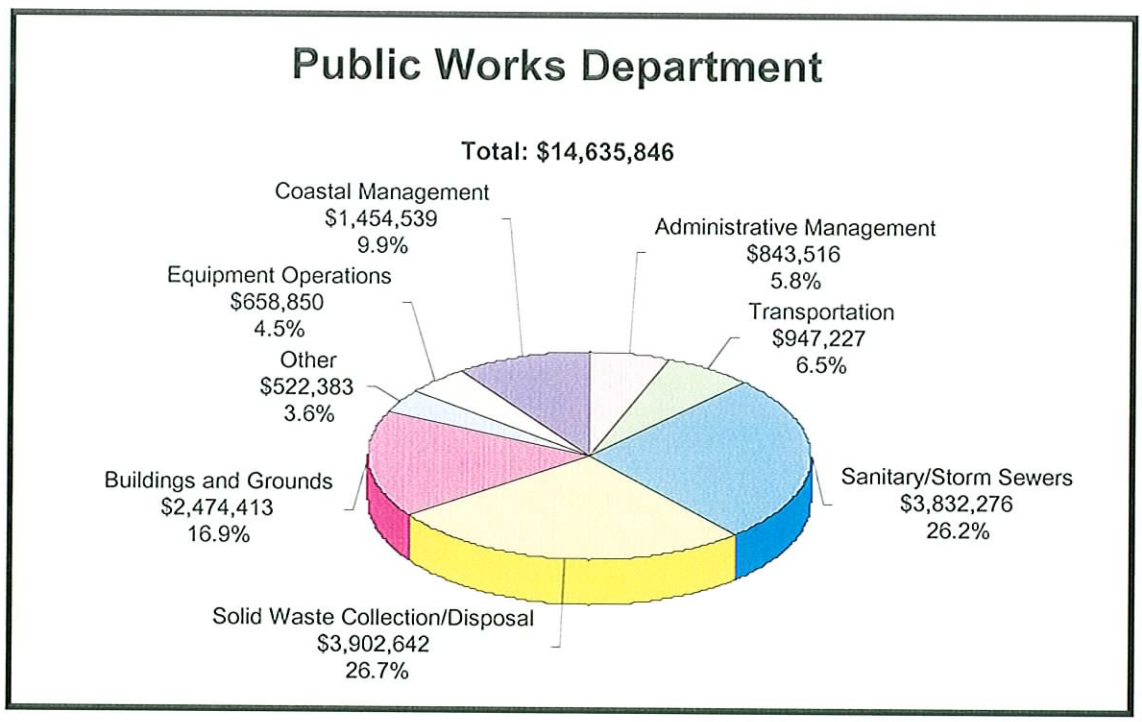
Public Works Department



	FY2004	FY2005	FY2006	FY2007
Total Full Time Equivalent Employees	99.14	100.75	101.88	101.80

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.



	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2007 Budget
Revenues	$892,364	$955,127	$1,037,508	$1,054,000
Expenditures	$10,422,312	$11,148,512	$15,749,546	$14,635,846

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>2006 Results:</u> Public Works areas were covered within the scope of the 2005 town wide satisfaction survey and received approval ratings as stated above. No new survey is anticipated for this fiscal year.
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>2006 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>2006 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>2006 Results:</u> Three architectural consultants were hired using the Consultants' Competitive Negotiation Act for Fiscal Year 2007. 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

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Special Solid Waste	9,815	12,591	10,000	7,620	10,000	0.00%
Solid Waste	624,378	690,159	730,000	723,774	750,000	2.74%
Compacted Garbage Collection Fee	165,471	167,487	212,508	209,391	220,000	3.53%
Yard Trash Collection	4,057	0	0	0	0	0.00%
Beach Cleaning-Citizen's Association	65,730	55,408	60,000	45,927	54,000	-10.00%
Right of Way Parking Violation Fines	22,913	29,482	25,000	15,706	20,000	-20.00%
TOTALS	892,364	955,127	1,037,508	1,002,418	1,054,000	1.59%

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.

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

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	4,732,165	4,714,619	5,431,907	5,203,719	5,486,458	1.00%
Employee Benefits	1,892,153	2,084,355	2,393,670	2,375,056	2,473,639	3.34%
Contractual	2,837,805	3,264,515	6,572,316	6,081,092	5,451,400	-17.06%
Commodities	691,256	607,585	706,462	650,860	748,800	5.99%
Capital Outlay	268,933	477,438	820,191	768,593	475,549	-42.02%
Other	0	0	0	0	0	0.00%
TOTALS	10,422,312	11,148,512	15,924,546	15,079,320	14,635,846	-8.09%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 reflects an overall decrease from prior year's costs which had included Hurricane Wilma recovery efforts. Major changes anticipated in FY07 are due to transfer of funding from capital account to operating account for recurring coastal/beach responsibilities, and cost increases for sewage disposal. See individual program summaries for specific comments.

Commodities:
Change is due to a small increase for fuel and supplies, primarily due to higher fuel/energy costs.

Capital Outlay:
Change reflects an overall decrease due to a decrease in annual street resurfacing as an operating expense cost; this work is proposed to be reflected in the capital improvement fund beginning in FY07. A lesser factor in capital outlay is also an increase in annual depreciation due to transition to replacement cost basis for Equipment Replacement Fund.

Public Works Department

Program 511 - Administrative Management
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	410,830	418,650	555,709	555,411	592,332	6.59%
Employee Benefits	149,503	160,596	195,036	193,169	198,784	1.92%
Contractual	31,551	35,612	39,965	36,608	43,100	7.84%
Commodities	6,788	7,128	8,600	6,485	9,300	8.14%
Capital Outlay	1,427	1,235	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	600,099	623,221	799,310	791,673	843,516	5.53%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 is due to increase in educational reimbursements, telephone service costs for radio repeaters, and copying/printing charges.

Commodities:
Change is due to minor increases in fuel cost and membership dues.

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, the Drainage Improvement Plan, and the Comprehensive Coastal Management 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 Update Less than 1% non-retirement turnover rate with positive feedback on internal employee 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. Update A mean of 87% of residents felt Public Works meets or exceeds their expectations for service (2005 Citizen's 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. Update Vast majority of Capital projects completed on time and within budget. One project exceeded budget. One exceeded schedule.
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. Update FY 06 budget increase of approximately $2.5 mil. Due to hurricane recovery expenses. FY 07 budget increase of $1 mil. Due to transfer of previously capitalized expenses in the coastal program. The percentage of general fund budget dedicated to this program decreased from 1.39% in FY06 to 1.35% in FY07.

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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 521 - Street Repair and Maintenance Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	65,955	70,211	91,749	61,163	95,021	3.57%
Employee Benefits	33,626	37,186	43,765	40,510	44,950	2.71%
Contractual	115,733	119,837	153,065	157,753	140,500	-8.21%
Commodities	29,046	8,761	11,400	10,570	12,000	5.26%
Capital Outlay	5,401	153,741	293,245	287,800	5,179	-98.23%
Other	0	0	0	0	0	0.00%
TOTALS	249,761	389,736	593,224	557,796	297,650	-49.83%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 reflects a decrease from prior year's costs which had included Hurricane Wilma recovery efforts.

Commodities:
Change is due to minor increase in fuel costs.

Capital Outlay:
Change is due to decrease in annual street resurfacing as an operating expense cost; this work is proposed to be reflected in the capital improvement fund beginning in FY07.

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. Citizens will be satisfied with our work.
Measure:	Observation and feedback from users. Update Citizen Satisfaction Survey response of 90% or greater showed 80% were still satisfied. Extensive construction completion and re-paving should allow us to reach our goal.
Result:	Sidewalks and bike trail systems are safe and free from hazards.
Measure:	Observation and feedback from users. Update We will replace approximately 70 sidewalk squares and resurface approximately 2700 feet of the bike path this year. Sidewalk replacement program has been successful. Only 1 noted complaint concerning bike path.
Result:	Citizens are satisfied with the quality of streets and bike trail systems.
Measure:	Satisfaction is measured by low number, or lack, of complaints of a satisfaction level of 90% or better from a citizen survey. Update This area is being addressed for improvement. Citizens are not satisfied with north end roadway system. Approved FY07 budget reflects $500,000 capital funding per year for the next five years toward this additional effort.
Result:	Apply state of the art techniques to our work.
Measure:	Engage in forums to continually learn new ideas and apply reporting improvements. Update Improved micro-resurfacing will help resolve road quality in the north end. Researched new micro resurfacing methods and altered paving program based on findings.
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. Update The percentage of general fund budget dedicated to this program decreased from .90% in FY06 to .48% in FY07.

Public Works Department

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Storm Inlets Cleaned and Inspected	1,137	1,137	1,640	1,640
Streets Resurfaced	0	36,268 s.y.	19,010	39,930
Sidewalk Squares Replaced	125 s.y.	125 s.y.	100 s.y.	55.5 s.y.
Potholes Patched	9 s.y.	18 s.y.	20 s.y.	19.5 s.y.

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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**

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Program 523 - Traffic Control
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	87,935	114,817	90,594	85,997	86,718	-4.28%
Employee Benefits	29,451	32,300	33,503	33,178	35,960	7.33%
Contractual	34,937	32,917	68,058	57,912	50,000	-26.53%
Commodities	28,664	24,310	25,600	24,721	27,200	6.25%
Capital Outlay	2,065	1,933	1,933	1,933	15,033	677.70%
Other	0	0	0	0	0	0.00%
TOTALS	183,052	206,277	219,688	203,741	214,911	-2.17%

EXPENDITURES

Salaries and Wages:
Change reflects 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 reallocation of labor hours to other Public Works programs.

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

Contractual:
Change reflects an overall decrease from prior year's costs which had included Hurricane Wilma recovery efforts.

Commodities:
Change is due to minor increase for street sign repair and replacement costs.

Capital Outlay:
Change is due to acquisition of a conflict monitor testing that is needed for new traffic signal cabinets installed by FDOT.

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 and traffic signals.
Measure:	Observation and feedback from users. Update Installed new Aries version 3.01 on Econolite closed loop traffic system that continually monitors traffic intersections for problems and congestion.
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. Update All 22 intersections were repaired, electrically tested and at pre-storm condition within 3 days of Hurricane Wilma and prior to FP&L power being restored to the island.
Result:	Town signs always have excellent appearance (straight poles and no faded signs).
Measure:	Observation and feedback from citizen survey. Update 97% of the citizens surveyed are happy with the current traffic control system.
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. Update The percentage of general fund budget dedicated to this program increased from .33% in FY06 to .34% in FY07.
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. Update 97% of the citizens surveyed are happy with the current traffic control system.

Public Works Department

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Inspections Performed on System	2	2	2	2
Traffic Control Signs Replaced	500	500	500	510
Street Name Signs Replaced	100	100	100	182
Control Lines Painted	29,200 ft.	29,200 ft.	23,000 ft.	39,930 ft.
Thermoplastic Lines Refurbished	560 ft.	2,948 ft.	2,700 ft.	21,000 ft.
Traffic Signal Replacement (LED)	16	24	38	0

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Facilities Maintenance Manager	0.10	0.10	0.10	0.10
Electrician Supervisor	0.20	0.20	0.20	0.18
Streets/Parks Supervisor	0.01	0.01	0.01	0.01
General Maintenance Supervisor	0.06	0.06	0.02	0.01
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	0.42
Building Maintenance Worker	0.07	0.04	0.04	0.04
Street & Sign Painter	0.48	0.48	0.48	0.47
TOTAL	**1.42**	**1.41**	**1.30**	**1.35**

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Program 524 - Street Lighting
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	140,505	118,636	142,582	142,530	104,021	-27.04%
Employee Benefits	41,661	43,717	54,909	53,963	41,200	-24.97%
Contractual	83,704	80,462	196,632	168,524	238,300	21.19%
Commodities	24,117	26,442	30,738	31,181	37,200	21.02%
Capital Outlay	10,106	12,372	7,515	7,515	13,945	85.56%
Other	0	0	0	0	0	0.00%
TOTALS	300,093	281,629	432,376	403,713	434,666	0.53%

EXPENDITURES

Salaries and Wages:
Change reflects 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 reallocation of labor hours to other Public Works programs.

Employee Benefits:
Change is due to significant increases in the actuarially determined retirement costs and increases in health insurance costs, but overall figure is decreased from prior year due to direct correlation to salaries.

Contractual:
Change reflects an increase in the amount of contracted services, for accomplishing work requirements above and beyond the current staffing levels.

Commodities:
Change reflects an increase for fuel costs, street lighting supplies, and tools/test equipment.

Capital Outlay:
Change reflects an increase in annual depreciation due to transition to replacement cost basis for Equipment Replacement Fund.

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. Update New work management software will help the bureau efficiently maintain lighting system.
Result:	Lighting system is functionally effective and efficient.
Measure:	Reported outages and measure repair costs year to year. Update Due to Hurricane Wilma, repair costs exceeded previous estimates.
Result:	Emergency repairs handled in a timely fashion as prescribed by Town's level of service requirements.
Measure:	Emergency lighting conditions are reported and often repaired in the same day. Update New work management program will improve tracking response time.
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. Update The percentage of general fund budget dedicated to this program increased from .58% in FY06 to .69% in FY07, due to an increase in contracted services in lieu of an additional electrician position.
Result:	Citizens will be satisfied with our work.
Measure:	No complaints received regarding service requests or violations of lighting during turtle season. Update 99% of citizens surveyed are happy with the street light system.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Inspections of Entire System	12	12	12	12
Turtle Shades Placed/Removed	258	258	258	258

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Electrician Supervisor	0.46	0.46	0.46	0.46
Electrician II	1.23	1.23	1.23	0.88
Facilities Maintenance Manager	0.10	0.10	0.10	0.10
TOTAL	**1.79**	**1.79**	**1.79**	**1.44**

Program 531 - Storm Sewer Maintenance
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	134,558	144,886	315,650	165,154	339,587	7.58%
Employee Benefits	63,618	99,672	137,171	124,789	154,852	12.89%
Contractual	92,713	80,698	231,447	213,748	141,500	-38.86%
Commodities	63,840	56,103	60,400	41,815	61,800	2.32%
Capital Outlay	6,259	47,568	96,259	87,878	105,258	9.35%
Other	0	0	0	0	0	0.00%
TOTALS	360,988	428,927	840,927	633,384	802,997	-4.51%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 reflects an overall decrease from prior year's costs which had included Hurricane Wilma recovery efforts.

Commodities:
Change is due to minor increase in building maintenance supplies.

Capital Outlay:
Change is due to minor increase in the repair and rehabilitation funding for storm sewer infrastructure.

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. Update Isolated standing water areas identified and specific projects initiated.
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. Update 28 major preventive maintenance (PM's) visits, each visit entails multiple tasks. Six additional generator PM's completed due to usage from hurricanes. Preventative maintenance events completed.
Result:	Meet 100% of the environmental compliance requirements imposed by governmental authorities.
Measure:	Monitor 100% of the environmental compliance requirements imposed by governmental authorities. Update 100% compliance.
Result:	Telemetry systems are accurate and functional 100% of the time.
Measure:	Each station checked five times per week, adjustments made and documented. Update Station telemetry 50% impacted due to hurricanes for 10 days. Restored within 10 days.
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. Update No requested budget increase although one additional storm station went on line. The percentage of general fund budget dedicated to this program decreased from 1.33% in FY06 to 1.28% in FY07.

Public Works Department

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Weekly Check Storm Water Pump Stations	624	624	678	728
Bi-Annual Preventive Maintenance on Components	36	24	26	56
Maintain Clean Storm Lines and Catch Basins	as needed	as needed	as needed	as needed
System Pumps Repaired In-House	3	4	5	4
Telemetry of Each Station Checked 5 days/week	3,120	3,120	3,500	3,640

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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	0.10
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	1.50	1.50
Tree Trimmer	0.04	0.02	0.04	0.04
Equipment Operator I/WRD	0.20	0.25	1.25	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	0.43
TOTAL	**3.54**	**3.53**	**6.29**	**6.59**

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Public Works Department

Program 532 - Sanitary Sewer Maintenance
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	555,451	575,495	580,593	723,221	592,181	2.00%
Employee Benefits	221,277	231,735	264,935	277,965	269,286	1.64%
Contractual	105,473	106,417	159,026	154,115	130,500	-17.94%
Commodities	222,899	110,137	126,700	125,983	138,100	9.00%
Capital Outlay	32,367	43,483	215,924	178,152	126,112	-41.59%
Other	0	0	0	0	0	0.00%
TOTALS	1,137,467	1,067,267	1,347,178	1,459,436	1,256,179	-6.75%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 reflects an overall decrease from prior year's costs which had included Hurricane Wilma recovery efforts.

Commodities:
Change reflects minor increase for materials required for sewage pump station equipment repair & maintenance.

Capital Outlay:
Change reflects a decrease from prior year's depreciation costs.

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. Update 12 additional generator preventive maintenances completed due to usage from hurricanes. Downtime was reported due to hurricanes only.
Result:	No spillages, overflows, back-ups or odor problems.
Measure:	Report exceptions and identify system improvements. Update Only known utility affected by hurricanes with no spills.
Result:	Maintain 100% compliance with EPA regulations.
Measure:	Report compliance rate and exceptions. Update 100% compliance.
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. Update 14 complaints – 13 resolved, 1 in resolution process. Survey did not address WRD. Will consider survey in future.
Result:	Telemetry systems are accurate and 100% operational.
Measure:	Check each station 5 times per week and adjust as necessary, report exceptions. Update 50% of station unable to be checked for 10 days after hurricane damage.

Public Works Department

Result:	Station alarms are fully operational 100% of the time.
Measure:	Inspect each and test quarterly, adjust/repair immediately, and document activities. Update 2 complete checks not performed due to hurricane. Inspections completed and documented.
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. Update The percentage of general fund budget dedicated to this program decreased from 2.14% in FY06 to 2.01% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Reduce inflow and infiltration	10%	15%	3%	3%
Inspect/Operate Sanitary Pump Stations	3,172	2,964	3,078	3,587
Semi-annual Preventive Maintenance on Sanitary Components	60	60	60	72
Telemetry of Each Station Checked 5 Days/Week	12,480	14,500	12,740	12,740
Quarterly Test Each Station Alarm Points	192	192	192	200
Inspect and Repair/Replace Manholes	100	100	150	150

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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	0.62
Wastewater Operator II	0.75	0.75	0.61	0.62
Electrician II	0.60	0.60	0.60	0.60
Mechanic II/WRD	0.75	0.63	0.63	0.62
Parks Supervisor I	0.02	0.02	0.00	0.00
Electrician Supervisor	0.20	0.25	0.15	0.14
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**	**11.01**

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Program 533 - Sanitary Sewage Treatment
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	1,237,694	1,345,409	1,650,412	1,343,217	1,773,100	7.43%
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	1,237,694	1,345,409	1,650,412	1,343,217	1,773,100	7.43%

EXPENDITURES

Contractual:
Change due to anticipated sewage disposal costs, especially via Lake Worth Utilities based on significant rate hike in 2005.

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.

Alternative pumping methods being developed to reduce dependency on other utilities and reduce program costs.

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, 2005 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%

Program 541 - Residential Collection
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	373,331	398,745	425,597	454,210	487,228	14.48%
Employee Benefits	180,511	193,155	231,547	235,892	258,643	11.70%
Contractual	4,685	225	2,100	927	3,600	71.43%
Commodities	44,063	36,430	38,149	41,422	37,300	-2.23%
Capital Outlay	29,357	29,691	32,732	32,732	33,815	3.31%
Other	0	0	0	0	0	0.00%
TOTALS	631,947	658,246	730,125	765,183	820,586	12.39%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase, and minor reallocation of labor hours from other Public Works programs.

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 a minor increase for pavement repairs at Pinewalk transfer station.

Commodities:
Decrease reflects minor adjustments to supplies.

Capital Outlay:
Change reflects a minor increase to prior year's depreciation costs for vehicles.

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. Update No exceptions, collection service provided as scheduled 100% of the time, including immediately after Hurricane Wilma.
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. Update Approximately 2,500 residential households serviced daily. Complaints or reports of garbage misses is less than one (1) a week.
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. Update The percentage of general fund budget dedicated to this program increased from 1.24% in FY06 to 1.31% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Tons Collected	7,900	8,000	8,200	8,300
Reported Misses	22	20	20	15

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Sanitation Supervisor	0.40	0.40	0.40	0.40
Services Manager	0.00	0.28	0.28	0.28
Equipment Operator III 20/60 Yd	0.00	0.00	0.75	0.75
Equipment Operator II 20/60 Yd	1.13	1.13	0.88	0.88
Equipment Operator I/6 Yd	7.20	7.20	7.20	7.20
Equipment Operator I/Trash	0.10	0.10	0.00	0.00
Laborer I/Trash	1.10	0.40	0.50	1.40
Services Manager	0.28	0.00	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**	**9.54**	**10.04**	**10.94**

Program 542 - Commercial Collection
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	371,303	400,962	418,492	424,639	440,719	5.31%
Employee Benefits	141,962	158,756	169,384	168,901	173,750	2.58%
Contractual	169,557	165,197	209,200	198,766	221,300	5.78%
Commodities	30,570	25,560	27,856	31,035	25,300	-9.18%
Capital Outlay	27,747	27,747	27,573	27,573	29,983	8.74%
Other	0	0	0	0	0	0.00%
TOTALS	741,139	778,222	852,505	850,914	891,052	4.52%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase, and minor reallocation of labor hours from other Public Works programs.

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 annual cost adjustments in compacted garbage collection contract.

Commodities:
Change is due to minor adjustments in fuel and supplies.

Capital:
Change reflects a minor increase to prior year's depreciation costs for vehicles.

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. Update No exceptions, collection service was provided as scheduled 100% of the time, including immediately following Hurricane Wilma.
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. Update Approximately 300 locations are serviced Monday - Friday throughout the Town, including restaurants, condos, retail and public buildings and locations. Weekend service is provided to establishments required by Town Ordinance. Complaints are less than one (1) per week.
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. Update The percentage of general fund budget dedicated to this program decreased from 1.49% in FY06 to 1.42% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Tons Collected	2,200	2,660	2,725	2,900
Reported Misses	0	3	3	3

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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	0.12
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	0.00
TOTAL	**7.03**	**7.03**	**7.03**	**6.92**

Program 543 - Refuse Disposal
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	0	0	0.00%
Employee Benefits	0	0	0	0	0	0.00%
Contractual	68,642	87,886	90,000	99,647	90,000	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	68,642	87,886	90,000	99,647	90,000	0.00%

EXPENDITURES

Contractual:
No change requested.

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. Update Approximately 11,000 tons of combined residential and commercial garbage transported to SWA for disposal annually.
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. Update Approximately 1,735 tons of discarded recyclable garbage was diverted from residential and commercial garbage annually into the recycling program.
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 to year, except to reflect increases in levels of service. Update The percentage of general fund budget dedicated to this program increased from .12% in FY06 to .14% in FY07, based on an increase in anticipated tipping fees at SWA and an increase in the governmental assessment (long-term planning for new county landfill).

Program 544 - Yard Trash Collection
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	967,633	892,368	999,689	919,609	942,850	-5.69%
Employee Benefits	402,699	450,638	490,600	495,085	492,149	0.32%
Contractual	27,056	9,484	1,833,125	1,827,677	26,800	-98.54%
Commodities	97,359	84,346	124,040	93,498	121,900	-1.73%
Capital Outlay	77,911	75,065	75,655	75,655	70,615	-6.66%
Other	0	0	0	0	0	0.00%
TOTALS	1,572,658	1,511,901	3,523,109	3,411,524	1,654,314	-53.04%

EXPENDITURES

Salaries and Wages:
Change due to 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 reallocation of labor hours to other Public Works programs.

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

Contractual:
Change reflects an overall decrease from prior year's costs which had included Hurricane Wilma recovery efforts.

Commodities:
Changes due to minor adjustments in fuel and supplies.

Capital Outlay:
Change reflects a minor decrease from prior year's depreciation costs.

Public Works Department

PROGRAM: YARD TRASH COLLECTION 544

POST HURRICANE WILMA, TOWN EMPLOYEES COLLECTED OVER 37,606 C.Y. OF VEGETATIVE DEBRIS WORKING SEVEN DAYS A WEEK THROUGH NOVEMBER.

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 for 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. Update No exceptions, collection service was provided as scheduled 100% of the time.
Result:	Storm drain blockage minimized due to yard trash pickup responsibility and practices.
Measure:	Report all exceptions to 100% result goal. Update No non-hurricane flooding due to yard waste blocking storm drains.
Result:	Pickup schedule will be maintained 100% of the time.
Measure:	Report exceptions and improve to correct problems. Update Approximately 100, 30 c.y. truckloads of yard trash are collected from residential properties weekly, totaling about 150,000 c.y. or 20,000 tons annually. Complaints are less than one (1) a month.
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 level of service. Update The percentage of general fund budget dedicated to this program decreased from 2.84% in FY06 to 2.64% in FY07.

Public Works Department

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Collect, Transport and Dispose of Yard Trash	150,000 c.y.	150,000 c.y.	142,000 c.y.	150,000 c.y.

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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	7.86
Equipment Operator II 20/60 Yd	0.50	0.50	0.00	0.00
Equipment Operator I/6 Yd	0.00	0.00	0.20	1.00
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	6.15
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	0.00
Streets Supervisor	0.25	0.25	0.25	0.25
Building Maintenance Worker	0.01	0.02	0.02	0.02
Electrician II	0.02	0.02	0.03	0.00
TOTAL	**20.99**	**20.99**	**21.60**	**20.77**

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Program 545 - Recycling
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	131,479	141,916	155,334	149,956	163,586	5.31%
Employee Benefits	68,612	69,451	78,653	77,640	86,262	9.67%
Contractual	0	80	100	0	100	0.00%
Commodities	13,072	15,323	14,312	13,410	13,500	-5.67%
Capital Outlay	19,951	19,951	19,152	19,152	19,152	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	233,114	246,721	267,551	260,158	282,600	5.62%

EXPENDITURES

Salaries and Wages:
Increase is due to wage 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 requested.

Commodities:
Changes due to minor adjustments in fuel and supplies.

Capital:
No change requested.

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 number or lack of complaints or a satisfaction level of 90% or better from citizen survey. Update Approximately 1,900 households recycle along with a majority of businesses. About 900 recycling bins were distributed this last year.
Result:	Services provided on schedule 100% of the time.
Measure:	Report exceptions or complaints. Update Only collection exception was for two (2) days due to hurricane recovery efforts.
Result:	Equipment fleet is clean, fully operational and a point of pride.
Measure:	Visual inspection, feedback and records regarding availability. Update Equipment is maintained through structured preventative maintenance program and fully operational. Visual inspections completed daily.
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. Update The percentage of general fund budget dedicated to this program decreased from .47% in FY06 to .45% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Residential Participation Rate	70%	75%	75%	75%
Commercial Participation Rate	75%	80%	80%	80%
Tons Collected	1,600	1,600	1,600	1,600

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Services Manager	0.17	0.17	0.17	0.17
Equipment Operator I/6 Yd	1.80	1.80	1.60	1.80
Equipment Operator I/Trash	1.45	1.45	1.45	1.00
Sanitation Supervisor	0.20	0.20	0.20	0.20
Laborer I/Trash	0.30	0.10	0.10	0.45
Equipment Operator III/60 yd	0.00	0.20	0.00	0.00
TOTAL	**3.92**	**3.92**	**3.52**	**3.62**

Program 546 - Beach Cleaning
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	82,420	62,350	82,319	67,979	86,172	4.68%
Employee Benefits	34,715	36,876	45,806	44,978	46,097	0.64%
Contractual	14,458	12,985	16,100	15,730	17,100	6.21%
Commodities	15,472	4,833	6,800	5,288	6,500	-4.41%
Capital Outlay	6,366	6,516	5,874	5,874	8,220	39.94%
Other	0	0	0	0	0	0.00%
TOTALS	153,431	123,560	156,899	139,849	164,089	4.58%

EXPENDITURES

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

Commodities:
Decrease due to minor adjustment in fuel costs.

Capital Outlay:
Change reflects an increase in annual depreciation due to transition to replacement cost basis for Equipment Replacement Fund.

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. Update Approximately 180 tons of litter was removed from beaches annually collected over 36 weeks.
Result:	Improve beach safety by cleaning beach areas to the wrack line once per week while meeting environmental constraints.
Measure:	Set schedule and meet 100% of the time. Update Cleaning schedule was met within 70% of scheduled times due to hurricane recovery efforts and beach/access availability. Work completed within environmental permit constraints.
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. Update Personnel attend annual beach cleaning, permit conditions meeting to exchange and share information and beach cleaning criteria.
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. Update The percentage of general fund budget dedicated to this program decreased from .27% in FY06 to .26% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Entire Wrack Line Cleaned, Weekly	52	36	36	52
Non-Biotic Waste Collected, Tons	130	130	130	135

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Beach Cleaner	1.75	1.75	1.75	1.75
Equipment Operator I/Trash	0.14	0.14	0.09	0.14
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**	**1.99**

Public Works Department

Program 551 - Landscape Maintenance
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	523,158	501,232	594,958	519,396	564,959	-5.04%
Employee Benefits	211,839	240,349	284,563	275,231	285,033	0.17%
Contractual	256,417	301,276	681,036	710,872	369,500	-45.74%
Commodities	47,958	53,103	64,984	60,027	65,700	1.10%
Capital Outlay	22,923	24,856	22,188	22,188	21,952	-1.06%
Other	0	0	0	0	0	0.00%
TOTALS	1,062,295	1,120,816	1,647,729	1,587,714	1,307,144	-20.67%

EXPENDITURES

Salaries and Wages:
Change is due to 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 reallocation of labor hours to other Public Works programs.

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

Contractual:
Change reflects an overall decrease from prior year's costs which had included Hurricane Wilma recovery efforts.

Commodities:
Changes due to minor adjustments in fuel and supplies.

Capital Outlay:
Change reflects a minor decrease from prior year's depreciation costs.

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. Update We only lost approx. 7% of coconut palms, 2% of royals, for a total of $60,000 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. Update Feb. 2005 survey states 44% feel the appearance of parks and medians exceeds their expectations.
Result:	Maintenance schedule adhered to 100% of the time.
Measure:	Report exceptions to scheduled work, document costs. Update Along with hurricane damage clean-up, routine maintenance was still adhered to for a quality appearance.
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 year to year, except to reflect increases in levels of service. Update The landscape is maintained with 8 fewer personnel than 15 years ago and quality has not suffered. The percentage of general fund budget dedicated to this program decreased from 2.22% in FY06 to 2.09% in FY07.

Workload Indicators	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 ACTUAL	FY2006 PROJECTED
Royal Palms Trimmed	550	550	550	550
Lethal Yellowing Inoculation	$33,689	$34,920	$34,920	$36,100

Public Works Department

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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	0.01
Electrician II	0.06	0.06	0.06	0.05
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	0.81
Street & Sign Painter	0.01	0.01	0.01	0.01
TOTAL	**14.03**	**11.21**	**11.94**	**11.87**

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Public Works Department

Program 554 - Facility Maintenance
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	189,774	190,656	181,961	183,930	176,421	-3.04%
Employee Benefits	68,837	62,577	71,772	70,348	73,675	2.65%
Contractual	391,926	425,898	872,816	693,652	781,700	-10.44%
Commodities	28,847	40,930	41,854	38,091	46,000	9.91%
Capital Outlay	15,450	9,858	10,680	10,680	11,229	5.14%
Other	0	0	0	0	0	0.00%
TOTALS	694,834	729,919	1,179,083	996,701	1,089,025	-7.64%

EXPENDITURES

Salaries and Wages:
Change reflects 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 reallocation of labor hours to other Public Works programs.

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

Contractual:
Change reflects an overall decrease from prior year's costs which had included Hurricane Wilma recovery efforts.

Commodities:
Changes due to adjustments in fuel and supplies.

Capital Outlay:
Change reflects a minor increase to prior year's depreciation costs for vehicles.

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 a low number or lack of complaints from residents or a satisfaction level of 90% or better from citizen survey. Update All Town buildings are inspected on a monthly basis to ensure a high level of quality is maintained. Not addressed in the February 2005 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. Update The percentage of general fund budget dedicated to this program increased from 1.61% in FY06 to 1.74% in FY07, due to increased facility maintenance contracted services (janitorial, pest control, overhead doors, and other maintenance agreements).
Result:	Be better at what we do than anyone else.
Measure:	100% of preventive maintenance and scheduled work to be completed on time and within budget. Update New work order tracking system will be more informative and have easier access.
Result:	A clean, safe and positive work environment.
Measure:	Satisfaction is measured by low number or lack of complaints and requests for service. Update New work order tracking system will be more informative and have easier access.

Workload Indicators	FY2003 ACTUAL	FY2004 PROJECTED	FY2005 ACTUAL	FY2006 PROJECTED
Building Inspections	288	288	288	288
A/C Duct Cleaning	3	2	3	3
Buildings Painted	0	1	6	4
Benches Pressure Cleaned	86	88	88	90
Public Containers Pressure Cleaned	82	83	83	86

Public Works Department

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
General Maintenance Supervisor	0.46	0.68	0.67	0.74
Tree Trimmer	0.16	0.20	0.00	0.00
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	0.41
Electrician Supervisor	0.07	0.03	0.08	0.08
Electrician II	0.41	0.31	0.30	0.35
Building Maintenance Worker	1.16	1.15	1.14	1.14
Parks Supervisor I	0.07	0.10	0.00	0.00
Equipment Operator/Parks	0.05	0.04	0.04	0.00
Nursery Worker	0.07	0.10	0.10	0.07
Facilities Maintenance Manager	0.10	0.10	0.10	0.10
TOTAL	**3.79**	**3.64**	**2.86**	**2.90**

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Program 558 - Meter Maintenance and Collection Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	20,685	24,345	30,502	24,764	29,600	-2.96%
Employee Benefits	10,093	11,707	13,114	12,010	13,194	0.61%
Contractual	1,426	597	5,698	7,089	6,200	8.81%
Commodities	18,361	6,481	16,700	11,624	26,800	60.48%
Capital Outlay	1,405	11,851	1,405	1,405	2,450	74.38%
Other	0	0	0	0	0	0.00%
TOTALS	51,970	54,981	67,419	56,892	78,244	16.06%

EXPENDITURES

Salaries and Wages:
Change is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase, and also reflects lower salary of new hire compared to previous incumbent in General Maintenance.

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

Contractual:
Change reflects a minor increase to contracted services for parking meter repairs.

Commodities:
Change reflects an increase for the purchase of another parking ticket kiosk machine for Phipps Ocean Park parking lots.

Capital:
Change reflects a minor increase to prior year's depreciation costs for vehicles.

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. Update Appeal of parking fines is one possible source to identify malfunction of meters, along with periodic inspections.
Result:	Collections made in a timely manner two times per week.
Measure:	Schedule is followed 100% of the time. Update The only exception to 100% collection was after Hurricane Wilma due to recovery efforts.
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. Update Training and familiarity with new parking kiosk at Phipps Ocean Park reduced "growing pains" with that new prototype system.
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. Update The percentage of general fund budget dedicated to this program increased from .11% in FY06 to .12% in FY07. Budget increase proposed to improve reliability (kiosk at Phipps Park).

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Inspections	104	104	104	104
Collections	104	104	104	104

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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 561 - General Engineering Services
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	257,465	205,743	275,396	257,883	274,069	-0.48%
Employee Benefits	74,563	77,559	85,642	81,480	95,029	10.96%
Contractual	24,152	81,314	28,500	26,222	30,500	7.02%
Commodities	3,045	3,842	4,700	4,010	4,900	4.26%
Capital Outlay	3,416	4,078	3,938	3,938	5,205	32.17%
Other	0	0	0	0	0	0.00%
TOTALS	362,641	372,536	398,176	373,533	409,703	2.90%

EXPENDITURES

Salaries and Wages:
Change is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase, and also reflects salary of new hire in Engineering Division.

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 small increase in general engineering funds.

Commodities:
Changes due to minor adjustments in fuel and supplies.

Capital:
Change reflects a minor increase to prior year's depreciation costs for vehicles.

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. Update Survey to be developed.
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. Update The Town Storm Drainage Plan Update dated April 27, 2006 projected the total 10-year program cost estimate at $24,071,560 compared to the original estimate of $23,696,500; half way through the program we project a 1.58% increase. This illustrates an aggressive evaluation of alternatives and use of innovative construction methods.
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. Update Project scheduling is dependent upon the approved May to December construction window which minimizes resident disruption. Storm Water Pump Stations D-3, D-8 and D-12 were late due to increased scopes of work, added complexity and issues outside of our control.
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. Update The 2005 survey reported 87% of respondents said Public Works met or exceeded their expectations for services provided and 97% agreed or strongly agreed with the statement "I am proud of the appearance of Palm Beach".

Public Works Department

Result:	Seen as innovative and state of the art.
Measure:	Regular participation in forums that explore new approaches and apply to our work. Update Attending APWA, ASCE, FDEP, FDOT and FES seminars and continuing education.
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. Update The percentage of general fund budget dedicated to this program decreased from .69% in FY06 to .65% in FY07.

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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**

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Program 565 - Right of Way Inspections
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	67,665	70,882	73,893	75,801	78,650	6.44%
Employee Benefits	20,408	22,658	26,749	26,320	30,348	13.45%
Contractual	0	0	1,000	970	1,000	0.00%
Commodities	1,237	971	1,400	884	1,400	0.00%
Capital Outlay	664	1,375	0	0	1,283	100.00%
Other	0	0	0	0	0	0.00%
TOTALS	89,974	95,886	103,042	103,975	112,681	9.35%

EXPENDITURES

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

Commodities
No change requested.

Capital Outlay:
Change reflects an increase to prior year's depreciation costs for vehicle.

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 Update To be tracked with new work management software.
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. Update Notification by contractors needs improvement. Violations to permit conditions result in fines being levied.
Result:	Traffic and roadway disruptions minimized.
Measure:	Traffic control measures consistent with requirements and exceptions reported. Update Conflicts have been minimized but not yet eliminated.
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. Update The percentage of general fund budget dedicated to this program remained at .18%.
Result:	Information, education, clear expectations, and inspections will reduce violations.
Measure:	Report violation numbers and compare annually. Update In progress. Violations to permit conditions result in fines being levied.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Permits Processed	1,000	1,201	1,300	821
Violations	120	139	141	94

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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 571 - Equipment Operation and Maintenance Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	287,083	310,953	338,918	314,299	344,929	1.77%
Employee Benefits	120,295	134,580	143,852	141,122	149,003	3.58%
Contractual	3,695	41,557	57,636	61,742	51,900	-9.95%
Commodities	10,339	96,688	95,579	104,621	106,900	11.84%
Capital Outlay	6,118	6,118	6,118	6,118	6,118	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	427,530	589,896	642,103	627,902	658,850	2.61%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 reflects an overall decrease from prior year's costs which had included Hurricane Wilma recovery efforts.

Commodities:
Change is due to increasing material costs for vehicle parts and equipment, as well as metal fabrication and welding cost increases.

Capital Outlay:
No change is requested.

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. Update Vehicles and equipment are serviced and inspected minimally once a month in structured preventative maintenance program.
Result:	Maximum productivity achieved by equipment always being available and ready.
Measure:	Equipment down time is tracked and recorded. Update Equipment down time is minimized and new work order software will improve tracking of equipment problems and timely resolution.
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. Update Cost percentage reduced from previous budgets.
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. Update The percentage of general fund budget dedicated to this program decreased from 1.10% in FY06 to 1.05% in FY07.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Preventive Maintenance Scheduled Services	1,440	2,800	2,800	2,520

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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**

Public Works Department

Program 581 - Coastal Management
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	64,935	71,772	77,971	77,777	87,415	12.11%
Employee Benefits	18,483	20,843	22,669	22,475	25,424	12.15%
Contractual	173,986	336,664	276,400	305,921	1,334,700	382.89%
Commodities	5,579	6,197	6,650	6,195	7,000	5.26%
Capital Outlay	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	262,983	435,476	383,690	412,368	1,454,539	279.09%

EXPENDITURES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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:
Changes due to transfer of funding from capital account to operating account for recurring coastal/beach responsibilities.

Commodities:
Change is due to small increase in fuel costs and membership dues.

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. Update 100% of constructed projects completed on time and within budget.
Result:	Beach projects maintained to Town standards.
Measure:	Citizen survey with satisfaction at 90% or greater. Update This was not addressed in the 2006 survey. We will request that it be addressed in future surveys. Generally positive feedback from residents after completion of recent projects.
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. Update No permit violations. 100% compliance.
Result:	Improve as much as possible Sand Transfer Plant facility and operations.
Measure:	Progress toward facility upgrade accomplished. Update Significant progress made this year with ACOE. Project defined and included in proposed Federal budget.
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. Update Dredged sand from the inlet to be placed on dry beach this year for the first time.
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. Update The percentage of general fund budget dedicated to this program increased from .68% in FY06 to 2.32% in FY07. FY 2007 budget increase due to transfer of previously capitalized line items to the operating budget. Levelized funding anticipated in future years.

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Coastal Projects Administrator	1.00	1.00	1.00	1.00
TOTAL	**1.00**	**1.00**	**1.00**	**1.00**

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Other

Society of the Four Arts Library

Emergency Management

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Other Programs

The Town contracts with The Society of the Four Arts Library to provide library services to its residents. The library maintains exceptional collection of books, audio, and video tapes and periodicals on the arts. It also sponsors special events and activities for its patrons. This annual appropriation takes the place of, and is substantially less than, property taxes that would be levied upon the residents by the Palm Beach County Library District.

Program 321 - Library Services
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 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	335,000	235,000	235,000	247,000	5.11%
TOTALS	235,000	335,000	235,000	235,000	247,000	5.11%

EXPENDITURES

Other:
Increase reflects Town policy of an annual increase of approximately 5% for the Society of the Four Arts Library.

Other Programs

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

Programs 611 to 625 - Transfers
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Capital Improvement Fund (307)	2,682,000	3,617,000	3,812,491	3,812,491	3,378,801	-11.38%
Town Facilities (310)	0	1,171,000	0	0	0	0.00%
Recreation Enterprise Fund (403)	0	0	22,572	22,572	0	-100.00%
Equipment Replacement Fund (320)	0	0	4,205,523	4,205,523	0	-100.00%
Debt Service Fund (203)	2,103,100	2,187,832	3,018,482	3,018,482	0	-100.00%
Debt Service Fund (201)	376,900	384,978	383,578	383,578	3,529,000	820.02%
Donations Fund (103)	50,000	0	0	0	0	0.00%
Group Health	763,731	712,256	918,991	918,991	993,700	8.13%
Risk - W/C, Liab, Prop	2,810,033	2,510,033	2,390,000	2,390,000	2,220,201	-7.10%
Risk - Florida Blacktop	0	1,784,377	0	0	0	0.00%
Retirement - General Employee	1,835	1,811	1,900	146	0	-100.00%
Retirement - Public Safety Employee	3,696	0	4,800	0	0	-100.00%
TOTALS	8,791,295	12,369,287	14,758,337	14,751,783	10,121,702	-31.42%

Other Programs

EXPENDITURES

Capital Improvement Fund:
Increases due to need for greater investment in public infrastructure including street paving, drainage and sanitary sewer.

Town Facilities:
Additional Funding for Town Hall Renovations

Recreation Enterprise Fund:
Budget Amendment to transfer revenue lost at Par3 due to Hurricane Wilma.

Equipment Replacement Fund:
Budget Amendment to fund the replacement cost of equipment in the Equipment Replacement Fund

Debt Service Fund:
(201) Fund - Represents the transfer to the 2003 Revenue Bond Debt Service fund.

Donations:
This represented 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 for the employer funded portion of retiree health insurance premiums.

Risk - W/C, Liability, Property:
This transfer is to fund the Town's risk insurance program. The contribution for FY2007 is less than the FY2006 contribution due to the funding of the uninsured loss budget through retained earnings rather than with General Fund revenues.

Risk - Florida Blacktop:
Case closed.

Retirement - General Employee Retirement System:
This funding represented the General Fund supplement for retiree's pensions who receive less than $1,200 per year to bring their annual retirement to $1,200. Since the amount is minimal, the funding for this expense is now borne by the pension fund.

Retirement - Public Safety Retirement System:
This funding represented the General Fund supplement for retiree's pensions who receive less than $1,200 per year to bring their annual retirement to $1,200. Since the amount is minimal, the funding for this expense is now borne by the pension fund.

Program 710 - Emergency Disaster Response
Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenditures						
Salaries and Wages	0	0	0	3,868	0	0.00%
Employee Benefits	601,254	8,462	0	296	0	0.00%
Contractual	1,410,401	1,944,123	169,266	151,890	86,468	-48.92%
Commodities	11,200	1,819	900	17,846	200	-77.78%
Capital Outlay	5,853	0	14,201	8,332	1,501	-89.43%
Other	0	0	0	0	0	0.00%
TOTALS	2,028,708	1,954,404	184,367	182,232	88,169	-52.18%

EXPENDITURES

Contractual:
The decrease in FY07 is because we are not budgeting for Hurricane Wilma.

Commodities:
The decrease in FY07 is because we are budgeting less for office supplies as we spent less than expected in FY06.

Capital Outlay:
The decrease in FY07 is because we have no plans to purchase any equipment.

Emergency Management

PROGRAM: EMERGENCY MANAGEMENT 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	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Emergency Planning Team Meetings	5	2	9	8
EOC Training Exercises	0	0	0	2
Actual EOC Activations	0	1	1	2
NIMS Compliancy Training Sessions	n/a	n/a	2	2
Townwide Tabletop Exercises	n/a	n/a	0	1

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

	FY2004 Budget	FY2005 Budget	FY2006 Budget	FY2007 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	653,200	745,496	835,000	922,650	10.50%
TOTALS	653,200	745,496	835,000	922,650	10.50%
Percent of Budget	1.39%	1.5%	1.5%	1.5%	

EXPENDITURES

Other:
Increased to abide by Town adopted policy to fund account at 1.5% of General Fund expenditures of $61.7 million.

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.

At this time, no General Obligation Bonds are outstanding.

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, including the construction of a new central fire-rescue station and the renovation of Town Hall.

The Revenue 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 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.

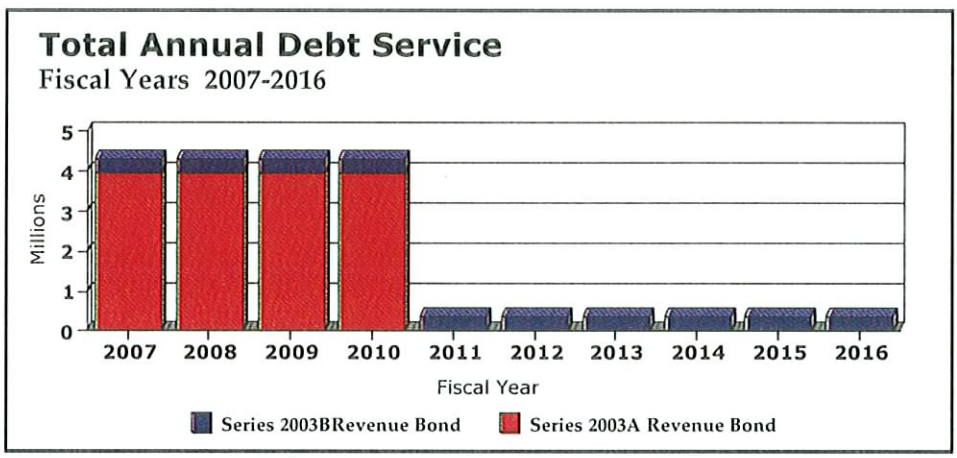
Principal payments are due on January 1, and interest payments are due on January 1 and July 1 of each year. The annual debt service requirements for the outstanding revenue bonds through 2016 are shown below:

Fiscal Year	2003A Revenue Bond	2003B Revenue Bond	Total
2007	3,954,383	380,971	4,335,354
2008	3,952,223	377,940	4,330,163
2009	3,955,313	379,365	4,334,678
2010	3,952,069	380,221	4,332,290
2011	0	380,578	380,578
2012	0	380,445	380,445
2013	0	379,913	379,913
2014	0	379,118	379,118
2015	0	377,972	377,972
2016	0	381,373	381,373
Total	$15,813,988	$3,797,896	$19,611,884

Debt Service Fund

The 2003A Revenue Bond represents the refunded portion of the 2000 Revenue Bonds. The 2003A bond will be paid in full in 2010. The refunding bond did not extend the maturity of the original bond.

The chart below shows the Town's total annual debt service for FY2007 through FY2016. As the chart shows, the debt service declines dramatically in FY2011 after the 2003A bonds are paid in full.



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	$12,048,770,891
Legal Debt Margin:	
Debt Limitation - 5% of assessed value	$ 602,438,544

Debt Summary

Outstanding debt as of September 30, 2006

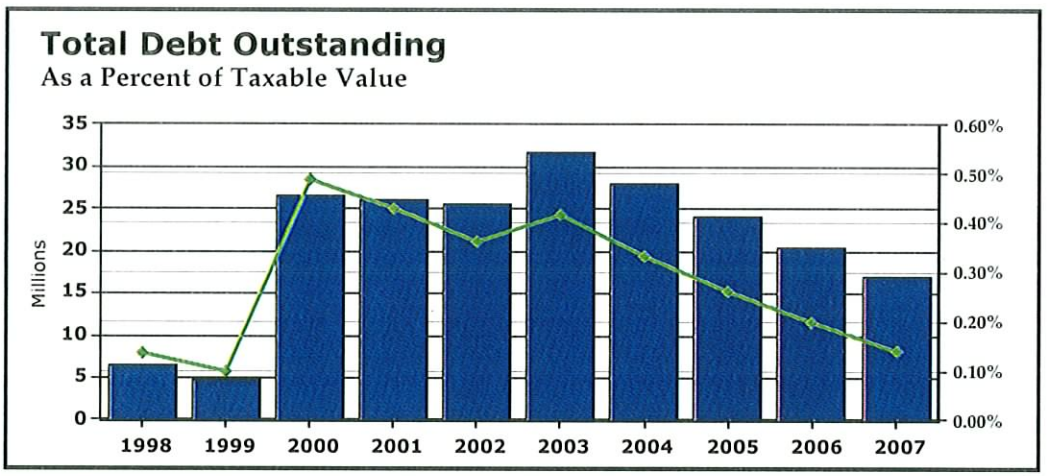
Gross bonded debt (all debt with a General Obligation Pledge)	$ 0
General Fund Pledge Obligations	
Non-Ad Valorem Revenue Bonds	20,510,000
Total Gross Debt	$20,510,000

Debt Service Fund

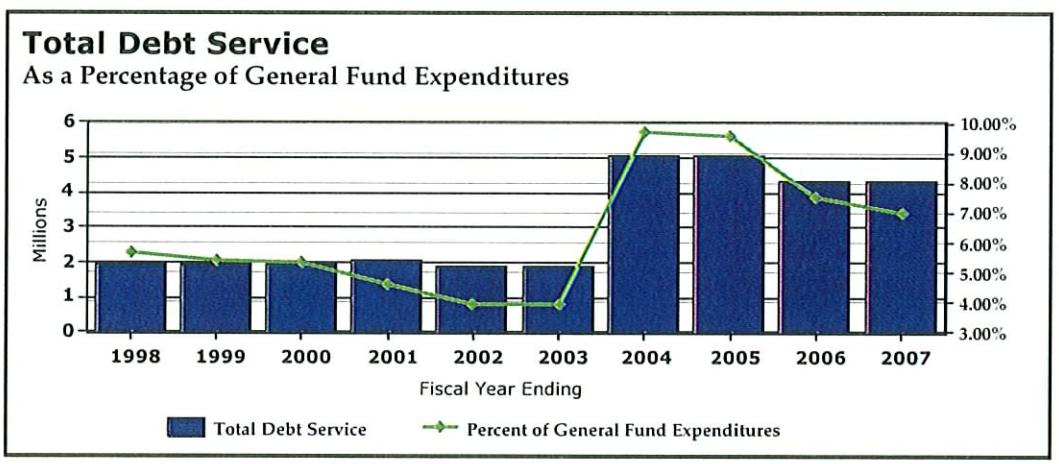
Debt Ratios:

		Per Capita
Population	9,735	
Taxable Value	$12,048,770,891	1,237,675
Total Gross Debt	20,510,000	2,107

The chart below shows the ratio of total debt outstanding as a percent of taxable value.



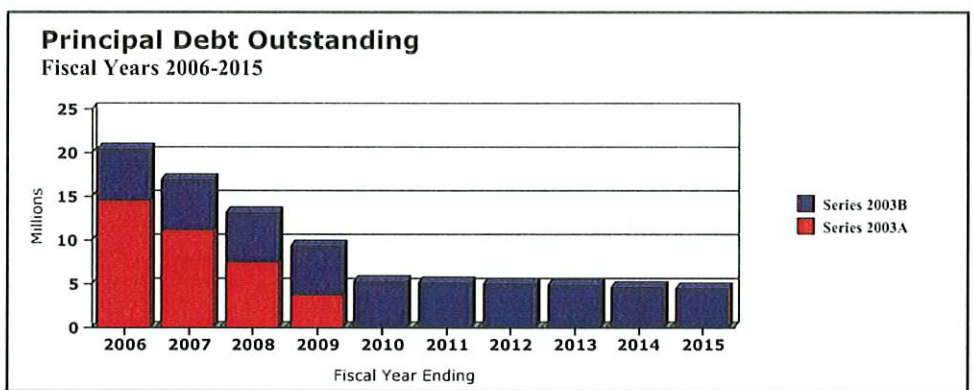
The chart below shows total debt service as a percentage of general fund expenditures.

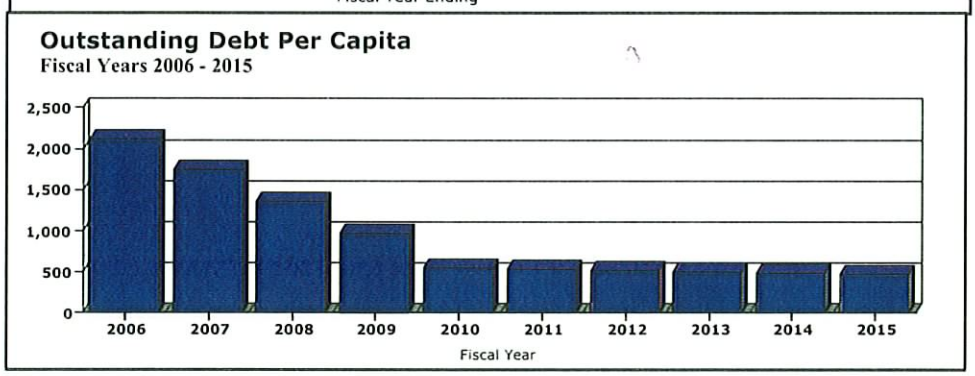


Debt Service Fund

Town of Palm Beach
Principal Debt Outstanding
FY2006 - FY2015

Fiscal Year Ending	2003A Revenue Bond	2003B Revenue Bond	Total Debt Outstanding	Debt Per Capita 9,735
2006	14,685,000	5,825,000	20,510,000	2,107
2007	11,225,000	5,700,000	16,925,000	1,739
2008	7,630,000	5,575,000	13,205,000	1,356
2009	3,885,000	5,445,000	9,330,000	958
2010	0	5,310,000	5,310,000	545
2011	0	5,170,000	5,170,000	531
2012	0	5,025,000	5,025,000	516
2013	0	4,875,000	4,875,000	501
2014	0	4,720,000	4,720,000	485
2015	0	4,560,000	4,560,000	468





Debt Service Fund

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

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Ad Valorem Taxes	615,374	610,747	0	0	0	0.00%
Interest Earnings	5,646	9,707	0	922	0	0.00%
TOTALS	621,020	620,454	0	922	0	0.00%
Expenditures						
Debt Service Principal	645,000	680,000	0	0	0	0.00%
Debt Service Interest	62,615	32,300	0	0	0	0.00%
Other Bond Expenses	1,000	0	0	0	0	0.00%
Transfer to (201) Debt Service	0	0	0	0	20,500	0.00%
TOTALS	708,615	712,300	0	0	20,500	0.00%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	(87,595)	(91,846)	0	922	(20,500)	
Beginning Fund Balance	199,019	111,424	19,578	19,578	20,500	
ENDING FUND BALANCE	111,424	19,578	19,578	20,500	0	

Bonds were paid in full in FY2005.

Transfer to (201) Debt Service represents the transfer of the balance in the fund to the only remaining debt service fund.

Debt Service Fund

Fund 203 - Series 2000 Revenue Bond Series
Revenue and Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Interest Earnings	1,957	2,873	0	265	0	0.00%
Transfer from General Fund	2,103,100	2,187,832	0	0	0	0.00%
Transfer from CCMP PAYG Fund	990,650	908,668	0	0	0	0.00%
TOTALS	3,095,707	3,099,373	0	265	0	0.00%
Expenditures						
Debt Service Interest	222,750	75,500	0	0	0	0.00%
Debt Service Principal	2,870,000	3,020,000	0	0	0	0.00%
Other Bond Expenses	575	120	0	0	0	0.00%
Transfer to (201) Debt Serv	0	0	0	0	6,400	0.00%
TOTALS	3,093,325	3,095,620	0	0	6,400	0.00%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	2,382	3,753	0	265	(6,400)	
Beginning Fund Balance	0	2,382	6,135	6,135	6,400	
ENDING FUND BALANCE	2,382	6,135	6,135	6,400	0	

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

The transfer to (201) Debt Service represents a transfer of the balance in this fund to the only remaining debt service fund.

Debt Service Fund

Fund 201 - Series 2003 Revenue Bond
Revenue and Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Interest Earnings	2,585	242	1,500	853	1,500	0.00%
Transfer from General Fund	376,900	384,978	3,402,060	3,402,060	3,529,000	3.73%
Transfer from CCMP PAYG Fund	864,900	859,307	935,925	935,925	811,356	-13.31%
Transfer from Debt Serv Funds	0	0	0	0	26,900	0.00%
TOTALS	1,244,385	1,244,527	4,339,485	4,338,838	4,368,756	0.67%
Expenditures						
Debt Service Interest	1,063,716	891,285	852,985	852,985	750,354	-12.03%
Debt Service Principal	175,000	350,000	3,480,000	3,480,000	3,585,000	3.02%
Other Bond Expenses	1,511	1,500	3,000	3,000	3,000	0.00%
TOTALS	1,240,227	1,242,785	4,335,985	4,335,985	4,338,354	0.05%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	4,158	1,742	3,500	2,853	30,402	
Beginning Fund Balance	0	4,158	5,900	5,900	8,753	
ENDING FUND BALANCE	4,158	5,900	9,400	8,753	39,155	

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 FY2007.

Debt Service Principal
Represents the amount of Principal due on the 2003 Revenue bonds in FY2007.

Other Bond Expenses:
Represents amounts paid to the paying agent on the bonds.

Capital Funds

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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 has reduced the Town's dependency on general obligation bonds for capital improvements, and enhanced 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 are 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 FY2007 $3,378,801 has been allocated by the General Fund for capital projects. The FY2007 budget amount includes FY2007 new appropriations of $4,811,776 and reappropriated budgets of $8,888,716.

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 Central 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 Central 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 significantly reduces 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 receives an annual appropriated transfer from the General Fund equal to the annual depreciation amount on the assets in the fund.

Town of Palm Beach

Capital Improvement Fund (307)

FUND (307) - CAPITAL IMPROVEMENT PROGRAM
FY06 ACCOMPLISHMENTS

Storm Water Drainage Improvements

D-1 Basin (Inlet) - An engineering study was completed in November 2005 that concluded that constructing a new D-1 pump station was not necessary if additional capacity was provided at the D-2 and D-9 pump stations.

D-2 (Palmo Way) Pump Station - The Master Storm Water Drainage Plan was modified with Town Council approval to construct the new D-2 station in 2006 and the D-10 station upgrades in 2007 because of known equipment deficiencies; the reverse order of what had been planned. Construction of D-2 wet well started in May with a completed project expected for December 2006. Storm drains along No. Lake Way between Palmo Way and Nightingale Trail will also be upgraded during this project.

D-8 Basin/Country Club Road - Project expanded the storm water pump station from 54,000 G.P.M. to 100,000 G.P.M. at the intersection of Country Club Road and Slope Trail. Project was completed in December 2005.

D-10 (Via Marila) Pump Station - Project expects to increase the pumping capacity from 78,000 G.P.M. to 150,000 G.P.M. Plans are approximately 80% complete with a Spring 2007 expected construction start. Storm drains along No. Lake Way from Garden Road to Via Marila may be upgraded late this year if our hourly contractors have available crews.

D-15 Cooling System Repair - Submersible electric pumps were installed in the existing water wells (source of the cooling water) and the diesel engines were outfitted with new heat exchangers. This project was completed in May 2006.

Water Main Improvements

The Town is proceeding upon a Joint Participation Agreement with the City of West Palm Beach to upgrade water mains. El Vedado Road and Via Vizcaya mains were replaced in August and September 2005. We are currently under construction along Colonial Lane and will be starting work on Ibis Isle in July. Work is also planned for Coral Lane, Root Trail and Woodbridge Road.

Sanitary and Storm Sewer Improvements

2006 Sanitary Sewer replacements are underway for Brazilian Easement, between Cocoanut Row and Breakers, Dunbar Road, Easement between Barton Ave & Clarke Ave, Easement north of Royal Palm Way, Golfview Road, Grace Trail, Gulfstream Road, South Ocean Blvd, Tarpon Way, Via Linda, Woods Road - South and Worth Avenue for completion this fall.

2006 Sanitary Sewer point repairs are underway for Australian Easement, Cocoanut Row, High Mount Road, Royal Palm Way, Sea Breeze Ave, South County Road, Via Del Lago, and Worth Avenue for completion this fall.

Force main and air line improvements are underway for SR A1A, Southern Blvd. to Hammon Avenue, and Island Road.

Storm drain improvements are underway along Colonial Lane and are scheduled for Hi Mount and for several small repairs throughout the Town.

Capital Improvement Program
FY06 Carry-over and Five Year Plan
Fund (307)

Project Description	FY06 Est. Carry-over Budget*	Adopted Year 1 FY2007	Subtotal	Projected Requirements Year 2 FY2008	Year 3 FY2009	Year 4 FY2010	Year 5 FY 2011	Five Year Total
Storm Water System	4,185,000	2,680,000	6,865,000	2,680,000	2,910,000	2,681,500	2,181,500	17,318,000
Improvements	4,135,000	2,180,000	6,315,000	2,180,000	2,410,000	2,181,500	2,181,500	15,268,000
Rehabilitate Storm Pump Structures	50,000	500,000	550,000	500,000	500,000	500,000	0	2,050,000
Sanitary Sewer System	3,414,216	319,783	3,733,999	400,000	500,000	800,000	1,250,000	6,683,999
General Improvements	2,219,000	100,000	2,319,000	350,000	350,000	250000	300,000	3,569,000
Force Main Rehabilitation	215,000	0	215,000	0	0	0	0	215,000
WPB Central Pump Bypass & Reserve	980,216	219,783	1,199,999	50,000	50,000	50,000	50,000	1,399,999
Rehab Sanitary Sewer Pumping Stations	0	0	0	0	100,000	500,000	900,000	1,500,000
Streets and Roads	353,000	844,000	1,197,000	550,000	500,000	500,000	500,000	3,247,000
Bridge Rehabilitation	0	50,000	50,000	50,000	0	0	0	100,000
Milling & Resurfacing Program	0	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000
Street Lights & Decorative Upgrade South Co	353,000	294,000	647,000	0	0	0	0	647,000
Underground Utility Lines	828,000	0	828,000	0	0	0	0	828,000
Water Main Improvements WPB	0	479,993	479,993	0	0	0	0	479,993
Sand Transfer Plant	34,000	58,000	92,000	0	0	0	0	92,000
Fuel Tank Replacement Program	17,000	200,000	217,000	200,000	0	0	0	417,000
North Fire-Rescue Station	0	165,000	165,000	125,000	0	0	0	290,000
Fitness Room & Truck Bay Renovation	0	40,000	40,000	0	0	0	0	40,000
Replacement of Windows	0	125,000	125,000	125,000	0	0	0	250,000
Mangrove Mitigation	17,500	0	17,500	0	0	0	0	17,500
Central Fire-Rescue Station	28,000	50,000	78,000	0	0	0	0	78,000
Vehicle Exhaust Removal System	0	50,000	50,000	0	0	0	0	50,000
Emergency Operations Center	28,000	0	28,000	0	0	0	0	28,000
Intracoastal Bulkhead Repair Reserve	12,000	15,000	27,000	0	0	0	0	27,000
TOTAL	8,888,716	4,811,776	13,700,492	3,955,000	3,910,000	3,981,500	3,931,500	29,478,492

* Unencumbered Funds

FUND (307) - CAPITAL IMPROVEMENT PROGRAM PROJECT DESCRIPTIONS FY07 and FY06 Carry-Over Budgets

Storm Water Drainage Improvements

FY07 is the sixth year of a 10-year program to improve north-end drainage. The FY07 projects include the design and construction of improvements to the existing D 9 Mediterranean Pump Station. There are monies available to address any unanticipated storm pump structure rehabilitation needs.

Project Budget	$6,865,000*
Operating Budget Impact	There will be no increase to personnel. Operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

Sanitary Sewer Improvements (Including Force Main Rehabilitation)

This program 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.

Public Works envisions building a booster pump station utilizing in-line variable speed pumps to eliminate the need for use of the West Palm Beach Central Pump Station. This will eliminate the operation and maintenance costs at the Central Pump Station and the Town will operate and maintain their own pump station.

This project includes monies 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	$3,733,999*
Operating Budget Impact	There will be no increase to personnel. Operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

Capital Improvement Funds

Streets and Roads

Funds were allocated for the purpose of rehabilitating Town maintained bridges and to initiate an annual Town wide milling & resurfacing program. Included within these funds is $805,000 for street lights and decorative improvements along SR A1A between Southern Blvd and Royal Palm Way.

Project Budget	$1,197,000*
Operating Budget Impact	There will be no increase to personnel. 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	$828,000*
Operating Budget Impact	There will be no increase to personnel. Operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

Water Main Improvements WPB

This project includes funds for the April 2006 amendment to the Interlocal Agreement with the City of West Palm Beach for the Town to make improvements to designated water mains throughout the Town.

Project Budget	$479,993*
Operating Budget Impact	There will be no increase to personnel. Operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

Sand Transfer Plant

This project allows for continued improvements to the Sand Transfer Plant due to damages from Hurricane Frances. Mitigation monies from FEMA are included in this amount.

Project Budget	$92,000*
Operating Budget Impact	There will be no increase to personnel. Operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

Fuel Tank Replacement Program

These funds will allow for the continuation of improvements to our fuel tanks to remain in compliance with state regulations.

Project Budget	$217,000*
Operating Budget Impact	There will be no increase to personnel. Operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

North Fire-Rescue Station

These funds will allow for renovations to the truck bay, development of a fitness room and the start of a two-year program to replace windows.

Project Budget	$165,000
Operating Budget Impact	There will be no increase to personnel. Operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

Mangrove Mitigation

These funds were initially budgeted to assist FDOT in mitigating loss of mangroves on one of their projects. This work along SR A1A opposite Phipps Ocean Park along the Intracoastal Waterway will improve aesthetics for Ibis Isle residents as well as providing environmental improvements.

Project Budget	$17,500*
Operating Budget Impact	There will be no increase to personnel. Operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

Central Fire-Rescue Station

This project will install a vehicle exhaust removal system in the truck bays and any remaining funds will be available for needed improvements to the Emergency Operations Center.

Project Budget	$78,000*
Operating Budget Impact	There will be no increase to personnel. Operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

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	$27,000*
Operating Budget Impact	There will be no increase to personnel. Operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

*Includes FY06 Estimated Carry-over Budget

Fund 307 - Capital Improvement Program
Revenue and Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Transfer from General Fund (001)	2,682,000	3,617,000	3,812,491	3,812,491	3,378,801	-11.38%
Interest on Investments	213,618	358,421	300,000	440,000	575,000	91.67%
Miscellaneous	21,791	315	0	0	0	0.00%
Grants/Local Revenue	0	764,601	0	90,000	402,000	100.00%
TOTALS	2,917,409	4,740,337	4,112,491	4,342,491	4,355,801	5.92%
Expenses						
Projects	3,653,987	4,574,803	2,900,000	5,786,407	4,811,776	65.92%
Transfer to LSEF (403)	0	708,539	0	0	0	0.00%
Transfer to CIP Funds (309/310)	0	483,928	0	0	306,000	0.00%
Transfer to General/ Risk Funds (001/501)	0	320,623	0	0	0	0.00%
Capital Contingency	0	0	290,000	0	398,000	37.24%
TOTALS	3,653,987	6,087,893	3,190,000	5,786,407	5,515,776	72.91%
TOTAL REVENUES OVER/(UNDER) EXPENSES	(736,578)	(1,347,556)	922,491	(1,443,916)	(1,159,975)	
Beginning Fund Equity	14,562,463	13,825,885	12,478,329	12,478,329	11,034,413	
ENDING FUND EQUITY	13,825,885	12,478,329	13,400,820	11,034,413	9,874,438	

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 3.5% in FY06 to 5.0% in FY07.

Miscellaneous:
Revenue received in FY04 and FY05 represents donations received from multiple donors for the Town Park at County Road and Peruvian.

Grants/Local Revenue:
FEMA, Florida Department of Transprotation, Palm Beach County and City of West Palm Beach interlocal revenue.

EXPENDITURES

Projects:
The FY07 budget amounts do not include unexpended carry over amounts from prior years.

Transfer to Leisure Services Enterprise Fund (403):
The amount expended in FY05 represents the transfer of remaining balances from existing Leisure Services capital projects to the Leisure Services Enterprise Fund (403).

Transfer to CIP Funds (309/310):
The amount expended in FY05 represents the transfer of unexpended balances from existing projects to Town Hall Renovations in the Town Facilities Fund (310). The amount budgeted in FY07 represents Sand Transfer Plant ($153,000) and Town Hall Renovations ($153,000) line items to be transferred to the Comprehensive Coastal Management Plan (309) and Town Facilities funds (310), respectively.

Transfer to General/Risk Funds (001/501):
The amount expended 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 and a transfer of the balance in the D-12 project to the risk fund for the Florida Black Top settlement.

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
FY06 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 will act as local sponsor for this project with reimbursement from federally authorized funding through USACE. Three potential options were evaluated, 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 to determine the most effective and cost-efficient design has been completed. The funding is currently included in the proposed FY07 Federal Budget. We will begin restoration of the plant if funding is made available this calender year.

Inlet Sand Management

Town staff, together with the Army Corps of Engineers are planning to place sand dredged from the inlet on the dry beach in sections of Reaches 1 and 2. All adjacent property owners within this area have agreed to easements that will allow this work. The vast majority of the easements have been finalized and the remainder are anticipated shortly.

A larger scale expansion of the turning basin at the Port of Palm Beach is being discussed. Town staff will continue to work with the Port and the Army Corps to assure that the Town's concerns are addressed and that any suitable dredge material is put to good use.

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 re-constructed 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 5 has benefitted from the repeated Midtown projects. Staff is monitoring this area and evaluating future projects in this area.

Reach 7 Project Area
Phipps Ocean Park Beach Nourishment Project
Sloan's Curve to Ambassador II Condominium

One of our most significant accomplishments was the final negotiation of the federal permit for the Phipps Ocean Park Project and the construction of this project. The federal permit required construction of an additional 0.8 acres of mitigation reef, which is currently scheduled for construction in 2006. The USACE modified the project design to include 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 and 2005, 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, the Town requested and received Hurricane Recovery funds from FDEP and received the necessary permits to construct a dune restoration project in this area during the 2005-06 construction season. The dune was successfully reconstructed and plantings will be installed this calender year.

Capital Improvement Funds

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.

Hurricane Recovery/Preparedness

Emergency Berm - Sloan's Curve to La Bonne Vie

Old South Ocean Blvd. Re-construction and Seawall

North Ocean Blvd. Seawall - Hurricane Frances

In the wake of Hurricane Willma, immediate response to damages included reconstruction of the dune system in all of Reach 8. Minor work was also completed at the Sand Transfer Plant. The Midtown project was also reconstructed this year due to impacts form previous storms.

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 and were completed during the 2005-06 construction season.

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
FY07 and FY06 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.

FY07 Appropriation& Carry Over	$ 327,838
FDEP Approved FY06-07	$ 175,914
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 FY2007 operating budget for these items is $1,454,539.

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. Reconstruction was completed during the 2005-06 construction season.

This project is an integral part of the Comprehensive Coastal Management Plan and the Strategic Plan.

FY07 Appropriation & Carry Over	$ 124,249
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 FY2007 operating budget for these items is $1,454,539.

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.

FY07 Appropriation & Carry Over	$ 504,684
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 FY2007 operating budget for these items is $1,454,539.

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 was completed in the 2005-06 construction season.

This project is an integral part of the Comprehensive Coastal Management Plan and the Strategic Plan.

FY07 Appropriation & Carry Over	$ 800,000
FDEP Approved FY06-07	$ 306,080
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 FY2007 operating budget for these items is $1,454,539.

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. The permit application for the full project has been submitted to all appropriate regulatory agencies. Dune restoration associated with the FDEP Hurricane Recovery Plan described below extends the full length of Reach 8, wherever possible and was completed in the 2005-2006 construction season.

This project is an integral part of the Comprehensive Coastal Management Plan and the Strategic Plan.

FY07 Appropriation & Carry Over	$10,533,630
FDEP Approved FY06-07	$ 1,596,918
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 FY2007 operating budget for these items is $1,454,539.

Comprehensive Coastal Management Program

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 was completed in 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.

FY07 Appropriation & Carry Over	$2,000,000
FDEP Approved Funds	$ 966,230
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 FY2007 operating budget for these items is $1,454,539.

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.

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.

Comprehensive Coastal Management Program

Historically the USACE has been disposing of 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.

FY07 Appropriation & Carry Over	$3,095,000	
USACE Reimbursement STP	$2,000,000	One Time Congressional 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 FY2007 operating budget for these items is $1,454,539.	

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.

FY07 Appropriation	$1,095,000
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 FY2007 operating budget for these items is $1,454,539.

Fund 308 - Comprehensive Coastal Management Program
Pay-As-You-Go
Revenue and Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Transfer from General Fund	0	0	0	0	0	0.00%
Interest on Investments	88,742	145,018	140,000	170,000	220,000	57.14%
Grants	607,210	269,459	4,389,047	100,000	0	-100.00%
TOTALS	695,952	414,477	4,529,047	270,000	220,000	-95.14%
Expenses						
Other Expenses	0	0	10,000	10,000	10,000	0.00%
Transfer to Debt Service 2000 (203)	990,650	908,668	0	0	0	0.00%
Transfer to Debt Service 2003B (201)	864,900	859,307	935,925	935,925	811,356	-13.31%
TOTALS	1,855,550	1,767,975	945,925	945,925	821,356	-13.17%
TOTAL REVENUES OVER/(UNDER) EXPENSES	(1,159,598)	(1,353,498)	3,583,122	(675,925)	(601,356)	
Beginning Retained Earnings	8,051,041	6,891,443	5,537,945	5,537,945	4,862,020	
ENDING FUND EQUITY	6,891,443	5,537,945	9,121,067	4,862,020	4,260,664	

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 3.5% in FY06 to 5.0% in FY07.

Grants:
Reimbursements from the State of Florida for beach restoration projects and anticipated FEMA revenue for North Ocean Blvd. Seawall are recorded in this item.

EXPENDITURES

Other Expenses:
This category includes 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

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Interest Earnings	302,707	458,997	150,000	400,000	270,000	80.00%
Bond/Loan Proceeds	0	0	0	0	5,805,922	100.00%
Transfer from CIP (307)	0	0	0	0	153,000	100.00%
FEMA/Grant Reimbursement	0	134,688	7,870,270	8,485,000	9,570,000	21.60%
TOTALS	302,707	593,685	8,020,270	8,885,000	15,798,922	96.99%
Expenses						
Projects	1,977,459	3,048,911	15,907,551	20,928,224	21,198,401	33.26%
TOTALS	1,977,459	3,048,911	15,907,551	20,928,224	21,198,401	33.26%
TOTAL REVENUES OVER(UNDER) EXPENSES	(1,674,752)	(2,455,226)	(7,887,281)	(12,043,224)	(5,399,479)	
Beginning Retained Earnings	21,572,681	19,897,929	17,442,703	17,442,703	5,399,479	
ENDING FUND EQUITY	19,897,929	17,442,703	9,555,422	5,399,479	0	

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 3.5% in FY06 to 5.0% in FY07.

Bond/Loan Proceeds:
Additional funding to be obtained for the CCMP program.

Transfer from CIP (307):
This line item represents money transferred from the 307 Fund for the Sand Transfer Plant.

FEMA/FDEP Reimbursement:
Anticipated FEMA/FDEP reimbursement for beach projects and North Ocean Blvd. Seawall project.

EXPENDITURES

Projects:
The FY07 budget amount includes unexpended carry over amounts from FY06.
The following amounts represent the FY2007 appropriations for coastal management projects.

FY2007 Appropriation:

Reach 2	$ 327,838
Reach 3&4 Mid Town	124,249
Reach 5	504,684
Reach 7 Phipps	800,000
Reach 8	10,533,630
North Ocean Blvd. Seawall	2,063,000
Dune Restoration	2,000,000
Regional	1,095,000
Inlet Sand Management	1,750,000
Sand Transfer Plant Upgrade	2,000,000
Total	$21,198,401

Town of Palm Beach

Town Facilities Project Fund (310)

FUND (310) - TOWN FACILITIES
FY06 ACCOMPLISHMENTS

North Fire-Rescue Station Repairs- Work to repair hurricane damage was completed in late Summer 2005, to allow Fire-Rescue staff to move back into Station #2 after having worked from temporary FEMA trailers following Hurricanes Frances/Jeanne. That work included roof replacement, mold remediation, repairs to water-damaged walls and ceilings, and also afforded an opportunity to renew floor and wall finishes (carpet & paint) throughout the building. Enhancements such as improved telecommunications infrastructure, and security card readers on exterior doors were also accomplished. Alterations were also made to the sleeping quarters on the second floor to provide individual bunk rooms for the fire-rescue personnel, and a training/conference room was reconfigured from previous storage space. Projects completed in FY 2006 also include a new fire pole for emergency access from the 2nd floor living quarters to the 1st floor apparatus bay, and also water-damage remediation/restoration that resulted after Hurricane Wilma.

Town Hall Renovations - Hurricane Frances/Jeanne repairs were completed including water-damage remediation and restoration on the 2nd and 3rd floors of the north end of Town Hall (old Central Fire Station). Minor alterations and renewal of floor and wall finishes (carpet & paint) were also done to provide suitable office space for Planning, Zoning and Building Department staff allowing them to move in December 2005 from their previous cramped offices. A lunch/break room was also provided for use by Town Hall employees. The flat roof on the north end of the building was replaced, and roof tile damage from the hurricanes has been corrected also. The search for an appropriate site for relocating the entire PZ&B staff continued, with investigation of lease/purchase alternatives, and possible development options on Town-owned parcels in West Palm Beach. A project to replace several windows in Town Hall is underway for Summer 2006 at a cost of $180K, to prevent further water intrusion at the most deteriorated locations.

Town Facilities (Roof Replacements) - Funding was also approved by Town Council and provided from the Town Facilities Fund to accomplish roof replacements at both the Police Department and Recreation Center buildings. Those projects were completed post-Hurricane Wilma in FY06 and these roofs reflect a "like-new" condition.

Fund 310 - Town Facilities Project Fund
Revenue and Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Interest Earnings	59,324	108,573	130,000	150,000	195,000	50.00%
Transfer from General Fund (001)	0	1,171,000	0	0	0	0.00%
Transfer from CIP (307)	0	483,928	0	0	153,000	0.00%
Transfer from Donation Fund (103)	1,102,290	0	0	0	0	0.00%
Grants	0	0	350,000	0	0	-100.00%
TOTALS	1,161,614	1,763,501	480,000	150,000	348,000	-27.50%
Expenses						
Projects	3,019,782	1,156,995	0	198,747	153,000	0.00%
TOTALS	3,019,782	1,156,995	0	198,747	153,000	0.00%
TOTAL REVENUES OVER/(UNDER) EXPENSES	(1,858,168)	606,506	480,000	(48,747)	195,000	
Beginning Retained Earnings	5,144,082	3,285,914	3,892,420	3,892,420	3,843,673	
ENDING FUND EQUITY	3,285,914	3,892,420	4,372,420	3,843,673	4,038,673	

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 3.5% in FY06 to 5.0% in FY07.

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.

Grants:
This item represents anticipated Historic Preservation Grant revenue for Town Hall.

EXPENDITURES

Projects:
The FY07 budget amounts do not include unexpended carry over amounts from prior years. The $153,000 represents additional funding for Town Hall Renovations.

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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 replacement cost of the equipment utilized by each department. The calculation for funding was modified in FY2006 to use replacement cost rather than original cost to insure sufficient funds are available when the asset is replaced.

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
FY2007

	Depreciation Amount
General Government	$2,056
Information Systems	320,000
Human Resources	1,587
Finance	4,376
Planning, Zoning and Building	14,323
Fire-Rescue Department	295,419
Police Department	325,504
Department of Public Works	269,449
Emergency Management	1,501
Total Depreciation	$1,234,215

Equipment Replacement Fund

Replacement Equipment
FY2007

Department	Cost
Planning Zoning & Building:	
Automobile	17,000
***Fire-Rescue*:**	
2 Sport Utility Vehicles	70,000
Fire Pumper	450,000
Self Contained Breathing Apparatus	300,000
Washer/Extractor	5,000
8 Defibrillators	250,000
Police:	
7 Crown Victorias	151,497
Go-4 Parking Scooter	23,918
2 Sport Utility Vehicles	62,000
2 Outboard Boat Engines	10,890
Handheld Laser Unit	3,306
Top Dog Underwater Video System	2,800
Public Works:	
Garbage Packers - 6 yd	64,300
Trash Crane	123,000
6 yd Dump/Special Truck	67,100
2 ½ yd Garbage Trucks	28,000
3 Compact Pickup Trucks - Regular Cab	46,600
Cargo Van	17,000
Full Size Utility Van	20,000
***Information Systems*:**	
Computer Equipment	287,100
Total Equipment Replacement Fund Expenditures	$1,999,511

Equipment Replacement Fund

Fund 320 - Equipment Replacement Fund
Revenue and Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Interest on Investments	78,846	127,762	90,000	225,000	295,000	227.78%
Miscellaneous	0	1,000	0	0	0	0.00%
Surplus Equipment Proceeds	60,470	58,991	40,000	40,000	40,000	0.00%
Transfer from General Fund	1,041,423	1,224,402	1,309,002	5,514,525	1,234,215	-5.71%
TOTALS	1,180,739	1,412,155	1,439,002	5,779,525	1,569,215	9.05%
Expenditures						
Capital Outlay - Equipment	714,686	714,772	964,374	1,009,124	1,712,411	77.57%
Capital Outlay - IS Equipment	187,789	257,687	192,205	180,000	287,100	100.00%
TOTALS	902,475	972,459	1,156,579	1,189,124	1,999,511	72.88%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	278,264	439,696	282,423	4,590,401	(430,296)	
Beginning Fund Balance	5,066,070	5,344,334	5,784,030	5,784,030	10,374,431	
ENDING FUND BALANCE	5,344,334	5,784,030	6,066,453	10,374,431	9,944,135	

REVENUE

Interest:
Represents interest earned on the fund. The FY07 interest revenue estimate was calculated using a 5.0% return on surplus funds.

Surplus Equipment Proceeds:
Represents the sale of surplus equipment from the Town Auction through FY05. The Town signed an agreement with Palm Beach County in February 2006 which will enable the Town to start sending surplus equipment to the Palm Beach County Thrift Store for disposition.

Transfer from General Fund:
The FY2006 actual transfer represents the depreciation expense for FY2006 and the additional depreciation appropriated in a budget amendment to fund the modification to the ERF. The transfer represents the depreciation expense for FY2007.

EXPENDITURES

Capital Outlay - Equipment:
Estimated purchases of replacement capital equipment.

Capital Outlay - IS Equipment:
Estimated purchases of replacement IS equipment.

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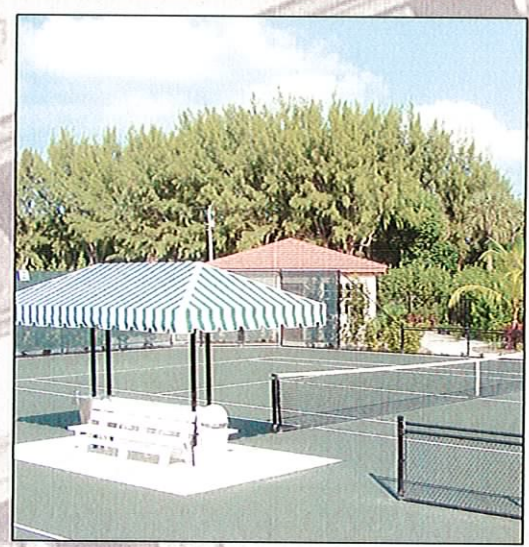
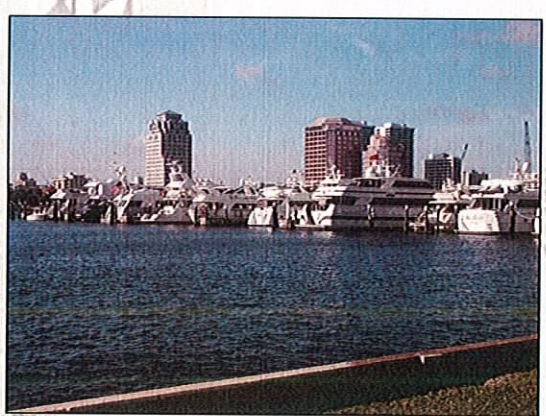
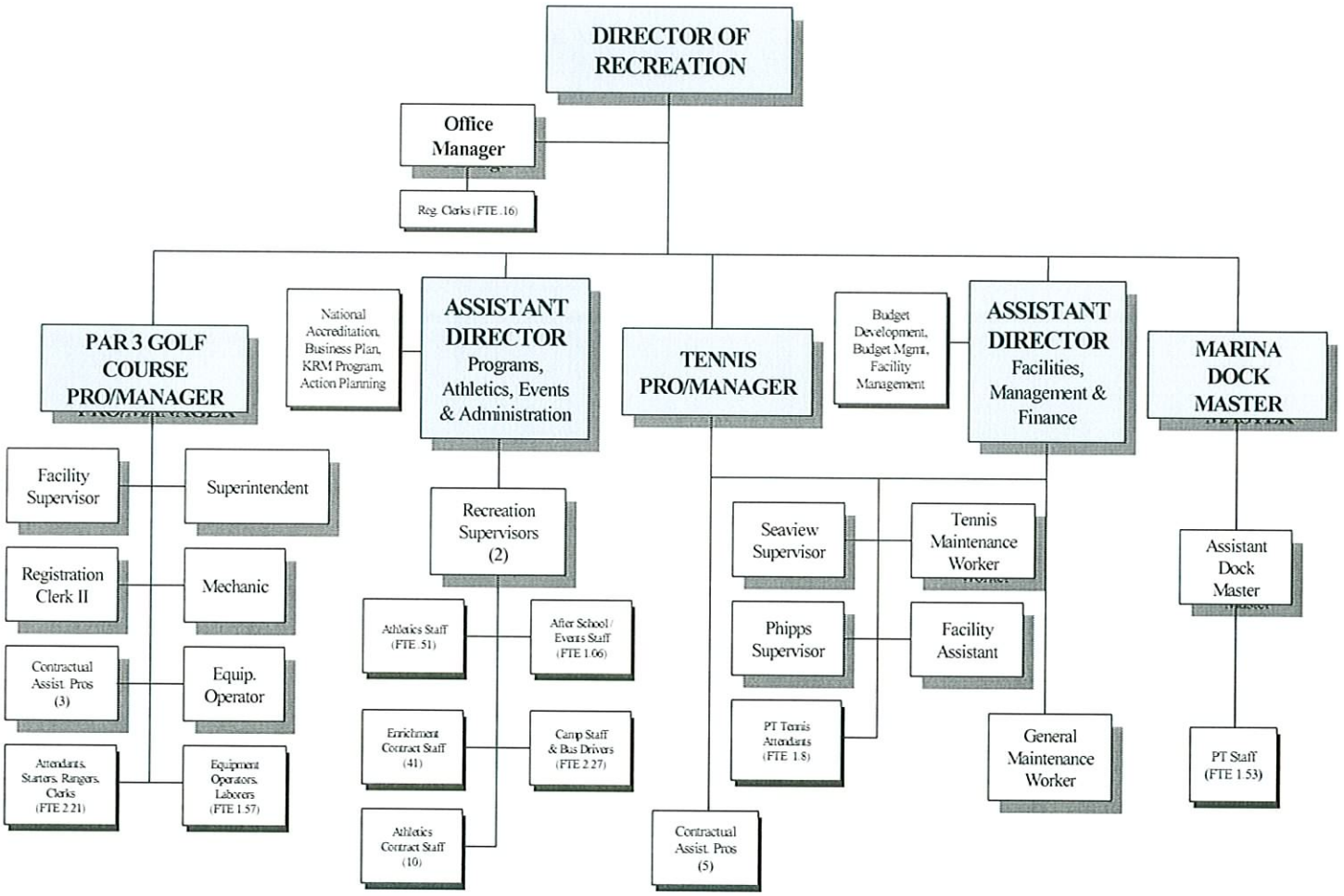
Recreation Enterprise Fund





Recreation Enterprise Fund

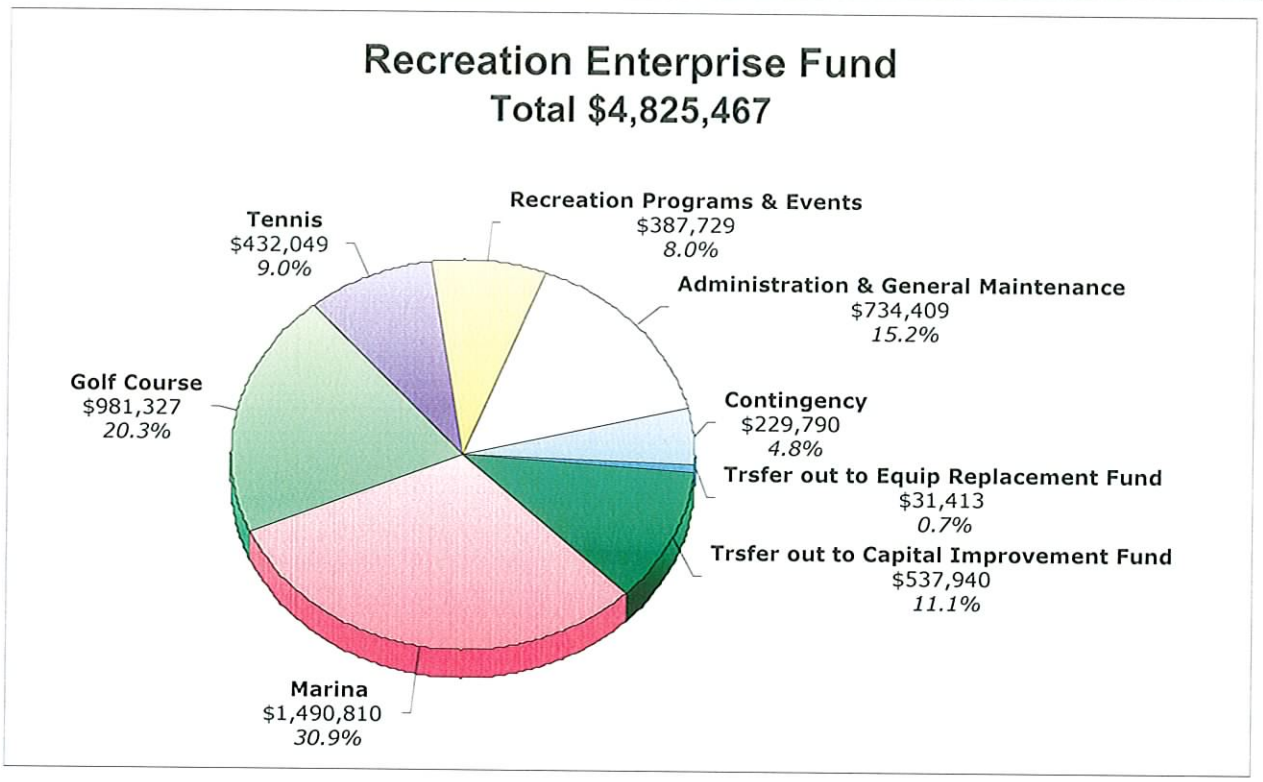


	FY2003	FY2004	FY2005	FY2006	FY2007
Total Full Time Equivalent Employees	29.24	30.13	29.83	30.42	32.23

* Includes FTE share for Public Works staff support.

Recreation Enterprise Fund

Mission: The mission of the Recreation Enterprise Fund is to provide outstanding programs, facilities and services that enhance the quality of life of our residents and visitors. The staff of the Recreation Department are dedicated to providing outstanding 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.



	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2007 Budget
Revenues	$3,600,029	$3,840,251	$4,167,197	$4,511,585
Expenditures	$3,485,650	$3,493,552	$3,936,480	$4,026,324

Recreation Enterprise Fund

PROGRAM: RECREATION ENTERPRISE FUND 403

Mission: The Mission of the Recreation Enterprise Fund is to provide outstanding recreational 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 cost recovery rate of 100% for the Golf Course, 70% for Youth Programs, 30% for the Tennis Program, and 100% for Adult Programs
Measure:	Annually measure profit margin and/or recovery rate to represent the business nature of the enterprise fund The FY 2006 recovery rate for the golf course is 97%. The recovery rate for youth programs is 72.5%, for tennis the recovery rate is 28%, and for adult programs the recovery rate is 102%.
Result:	Customer satisfaction is achieved (Department average)
Measure:	Citizen satisfaction survey with a combined "excellent" and "very good" rating of at least 85% For FY 2006 the participants rated the activities at 99% and the condition and appearance of the facilities at 97%, resulting in a combined score of 98%.
Result:	Retain current Recreation Program/Events participation levels
Measure:	Track level of participation annually for all Recreation Program/Events Total participation for FY 2006 was 21,159; 11% more than FY 2005, 18,979.
Result:	Retain current dock customers and transient repeat business
Measure:	Track percentage of lease retention and transient repeat business

	2003	2004	2005
Annual Lease retention	76% (68)	76% (68)	79% (74)
Seasonal lease retention	100% (3)	66% (2)	100% (2)
Transient repeat customers	30% (127/424)	29% (145/493)	35% (154/440)

Recreation Enterprise Fund

Result:	Marina transient days increase
Measure:	Measure monthly and YTD usage

Monthly Usage Report	FY05	FY06	Variance
October	192	162	*-15.63%*
November	330	563	*70.61%*
December	217	294	*35.48%*
January	274	370	*35.04%*
February	317	341	*7.57%*
March	327	375	*14.68%*
April	294	306	*4.08%*
May	849	240	*-71.73%*
June	456	133	*-70.83%*
July	501	156	*-68.86%*
August	365	233	*-36.16%*
September	292	202	*-30.82%*

YTD Usage Report	FY05	FY06	Variance
October	192	162	*-15.63%*
November	522	725	38.89%
December	739	1,019	*37.89%*
January	1,013	1,389	*37.12%*
February	1,330	1,730	*30.08%*
March	1,657	2,105	*27.04%*
April	1,951	2,411	*23.58%*
May	2,800	2,651	*-5.32%*
June	3,256	2,784	*-14.50%*
July	3,757	2,940	*-21.75%*
August	4,122	3,173	*-23.02%*
September	4,414	3,375	*-23.54%*

**Significant decrease in transient business from May - September is due to higher cost of fuel and increased insurance premiums during hurricane season.*

Recreation Enterprise Fund

Result:	Tennis program usage increase
Measure:	Measure monthly and YTD usage

Monthly Usage Report	FY05	FY06	Variance
October	2,611	1,919	*-26.50%*
November	3,125	2,472	*-20.90%*
December	2,961	3,240	*9.42%*
January	3,543	4,358	*23.00%*
February	3,518	4,013	*14.07%*
March	3,409	3,967	*16.37%*
April	3,180	3,541	*11.35%*
May	2,699	2,817	*4.37%*
June	1,533	2,247	*46.48%*
July	1,627	2,175	*33.68%*
August	1,427	1,975	*38.40%*
September	1,656	2,367	*42.93%*

YTD Usage Report	FY05	FY06	Variance
October	2,611	1,919	*-26.50%*
November	5,736	4,391	*-23.45%*
December	8,697	7,631	*-12.26%*
January	12,240	11,989	*-2.05%*
February	15,758	16,002	*1.55%*
March	19,167	19,969	*4.18%*
April	22,347	23,510	*5.20%*
May	25,046	26,327	*5.11%*
June	26,579	28,574	*7.51%*
July	28,206	30,749	*9.02%*
August	29,633	32,724	*10.43%*
September	31,289	35,091	*12.15%*

Recreation Enterprise Fund

Result:	Golf program usage increase
Measure:	Measure monthly and YTD usage

Monthly Usage Report	FY05	FY06	Variance
October	2,002	1,082	*-45.95%*
November	2,729	1,971	*-27.78%*
December	2,893	3,029	*4.70%*
January	3,802	3,659	*-3.76%*
February	4,688	4,343	*-7.36%*
March	5,065	5,146	*1.60%*
April	3,674	3,397	*-7.54%*
May	2,617	2,097	*-19.87%*
June	1,640	1,670	*1.83%*
July	1,977	1,833	*-7.28%*
August	1,549	1,543	*-0.39%*
September	1,239	1,348	*8.80%*

YTD Usage Report	FY05	FY06	Variance
October	2,002	1,082	*-45.95%*
November	4,731	3,053	*-35.47%*
December	7,624	6,082	*-20.23%*
January	11,426	9,741	*-14.75%*
February	16,114	14,084	*-12.60%*
March	21,179	19,230	*-9.20%*
April	24,853	22,627	*-8.96%*
May	27,470	24,724	*-10.00%*
June	29,110	26,394	*-9.33%*
July	31,087	28,227	*-9.20%*
August	32,636	29,770	*-8.78%*
September	33,875	31,118	*-8.14%*

** Decrease due in large part to the impact from Hurricane Wilma.*

Recreation Enterprise Fund

Recreation Enterprise Fund
Revenue and Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Peruvian Avenue Docks	553,377	623,639	648,500	595,019	706,430	8.93%
Australian Avenue Docks	1,182,603	1,219,585	1,264,233	1,205,104	1,387,914	9.78%
Brazilian Avenue Docks	649,380	716,967	740,356	849,774	829,141	11.99%
Electricity	53,941	57,305	60,000	70,333	75,000	25.00%
Ice Sales	300	343	300	178	300	0.00%
Interest on Investments	56,939	103,540	100,000	162,422	180,000	80.00%
Sales Tax Commissions	679	729	560	687	700	25.00%
Golf Pro Admin Fee	12,000	12,000	12,000	12,000	12,000	0.00%
Resident Permit Fees	19,840	14,984	20,000	14,538	17,000	-15.00%
Non-resident Permit Fees	13,451	14,515	19,000	9,825	10,000	-47.37%
Play Tickets	49,406	39,041	43,660	43,534	48,000	9.94%
Twilight Play Tickets	5,896	6,105	6,700	13,642	13,200	97.01%
Green Fees	215,935	202,102	232,800	200,526	256,000	9.97%
Twilight Green Fees	185,523	211,232	242,700	235,138	267,000	10.01%
Riding Cart Rental	120,756	117,174	129,000	123,794	142,000	10.08%
Pull Cart Rental	27,727	26,377	31,000	29,621	34,000	9.68%
Driving Range	100,184	114,112	120,000	111,945	132,000	10.00%
Maint. and Improvement Fee	33,354	44,825	47,000	44,379	63,000	34.04%
Vending Machine Commission	3,948	4,422	6,000	5,263	6,000	0%
Tennis Program Registration	722	550	700	0	0	-100.00%
Daily Tennis Court Fees	30,236	30,399	33,000	34,517	33,000	0.00%
Annual Tennis Court Fees	46,356	46,554	50,000	55,789	53,000	6.00%
Tennis Pro Administration Fees	12,000	12,000	12,000	12,000	12,000	0.00%
Light Meter	92	138	150	30	0	-100.00%
Use of Facilities	29,059	29,952	32,800	29,244	27,600	-15.85%
Youth Program Registration	3,915	1,631	4,800	500	0	-100.00%
Adult Program Registration Fees	485	620	800	152	0	-100.00%
Youth Program Fees	160,018	157,990	168,000	196,707	170,000	1.19%
Facility Rental Fees	1,025	993	1,100	2,601	1,800	63.64%
Adult Program Fees	28,080	27,961	32,000	28,874	32,000	0.00%
Seaview Park Concession	2,418	2,076	3,000	2,269	2,500	-16.67%
Miscellaneous Revenue	384	390	460	3,607	0	-100.00%
FEMA Reimbursement	0	0	104,578	6,063	0	-100.00%
TOTALS	3,600,029	3,840,251	4,167,197	4,100,075	4,511,585	8.26%

Recreation Enterprise Fund

Recreation Enterprise Fund
Revenue and Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenses						
Salaries and Wages	1,237,316	1,195,516	1,312,227	1,354,597	1,414,092	7.76%
Employee Benefits	437,039	468,982	506,584	513,481	577,668	14.03%
Contractual	1,434,362	1,438,188	1,689,714	1,626,835	1,597,789	-5.44%
Commodities	134,864	153,793	172,255	153,689	180,475	4.77%
Capital Outlay	242,069	237,073	255,700	281,697	256,300	0.23%
Other	0	0	0	0	0	0.00%
TOTALS	3,485,650	3,493,552	3,936,480	3,930,299	4,026,324	2.28%
Operating Revenue over/(under) Expenses	114,379	346,699	230,717	169,776	485,261	
Transfer out to LSEF Equipment Replacement Fund	0	0	(403,300)	(403,300)	(31,413)	
Transfers out to LSEF Capital Fund Projects	0	(2,209,746)	(1,850,370)	(1,850,370)	(537,940)	
LSEF Contingency	0	0	(301,000)	0	(229,790)	
TOTAL REVENUES OVER/(UNDER) EXPENSES	114,379	(1,863,047)	(2,323,953)	(2,083,894)	(313,882)	
Beginning Retained Earnings			5,493,763	5,493,763	3,409,869	
ENDING RETAINED EARNINGS			3,169,810	3,409,869	3,095,987	

Recreation Enterprise 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	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 ACTUAL
Annual and Seasonal Occupancy %	100%	100%	100%	100%
Annual Occupancy %	94%	94%	94%	97%
Total Transient Vessels	655	701	785	696*

**Significant decrease in transient business from May - September is due to higher cost of fuel and increased insurance premiums during hurricane season.*

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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	0.45	0.17	0.17	0.37
TOTAL	**3.98**	**3.70**	**3.70**	**3.90**

Recreation Enterprise Fund

Marina
Revenue and Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Peruvian Avenue Docks	553,377	623,639	648,500	595,019	706,430	8.93%
Australian Avenue Docks	1,182,603	1,219,585	1,264,233	1,205,104	1,387,914	9.78%
Brazilian Avenue Docks	649,380	716,967	740,356	849,774	829,141	11.99%
Electricity	53,941	57,305	60,000	70,333	75,000	25.00%
Ice Sales	300	343	300	178	300	0.00%
Interest on Investments	56,939	103,540	100,000	162,422	180,000	80.00%
Sales Tax Commissions	331	435	300	380	0	-100.00%
Miscellaneous Revenue	351	390	460	387	0	-100.00%
TOTALS	2,497,222	2,722,204	2,814,149	2,883,597	3,178,785	12.96%
Expenses						
Salaries and Wages	157,569	151,014	158,656	177,173	186,950	17.83%
Employee Benefits	56,141	65,874	65,598	71,052	84,596	28.96%
Contractual	980,696	933,101	1,093,116	1,052,535	1,063,789	-2.68%
Commodities	8,799	8,669	10,325	7,172	10,475	1.45%
Capital Outlay	146,017	145,784	148,000	148,017	145,000	-2.03%
Other	0	0	0	0	0	0.00%
TOTALS	1,349,222	1,304,442	1,475,695	1,455,949	1,490,810	1.02%
Operating Revenues over/(under) Expenses	1,148,000	1,417,762	1,338,454	1,427,648	1,687,975	
Transfer out to LSEF Capital Fund	0	(1,436,436)	(999,124)	(999,124)	(84,600)	
TOTAL REVENUES OVER/(UNDER) EXPENSES	1,148,000	(18,674)	339,330	428,524	1,603,375	

REVENUE

Peruvian Avenue Docks:
Increase in revenue is attributed to proposed slip lease rate increases on the Peruvian Dock as follows: $.03/ft/day for annual 50' and 60' leases. $.08/ft/day for seasonal 50' and 60' leases. $.02/ft/day for 110' and 172' leases. $.06/ft/day for seasonal 110' and 172' leases. $.12/ft/day for winter transient leases in all size categories. $.06/ft/day for summer transient leases. $.04/ft/day for 50' and 60' summer monthly leases. $.02/ft/day for 110' and 172' summer monthly leases.

Australian Avenue Docks:
Increase in revenue is attributed to proposed slip lease rate increases on the Australian Dock as follows: $.03/ft/day for annual 50' leases. $.08/ft/day for seasonal 50'. $.05/ft/day for 80' annual leases. $.09/ft/day for seasonal 80' leases. $.02/ft/day for 100' to 262' annual leases. $.06 for seasonal 100' to 262' leases. $.12/ft/day for winter transient leases in all size categories. $.06/ft/day for summer transient. $.04/ft/day for 50'' summer monthly leases. $.02/ft/day for 100' to 262' summer monthly leases.

Recreation Enterprise Fund

Brazilian Avenue Docks:
Increase in revenue is attributed to proposed slip lease rate increases on the Brazilian Dock as follows: $.03/ft/day for annual 50' and 60' leases. $.08/ft/day for seasonal 50' and 60' leases. $.05/ft/day for 80' annual leases. $.09/ft/day for seasonal 80' leases. $.02/ft/day for annual 172' leases. $.06/ft/day for seasonal 172' leases. $.12/ft/day for winter transient in all size categories. $.06/ft/day for summer transient leases. $.04/ft/day for 50' and 60' summer monthly. $.06/ft/day for 80' summer monthly $.02/ft/day for 172' summer monthly..

Electricity:
Increase is due to Resolution No. 14-06 (adopted February 14, 2006) which increased all additional electric charges to: $.10/ft/day for and additional 50 amps of service and $.20/ft/day for an additional 100amps of service.

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 3.0% in FY06 to 5.0% in FY07.

Grants:
Grant applications are not anticipated to be applied for in FY2007.

Sales Tax Commissions:
Discount received from the State of Florida for timely filing and payment of sales tax returns.
Small numbers, no appreciable change.

Miscellaneous Revenue:
No meaningful changes are expected.

EXPENSES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan, the annual competitive pay increase and two additional employees reaching longevity pay eligibility.

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

Contractual:
Reduction of 2.68% due to F/Y 2006 Hurricane Wilma expense budget amendment of $98,515.

Commodities:
Small increase due to increased cost for uniforms.

Capital Outlay:
Annual depreciation reduction due to the full depreciation of assets.

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
FY07- Funds for continued implementation of Town Docks Master Plan: $1,064,800 ($980,200 carry over from F/Y2006 and $84,600 new funds).

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Recreation Enterprise Fund

PROGRAM: 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, gas 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 compensates P.G.A. professionals for private lessons and group clinics available throughout the year.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 ACTUAL
Total lessons/clinics taught	N/A	1,360	1,937	2,068
Leagues hosted	3	5	5	5
Special events/outings	19	31	30	34
Range buckets sold	20,717	20,258	20,456	21,080
Total rounds of Golf	35,426	35,468	33,875	31,118*

** Decrease due in large part to the impact from Hurricane Wilma.*

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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	0.00	0.00	0.00
Golf Laborer	0.15	0.43	0.41	0.54
Registration Clerk	1.95	1.95	1.95	2.21
Part-time Equipment Operator	0.00	0.95	0.95	0.41
TOTAL	**9.10**	**9.33**	**9.31**	**9.16**

Recreation Enterprise Fund

Par 3 Golf Course
Revenue and Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Golf Pro Admin Fee	12,000	12,000	12,000	12,000	12,000	0.00%
Use of Facilities	6,603	6,677	7,800	6,982	8,600	10.26%
Resident Permit Fees	19,840	14,984	20,000	14,538	17,000	-15.00%
Non-resident Permit Fees	13,451	14,515	19,000	9,825	10,000	-47.37%
Play Tickets	49,406	39,041	43,660	43,534	48,000	9.94%
Twilight Play Tickets	5,896	6,105	6,700	13,642	13,200	97.01%
Green Fees	215,935	202,102	232,800	200,526	256,000	9.97%
Discount Green Fees	185,523	211,232	242,700	235,138	267,000	10.01%
Riding Cart Rental	120,756	117,174	129,000	123,794	142,000	10.08%
Pull Cart Rental	27,727	26,377	31,000	29,621	34,000	9.68%
Driving Range	100,184	114,112	120,000	111,945	132,000	10.00%
Maint. and Improvement Fee	33,354	44,825	47,000	44,379	63,000	34.04%
Sales Tax Commission	288	294	200	307	400	100.00%
Vending Machine Commission	3,948	4,422	6,000	5,263	6,000	0%
Miscellaneous Revenue	33	0	0	3,220	0	0.00%
TOTALS	794,944	813,860	917,860	854,714	1,009,200	9.95%
Expenses						
Salaries and Wages	375,643	362,494	377,596	392,013	411,490	8.98%
Employee Benefits	148,505	146,625	155,672	156,623	163,587	5.08%
Contractual	228,723	236,448	256,078	248,571	242,850	-5.17%
Commodities	78,876	99,670	87,930	97,345	98,900	12.48%
Capital Outlay	51,027	53,558	63,800	83,192	64,500	1.10%
Other	0	0	0	0	0	0.00%
TOTALS	882,774	898,795	941,076	977,744	981,327	4.28%
Operating Revenues over/(under) Expenses	(87,830)	(84,935)	(23,216)	(123,030)	27,873	
Transfer out to LSEF Capital Fund	0	0	(15,310)	(15,310)	0	
TOTAL REVENUES OVER/(UNDER) EXPENSES	(87,830)	(84,935)	(38,526)	(138,340)	27,873	

Recreation Enterprise Fund

REVENUE

Golf Pro Administration Fee:
Fee paid by Golf Pro as part of annual contract agreement.

Use of Facilities:
Fee paid to the Town for the use of the course for lessons. The rate charged is $6.00 per lesson per pro and is set as part of the annual contract agreement. Anticipated increase in amount of lessons.

Resident Pass Fees:
Fee paid by resident for annual pass. Decrease due to fluctuating interest in program.

Non-resident Pass Fees:
Fee paid by non-resident for annual pass. Decrease due to lack of growth in the program.

Play Tickets:
Fee paid for 12 play multi use ticket. Increase due to fee increase.

Twilight Play Tickets:
Fee paid for 12 play multi use ticket valid after 2:00 pm. Increase due to renewed interest in twilight discount rates and fee increases.

Green Fees:
Fee paid for daily play on golf course. Increase due to fee increase.

Discount Green Fees:
Fee paid for daily play on Golf course at discounted rates. Increase due to fee increase.

Riding Cart Rental:
Fee paid for rental of golf cart during play on course. Increase due to fee increase.

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. Increase due to fee increase.

Sales Tax Commission:
Discount received from the State of Florida for timely filing and payment of sales tax returns. Slight increase in discount received causes large percentage change due to small numbers.

Vending Machine Commission:
All vending machine commission revenue. No appreciable change.

Recreation Enterprise Fund

EXPENSES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 mainly due to $19,392 transferred from the contingency account in FY06 for the replacement of the irrigation computer system.

Commodities:
Increase due to a variety of factors including; underestimate of escalation in fuel costs in 06 budget, slight increases in costs of consumables such as fertilizers and chemicals, slight increase in supply costs to improve look and playability of course.

Capital Outlay:
Annual Depreciation.

Transfer out to LSEF Capital Fund:
FY06 - Swale drainage project
No scheduled projects for FY 07.

Recreation Enterprise Fund

PROGRAM: TENNIS

The Tennis program provides lessons, group clinics, tournaments and league competition for children and adults throughout the year. The Tennis Pro-Manager is responsible for the supervision and management of the Town's tennis facilities. In addition to these activities the Tennis Pro coordinates the use of fourteen tennis courts at two facilities throughout the year for open play. Assistant Tennis Instructors are hired and compensated 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	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 ACTUAL
Annual passes	N/A	228	260	278
Tournaments	N/A	4	4	5
Special events	N/A	5	7	7
League teams	N/A	8	6	7
Lesson hours	N/A	3,262	2,437	2,572
Clinic hours	N/A	1,573	1,877	1,490
Daily Youth Participation	N/A	5,607	7,573	5,422
Daily Adult Participation	N/A	22,731	23,556	29,667
Total Tennis Participation	N/A	28,338	31,289	35,091

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Tennis Pro-Manager	1.00	1.00	1.00	1.00
Tennis Facility Supervisor	2.00	2.00	2.00	2.00
Tennis Maintenance Worker	0.00	0.00	0.00	1.00
Facility Assistant	0.00	0.00	0.00	1.00
Recreation Maintenance Worker	0.50	0.50	0.50	0.20
Registration Clerk I	3.00	3.20	3.45	1.80
Public Works Employees	0.13	0.13	0.13	0.13
TOTAL	**6.63**	**6.83**	**7.08**	**7.13**

Recreation Enterprise Fund

Tennis
Revenue and Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Tennis Program Registration Fees	722	550	700	0	0	-100.00%
Daily Tennis Court Fees	30,236	30,399	33,000	34,517	33,000	0.00%
Annual Tennis Court Fees	46,356	46,554	50,000	55,789	53,000	6.00%
Tennis Pro Administration Fees	12,000	12,000	12,000	12,000	12,000	0.00%
Use of Facilities	22,456	23,275	25,000	22,262	19,000	-24.00%
Light Meter	92	138	150	30	0	-100.00%
TOTALS	111,862	112,916	120,850	124,598	117,000	-3.19%
Expenses						
Salaries and Wages	224,962	226,840	234,673	227,614	245,618	4.66%
Employee Benefits	101,494	113,967	121,270	126,894	125,881	3.80%
Contractual	41,799	44,028	54,380	66,901	38,350	-29.48%
Commodities	10,101	7,683	14,400	10,223	14,400	0.00%
Capital Outlay	4,676	4,470	5,000	5,000	7,800	56.00%
Other	0	0	0	0	0	0.00%
TOTALS	383,032	396,988	429,723	436,632	432,049	0.54%
Operating Revenues over/(under) Expenses	(271,170)	(284,072)	(308,873)	(312,034)	(315,049)	
Transfer out to LSEF Capital Fund	0	(651,096)	(835,936)	(835,936)	(426,568)	
TOTAL REVENUES OVER/(UNDER) EXPENSES	(271,170)	(935,168)	(1,144,809)	(1,147,970)	(741,617)	

Recreation Enterprise Fund

REVENUES

Tennis Program Registration Fees:
This account was eliminated.

Daily Tennis Court Fees:
All revenues related to daily court reservations at Tennis facilities. No appreciable change.

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 courts during lessons. Rate is calculated as $6.00 per pro court hour of usage and is set as part of the annual contract agreement. Decrease due to anticipated shortage of court space for lessons during FY07 due to the Seaview Tennis Renovation project.

Tennis Light Meter:
Revenue line item eliminated to increase customer satisfaction.

EXPENSES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the 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 elimination of contractual Janitorial services as part of reorganization (duties will be handled by staff) and one time decrease in annual tennis court maintenance as a result of Seaview Tennis Renovation.

Commodities:
No appreciable change.

Capital Outlay:
Annual Depreciation - Equipment replacement fund depreciation and depreciation on facilities. Increase due to larger depreciation charge from increase in facilities and equipment at Phipps Park Tennis.

Transfer out to LSEF Capital Fund:
FY06 - Construction of two additional courts and the relocation of bathroom facilities at Phipps Ocean Park
Engineering and design in FY06 for the FY07 Seaview Tennis Center Renovation.
Phipps Tennis Maintenance Building
FY07 - Seaview Tennis Center renovation

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Recreation Enterprise Fund

PROGRAM: RECREATION PROGRAMS & EVENTS

A variety of adult programs are offered at the Recreation Center throughout the year. Revenue received from participant program fees cover all direct costs, including class supplies and contractual instructors. A few examples of adult programs offered include: fitness/wellness, history of Palm Beach, 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 enrichment instructional classes. In addition to these activities, the Town offers an after school youth program throughout the school year, day camps during the summer months and winter and spring holidays, 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 instructors and officials are hired contractually. The total cost for instructors and class materials are paid for through participant program fees and sponsor donations.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 ACTUAL
Family Special Events Offered	5	5	5	5
Youth Enrichment Participation	N/A	N/A	5,262	5,260
Adult Enrichment/Fitness Participation	N/A	N/A	4,188	3,406
Youth Athletics Participation	N/A	N/A	3,729	4,704
Youth Camps/After School Participation	N/A	N/A	4,567	6,339
Special Events Participation	N/A	N/A	1,233	1,450
Recreation Center Drop in Est.	N/A	N/A	6,500	7,200

Full Time Equivalent Employees	FY2003	FY2004	FY2005	FY2006	FY2007
Recreation Supervisor I	1.00	1.00	1.00	1.00	2.00
Recreation Maintenance Worker	0.40	0.40	0.40	0.40	0.30
Bus Driver	0.31	0.31	0.31	0.31	0.48
Activity Leader	3.98	3.98	3.18	3.08	3.44
Registration Clerk I	0.05	0.05	0.05	0.05	0.16
TOTAL	**5.74**	**5.74**	**4.94**	**4.89**	**6.38**

Recreation Enterprise Fund

Recreation Programs & Events
Revenue and Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Youth Program Registration Fees	3,915	1,631	4,800	500	0	-100.00%
Adult Program Registration Fees	485	620	800	152	0	-100.00%
Youth Program Fees	160,018	157,990	168,000	196,707	170,000	1.19%
Facility Rental Fees	1,025	993	1,100	2,601	1,800	63.64%
Adult Program Fees	28,080	27,961	32,000	28,874	32,000	0.00%
Seaview Park Concession	2,418	2,076	3,000	2,269	2,500	-16.67%
Sales Tax Commission	60	0	60	0	300	400.00%
TOTALS	196,001	191,271	209,760	231,103	206,600	-1.51%
Expenses						
Salaries and Wages	125,434	115,698	141,164	135,023	197,841	40.15%
Employee Benefits	31,111	33,377	38,578	38,752	59,888	55.24%
Contractual	100,473	105,070	103,500	123,119	109,400	5.70%
Commodities	16,072	18,098	18,500	14,165	20,600	11.35%
Capital Outlay	30	0	0	0	0	0.00%
Other	0	0	0	0	0	0.00%
TOTALS	273,120	272,243	301,742	311,059	387,729	28.50%
Operating Revenues over/(under) Expenses	(77,119)	(80,972)	(91,982)	(79,956)	(181,129)	
Transfer out to LSEF Capital Fund	0	(122,214)	0	0	(26,772)	
TOTAL REVENUES OVER/(UNDER) EXPENSES	(77,119)	(203,186)	(91,982)	(79,956)	(207,901)	

Recreation Enterprise Fund

REVENUES

Youth Program Registration Fees:
Line item eliminated and fee included in program cost to improve customer relations.

Adult Program Registration Fees:
Line item eliminated and fee included in program cost to improve customer relations.

Youth Program Fees:
All revenues related to fees paid for a variety of youth programs. Decrease due to slight overestimation in FY 06 budget. FY07 number is conservative estimate and does not include any possible increase in revenue from new programming that may be initiated due to addition of programming staff position in proposed FY07 budget.

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. No appreciable change.

Seaview Park Concession:
Proceeds from vending machines at Seaview Park. Decrease due to overestimation in FY 06.

Sales Tax Commission:
Discount received from the State of Florida for timely filing and payment of sales tax returns. This line item is being discontinued and the discounts received will be reflected in the identical line item under the 509 Marina program and 620 Golf program.

EXPENSES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase. Large increase due to addition of programming position in FY07 budget as part of reorganization and to improve programs to meet customer needs.

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

Contractual:
Increase is primarily in special recreation contracts which reflects fee paid to contractual program instructors. This increase is balanced by increase in revenue from these programs.

Commodities:
Small numbers causing large percentage increase. Increase primarily due to underestimate of increasing fuel costs in FY 06 budget.

Transfer out to LSEF Capital Fund:
FY06 - Seaview Tot Lot Slide replacement
FY 07 - Hood Fire Suppression System

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Recreation Enterprise Fund

PROGRAM: ADMINISTRATION & GENERAL MAINTENANCE

Administrative management responsibilities include providing 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 complaint management and conflict resolution, risk management, 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 ongoing assessment and evaluation of Recreation Department programs and services offered to the community.

Administrative management of Town recreation facilities includes the coordination, monitoring, and overseeing of daily maintenance, preventative maintenance, and special projects. The coordination and management of special projects is completed in conjunction with department staff and the Public Works Department.

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Director of Recreation	1.00	1.00	1.00	1.00
Assistant Director of Recreation	0.00	0.00	0.00	2.00
Recreation Supervisor II	2.00	2.00	2.00	0.00
Recreation Office Manager	1.00	1.00	1.00	1.00
Recreation Maintenance Worker	0.10	0.10	0.10	0.50
Part Time Equipment Operator	0.00	0.00	0.75	0.75
Public Works Employees	0.35	0.50	0.50	0.45
TOTAL	**4.45**	**4.60**	**5.35**	**5.70**

Recreation Enterprise Fund

Administration & General Maintenance

Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Expenses						
Salaries and Wages	353,708	339,470	400,138	422,774	372,193	-6.98%
Employee Benefits	99,788	109,139	125,466	120,160	143,716	14.55%
Contractual	82,671	119,541	182,640	135,709	143,400	-21.48%
Commodities	21,016	19,673	41,100	24,784	36,100	-12.17%
Capital Outlay	40,319	33,261	38,900	45,488	39,000	0.26%
Other	0	0	0	0	0	0.00%
TOTALS	597,502	621,084	788,244	748,915	734,409	-6.83%

EXPENSES

Salaries and Wages:
Increase is due to merit pay increases for eligible personnel pursuant to the Town's adopted pay for performance plan and the annual competitive pay increase. There is a small decrease shown even with the merit raises and competitive pay increase. This is due to the hiring of a new director at a lower point in the salary range than the retiring director.

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

Contractual:
Decrease primarily due to an error in FY06 budget that incorrectly reflected a doubling of cost for electricity. Partial decrease in landscape contracting as part of reorganization and redistribution of responsibilities.

Commodities:
This decrease is due to less computer equipment slated for replacement as per schedule, and small decrease in minor operating equipment replacement such as tables and chairs.

Capital Outlay:
Annual Depreciation - Equipment replacement depreciation and depreciation for facilities.

Transfer out to LSEF Capital Fund:
FY 06- Shutter replacement at Recreation Center
Recreation Center Generator Installation Expense

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Town of Palm Beach

Recreation Capital Fund (404)

FUND (404) - RECREATION ENTERPRISE CAPITAL FUND - FY06 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. The concrete pile caps for the docks were repaired with high strength concrete and they were sealed with concrete inhibitor to extend their useful life.

Phipps Ocean Park Tennis Center - Phase III - Courts #5 and #6 were constructed after the existing restroom facility was demolished. The utilities were relocated to be able to service the replacement bathrooms that should be constructed in late summer. Design and permitting work are underway.

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 once the bathrooms are complete. This work was postponed due to hurricane recovery efforts.

Seaview Park Tennis Center Renovation - A master plan has been completed to upgrade and renovate the existing facility and replace some of the facility that is more than 50 years old. A consultant has been selected to provide the final design plans and specifications. We anticipate a Spring 2007 start of construction.

FUND (404)-RECREATION ENTERPRISE CAPITAL FUND PROJECT DESCRIPTIONS FY07 and FY06 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	$2,100,800*
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. Operating costs associated with this project. (Repairs and Maintenance < $5,000 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	$1,352,000*
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.

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 relocation of an existing restroom, construction of a maintenance building and associated improvements.

Project Budget	$244,000*
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.

Recreation Enterprise Capital Fund

Seaview Recreation Center Hood and Fire Suppression System

This project will install a new exhaust hood with fire suppression system at the Recreation Center to bring the kitchen area up to code.

Project Budget	$30,000
Operating Budget Impact	There will be no increase to personnel. 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. Operating costs associated with this project should minimally increase (Repairs and Maintenance < $5,000 annually.)

*Includes FY06 Estimated Carry-over Budget

Recreation Enterprise Capital Fund

Fund 404 -
Recreation Enterprise Capital Project Fund
Revenue and Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Interest Earnings	0	22,151	60,000	70,000	95,000	58.33%
FEMA Reimbursement	0	0	0	23,645	0	0.00%
Transfer from REF Fund (403)	0	2,209,746	1,850,370	1,850,370	537,940	-70.93%
Donations	0	50,000	0	0	0	0.00%
TOTALS	0	2,281,897	1,910,370	1,944,015	632,940	-66.87%
Expenses						
Projects	0	362,528	1,819,400	585,353	602,800	-66.87%
Capital Contingency	0	0	90,970	0	30,140	-66.87%
Bond Issuance Costs	0	0	0	0	0	0.00%
TOTALS	0	362,528	1,910,370	585,353	632,940	-66.87%
TOTAL REVENUES OVER/(UNDER) EXPENSES	0	1,919,369	0	1,358,662	0	
Beginning Fund Equity	0	0	1,919,369	1,919,369	3,278,031	
ENDING FUND EQUITY	0	1,919,369	1,919,369	3,278,031	3,278,031	

Recreation Enterprise Capital Fund

Fund 404 Recreation Enterprise Capital Project Fund

REVENUES

Interest Earnings:
The interest rate used to project the return on investments was increased from 3.5% in FY06 to 5.0% in FY07.

Transfer from Recreation Enterprise Fund:
This item represents the initial transfer from the Recreation Enterprise Fund (403) to establish the Recreation Enterprise Capital Project Fund per Ordinance 9-05 approved by Town Council on June 14, 2005, as well as the annual transfer from the Recreation Enterprise Fund (403) to fund Capital Projects.

FEMA Reimbursement:
This item represents FEMA reimbursements due to damage caused by Hurricane Wilma.

Donations:
This item represents a donation to the Town for the Recreation Center Generator.

EXPENDITURES

Projects:
The FY07 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 Recreation Enterprise 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.

Recreation Enterprise Fund Capital Improvement Program
FY06 Carry-over and Five Year Plan
Fund (404)

Project	FY06 Est. Carry-over Budget*	FY07 Approved	FY08 Proposed	FY09 Proposed	FY10 Proposed	FY11 Proposed	Total
Town Docks							
Master Plan	$1,984,000	$94,800	$595,000	$948,371	$660,610	$151,705	$4,434,486
Fire Pipe	22,000	0	0	0	0	0	22,000
Seaview Tennis Center							
Tennis Center Renovation	874,000	478,000	0	0	0	0	1,352,000
Athletic Field Resurfacing	0	0	500,000	0	0	0	500,000
Phipps Tennis Center	244,000	0	0	0	0	0	244,000
Seaview Recreation Center							
Seaview Park Improvements	12,736	0	0	0	0	0	12,736
Hood & Fire Suppression System	0	30,000	0	0	0	0	30,000
Total	$3,136,736	$602,800	$1,095,000	$948,371	$660,610	$151,705	$6,595,222

* Unencumbered Funds

Town of Palm Beach

Recreation Equipment Replacement Fund (405)

Recreation Enterprise Fund - Equipment Replacement Fund

Recreation 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 Recreation Enterprise Fund to the Recreation 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
FY2007

Activity	Depreciation Amount
Recreation	$4,180
Tennis	1,213
Golf	26,020
Marina	0
Total Depreciation	$31,413

Replacement Equipment
FY2007

	Cost
Golf:	
Toro Greens Mower	$19,000
Total Equipment Replacement Fund Expenditures	$19,000

Recreation Enterprise Fund - Equipment Replacement Fund

Fund 405 - REF - Equipment Replacement Fund
Revenue and Expenditure Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Interest on Investments	0	0	13,000	11,000	17,000	30.77%
Transfer from LSEF	0	0	403,300	403,300	31,413	-92.21%
TOTALS	0	0	416,300	414,300	48,413	-88.37%
Expenditures						
Capital Outlay - Equipment	0	0	33,000	22,600	19,000	-42.42%
TOTALS	0	0	33,000	22,600	19,000	-42.42%
TOTAL REVENUES OVER/(UNDER) EXPENDITURES	0	0	383,300	391,700	29,413	
Beginning Fund Balance	0	0	0	0	391,700	
ENDING FUND BALANCE	0	0	383,300	391,700	421,113	

REVENUE

Interest:
Represents interest earned on the fund. The FY07 interest revenue estimate was calculated using a 5.0% return on surplus funds.

Transfer from Recreation Enterprise Fund:
The transfer represents depreciation expense for FY2007.

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 Update Based upon town exposures and the insurance marketplace the annual premiums are $1,190,416 for FY2005 and $1,378,898 for FY2006 resulting in a 16% increase in fixed premiums for the same coverage types.
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. Update FY2004 - 32 medical only and 13 lost time claim vs FY2005 - 31 medical only and 6 lost time claims.
Result:	Maintain a safe workplace in all departments of the Town.
Measure:	Report periodic inspection of all work places consistent with industry standards and note exceptions and resolution. Update Annual safety inspections of fire stations were conducted on June 14, 2006 revealing 19 violations for Station 1; 16 violations for Station 2; 8 violations for Station 3. Safety inspection of Public Works & Town Hall were conducted on May 16, 2006 revealing 6 violations for Public Works Facility and 3 violations for Town Hall. Continuing to follow up with departments to ensure corrections are made.

Self Insurance: Workers Comp, Liability, Property

Result:	All employees trained in safety measures consistent with local, state and federal guidelines.
Measure:	Training records to be kept among departments to ensure required training is met. Update Police & Fire-Rescue State Mandated training is met at 100%. OSHA required training and certifications are met at 100%. In FY2004 five additional safety training courses were provided to Public Works. In FY2005 ten additional safety training courses were provided to Public Works. In FY2005 Workplace Violence & Sexual Harassment training was provided to Fire-Rescue. Continue working with departments throughout the year to provide assistance with training needs.
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. Update The expenditure budget increased 5.92% from FY06 to FY07 based upon increases in insurance premiums.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Workers' Compensation Claims	25	45	37	35
Liability Claims	62	75	62	66
Property Claims	59	82	67	69
Total Claims Processed	146	202	166	170
Total Cost of Claims Processed	281,770	641,566	321,115	411,570
Safety Program Training Sessions	5	5	10	8
Safety Bulletins Produced	5	6	12	10

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
Risk Manager	1.00	1.00	1.00	1.00
Risk Assistant	0.50	1.00	1.00	1.00
	1.50	2.00	2.00	2.00

Risk Management

Fund 501 - Self Insurance, Worker's Comp, Liability, Property
Revenue and Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Risk Funding	2,816,958	2,522,312	2,390,000	2,390,000	2,220,201	-7.10%
FEMA reimbursement	0	0	0	25,333	0	0.00%
Miscellaneous Revenue	334	0	0	91,181	0	0.00%
Interest on Investments	92,934	167,098	175,000	349,324	375,915	114.81%
TOTALS	2,910,226	2,689,410	2,565,000	2,855,838	2,596,116	1.21%
Expenses						
Salaries and Wages	87,844	107,791	113,640	107,036	116,428	2.45%
Employee Benefits	28,646	41,279	44,788	45,983	48,735	8.81%
Contractual	3,694,567	2,238,388	2,403,804	1,782,862	2,676,754	11.35%
Commodities	3,402	3,216	4,200	2,486	4,200	0.00%
Capital Outlay	7,542	4,033	0	3,610	50,000	100.00%
Other	101,250	219,669	3,000,000	13,568	3,000,000	0.00%
TOTALS	3,923,251	2,614,376	5,566,432	1,955,545	5,896,117	5.92%
TOTAL REVENUES OVER/(UNDER) EXPENSES	(1,013,025)	75,034	(3,001,432)	900,293	(3,300,001)	
Beginning Net Assets	4,795,674	3,782,649	5,957,683	5,957,683	6,857,976	
Transfer from Capital Fund	0	315,623	0	0	0	
Transfer from General Fund	0	1,784,377	0	0	0	
ENDING NET ASSETS	3,782,649	5,957,683	2,956,251	6,857,976	3,557,975	

Risk Management

REVENUES

Risk Funding:
The decrease results from the change in the amount of the fund transfer from the general fund.

Interest on Investments:
The interest revenue is based upon the financial market conditions.

EXPENSES

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

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

Contractual:
Increase is due to insurance premium increases based upon market conditions and exposure changes.

Commodities:
No change.

Capital Outlay:
Funds necessary to purchase software for the risk management program to include coverage, claim information and report capabilities.

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.

Measure:	Administer an employee health plan that is understandable, useful, and competitive.
Result:	Ensure employees' awareness and perception of the value of the benefit through informal employee feedback at open enrollment and during the year Update The structure of the plan meets the needs of employees and continues to be viewed as a valuable benefit. Employee feedback during open enrollment continues to indicate that the Town's health plan is understandable, useful, and competitive.

Workload Indicators	FY2003 ACTUAL	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 PROJECTED
Assist Participants with Medical Claims	1,134	1,278	1,200	1,186
Process Requests for Insurance	27	109	172	279
Provide Benefits Training to New Employees	37	29	65	54
Provide Wellness Programs for Employees	4	5	5	5

Full Time Equivalent Employees	FY2004	FY2005	FY2006	FY2007
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

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Group Medical	4,678,482	5,042,691	5,371,376	5,501,027	3,604,500	-32.89%
Interest on Investments	300,868	375,605	450,000	696,521	100,000	-77.78%
TOTALS	4,979,350	5,418,296	5,821,376	6,197,548	3,704,500	-36.36%
Expenses						
Salaries and Wages	75,953	76,923	81,812	77,131	90,381	10.47%
Employee Benefits	4,777,560	4,638,999	5,487,831	4,772,391	4,804,304	-12.46%
Contractual	16,935	7,572	36,900	16,542	31,500	-14.63%
Commodities	2,122	3,976	2,800	2,259	2,500	-10.71%
Capital Outlay	1,276	896	0	0	0	0.00%
Other (Contingency)	0	0	500,000	0	500,000	0.00%
TOTALS	4,873,846	4,728,366	6,109,343	4,868,323	5,428,685	-11.14%
TOTAL REVENUES OVER/(UNDER) EXPENSES	105,504	689,930	(287,967)	1,329,225	(1,724,185)	
Transfer to Health Insurance Trust	0	0	0	0	(16,000,000)	
Beginning Net Assets	16,251,003	16,356,507	17,046,437	17,046,437	18,375,662	
ENDING NET ASSETS	16,356,507	17,046,437	16,758,470	18,375,662	651,477	

Self Insurance - Health

REVENUE

Group Medical:
Decrease is due to the transfer of the Town's retiree contribution and the retiree contribution to the new Health Insurance Trust Fund.

Interest on Investments:
The interest revenue is based upon the financial market conditions. The amount has declined due to the transfer of most of the reserves to the Health Insurance Trust Fund.

EXPENSES

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

Employee Benefits:
Change is due to increases in health insurance costs offset by the transfer of the retiree health insurance costs.

Contractual:
Decrease is due to the one time need for legal services in FY 2006 and the transfer of a portion of the expense to the Health Insurance Trust.

Commodities:
Decrease is due to the transfer of a portion of the expense to the Health Insurance Trust.

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 FY07 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%	19.01%
Lifeguards	7.21%	27.09%
Police	6.98%	36.97%
Fire-Rescue	6.82%	41.85%

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

	FY2006	FY2007	Change	% Change
Gen.Employees	$1,919,026	$2,296,302	$377,276	19.66%
Lifeguards	87,955	118,863	30,908	35.14%
Police	1,652,583	2,158,494	505,911	30.61%
Fire-Rescue	1,351,449	2,258,786	907,337	67.14%
Total	$5,011,013	$6,832,445	$1,821,432	36.35%

Retirement Funds

The employer funding history for the last five years follows:

	FY2003	FY2004	FY2005	FY2006	FY2007
General	$893,843	$1,475,454	$1,705,300	$1,919,016	$2,296,302
Lifeguards	58,142	44,204	76,252	87,955	118,863
Police	452,334	1,106,450	1,395,026	1,652,583	2,158,494
Fire-Rescue	337,218	822,201	1,116,151	1,351,449	2,258,786
Total	$1,741,537	$3,448,309	$4,292,729	$5,011,003	$6,832,445

The employer funding history per employee for the last five years follows:

	FY07 # of Employees	FY2003	FY2004	FY2005	FY2006	FY2007
General	228	4,134	6,871	7,822	8,417	10,046
Lifeguards	9	6,497	4,912	8,472	8,796	13,207
Police	77	6,751	16,271	19,023	21,462	28,032
Fire-Rescue	77	5,439	12,458	15,945	17,782	29,335

Since FY2001 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	FY2001	FY2002	FY2002	FY2004	FY2005
General & Lifeguards	115%	99%	99%	91%	87%
Police	97%	93%	93%	90%	85%
Fire-Rescue	97%	93%	93%	85%	77%

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.

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 sum of

a) 3.5% per year of credited service to a maximum of 87.5 percent, plus

b) 2.0% per year of credited service, if any, in excess of 43.75 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 Chapter 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

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
General Fund Supplement	1,835	1,811	1,900	150	0	-100.00%
Employer Contributions	1,519,988	1,781,882	2,006,981	2,008,075	2,415,165	20.34%
Employee Contributions	722,770	932,685	782,000	883,000	934,000	19.44%
Gain/(Loss) on Investments	4,350,385	5,617,940	1,800,000	8,000,000	2,020,000	12.22%
Miscellaneous	777	6,136	7,000	7,000	7,000	0.00%
Interest on Investments	1,333,666	1,403,050	1,750,000	1,700,000	1,850,000	5.71%
TOTALS	7,929,421	9,743,504	6,347,881	12,598,225	7,226,165	13.84%
Expenses						
Contractual	2,615,747	3,012,965	2,946,500	2,996,500	3,066,800	4.08%
TOTALS	2,615,747	3,012,965	2,946,500	2,996,500	3,066,800	4.08%
TOTAL REVENUES OVER/(UNDER) EXPENSES	5,313,674	6,730,539	3,401,381	9,601,725	4,159,365	
Beginning Net Assets	50,352,487	55,666,161	62,396,700	62,396,700	71,998,425	
ENDING FUND EQUITY	55,666,161	62,396,700	65,798,081	71,998,425	76,157,790	

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 FY06 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:
This line items reflects the estimated gains on the sale of equities. The FY06 projected amount is higher than the trend due to the sale of securities during 1st quarter FY06 for the purpose of allocating funds to new money managers.

Miscellaneous:
Increased FY07 budget to reflect FY06 anticipated.

Interest on Investments:
The FY07 budgeted amount represents the anticipated interest to be earned on fixed income investments.

EXPENSES

Contractual:
This line item reflects anticipated pension and operating costs.

Town of Palm Beach

Police Officers' Retirement System (606)

Fund 606 - Police Officers' Retirement System
Revenue and Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
State of Florida	0	226,181	280,000	284,000	290,000	3.57%
Employer Contributions	0	1,113,049	1,652,583	1,653,000	2,158,494	30.61%
Employee Contributions	0	401,944	474,000	460,000	734,500	54.96%
Gain/(Loss) on Investments	0	4,557,675	2,969,200	3,836,800	3,562,000	19.97%
Miscellaneous	0	1,201	0	0	0	0.00%
Interest on Investments	0	646,941	989,040	720,000	780,000	-21.14%
TOTALS	0	6,946,991	6,364,823	6,953,800	7,524,994	18.23%
Expenses						
Contractual	0	2,183,724	2,715,080	3,105,080	2,741,900	0.99%
TOTALS	0	2,183,724	2,715,080	3,105,080	2,741,900	0.99%
TOTAL REVENUES OVER/(UNDER) EXPENSES	0	4,763,267	3,649,743	3,848,720	4,783,094	
Beginning Net Assets	0	45,709,986	50,473,253	50,473,253	54,122,996	
ENDING FUND EQUITY	0	50,473,253	54,122,996	54,321,973	58,906,090	

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 FY06 and remains at 6.98%. Deferred Retirement Option Plan retirees (DROP) do not contribute to the plan.

Gain/(Loss) on Investments:
This line items reflects the estimated gains on the sale of equities.

Miscellaneous:
This line item contains revenues of a minor nature.

Interest on Investments:
The FY07 budgeted amount represents the anticipated interest to be earned on fixed income investments.

EXPENSES:

Contractual:
This line item reflects anticipated pension and operating costs.

Town of Palm Beach

Firefighters' Retirement System (607)

Fund 607 - Firefighters' Retirement System
Revenue and Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
State of Florida	0	573,152	530,000	573,200	610,000	15.09%
Employer Contributions	0	955,023	1,351,449	1,446,000	2,258,786	67.14%
Employee Contributions	0	466,284	427,000	441,000	679,900	59.23%
Gain/(Loss) on Investments	0	4,212,220	2,740,800	3,601,500	3,376,000	23.18%
Miscellaneous	0	1,154	0	0	0	0.00%
Interest on Investments	0	584,671	912,960	640,000	705,000	-22.78%
TOTALS	0	6,792,504	5,962,209	6,701,700	7,629,686	27.97%
Expenses						
Contractual	0	2,850,278	2,656,620	3,015,480	3,304,600	24.39%
TOTALS	0	2,850,278	2,656,620	3,015,480	3,304,600	24.39%
TOTAL REVENUES OVER/(UNDER) EXPENSES	0	3,942,226	3,305,589	3,686,220	4,325,086	
Beginning Net Assets	0	43,391,309	42,968,743	42,965,743	46,274,332	
ENDING FUND EQUITY	0	47,333,535	46,274,332	46,651,963	50,599,418	

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 FY06 and remains at 6.82%. Deferred Retirement Option Plan retirees (DROP) do not contribute to the plan.

Gain/(Loss) on Investments:
This line items reflects the estimated gains on the sale of equities.

Miscellaneous:
This line item contains revenues of a minor nature.

Interest on Investments:
The FY07 budgeted amount represents the anticipated interest to be earned on fixed income investments.

EXPENSES:

Contractual:
This line item reflects anticipated pension and operating costs.

HEALTH INSURANCE TRUST - 610

The Town makes post-employment health care benefits available to retirees and funds a portion of the retiree health insurance benefits. For FY2007, the Town has established a Health Insurance Trust for the funding of these benefits. The trust has been established with an initial deposit of $16,000,000 transferred from the reserves from the Health Insurance Fund. The Town's Investment Advisory Committee will oversee the investment of the assets of this trust.

An actuarial valuation of the retiree health plan was conducted in August, 2006. The Town's Actuarial Accrued Liability as of October 1, 2006 was determined to be $22,135,000. The Annual Required Contribution is $2,289,000. The pay-as-you-go expense is expected to be $742,000.

The Town provides to the retirees a self-insured HMO and PPO medical plan, including prescription drugs, administered by BlueCross BlueShield.

Summary of Plan Provisions
Eligibility
General Employees - The employee can retire at the earliest age which the employee has:
- Age 55 with 10 or more years of service; or
- 30 years of service, regardless of age

Police/Fire - The employee can retire at the earliest age which the employee has:
- Age 50 with 10 or more years of service;
- Age plus years of service = 65; or
- 20 years of service, regardless of age.

Lifeguards - The employee must meet both of the following requirements:
- 10 years of service; and
- Age plus credited service must be at least 65.

Plan Design
Eligible retirees can have one of three plans: Blue Cross Blue Shield (BCBS) PPO Low Deductible Plan, BCBS PPO High Deductible Plan, or BCBS Blue Care HMO. Summaries of the significant plan provisions are provided below:

BCBS PPO Low Deductible

	In-Network	Out-of-Network
Deductible	$100 Individual, $300 family	
Coinsurance	90%	70%
Out of Pocket Maximum	$1500 individual, $4,500 family	
Office Visit Copay	$15	Not applicable
Prescription Drugs		
Retail Copayment	Generic - $5, Preferred - $15, Non-Preferred $20 Copay + 50% of Cost	
Mail Order Copayment	Generic - $10, Preferred - $30, Non-Preferred $40 Copay + 50% of Cost	
Lifetime Maximum	$2,000,000	

Health Insurance Trust

BCBS PPO - High Deductible

	In-Network	Out-of-Network
Deductible	$500 Individual, $1,500 family	
Coinsurance	80%	60%
Out of Pocket Maximum	$1,500 individual, $4,500 family	
Office Visit Copay	$25	Not applicable
Prescription Drugs		
Retail Copayment	Generic - $10, Preferred - $20, Non-Preferred $30 Copay + 50% of Cost	
Mail Order Copayment	Generic - $20, Preferred - $40, Non-Preferred $60 Copay + 50% of Cost	
Lifetime Maximum	$2,000,000	

BCBS Blue Care HMO

Deductible	None
Coinsurance	100%
Out of Pocket Maximum	$1,500 individual, $3,000 family
Office Visit Copay	$10
Inpatient Copay	$250 per admission
Emergency Room Copay	$50
Prescription Drugs	
Retail Copayment	Generic - $5, Preferred - $15, Non-Preferred $20 Copay + 50% of Cost
Mail Order Copayment	Generic - $10, Preferred - $30, Non-Preferred $40 Copay + 50% of Cost
Lifetime Maximum	$2,000,000

Required Monthly Contributions

Contribution amounts are determined by the medical plan chosen. Contributions are required for both retiree and dependent coverage. Contributions assume only spouses as dependents. The retiree contributions for the period January 1, 2006 through December 31, 2006 are shown on the following page:

Health Insurance Trust

Retiree Contributions - January 1, 2006 to December 31, 2006				
	Retiree		Spouse	
Plan/Group	<65	65+	<65	65+
PPO - Low	$254.84	$137.74	$324.15	$175.62
PPO - High	$223.02	$120.31	$281.93	$152.51
HMO	$217.72	$120.88	$276.98	$153.27

Retiree contributions for 2006 assume that the retiree and dependent pay 47% of the expected costs. For all years after 2006, the retiree and dependent are expected to pay 50% of the expected costs.

Discount Rate
The actuarial analysis assumes a 8% annual discount rate.

Health Insurance Trust

Fund 610 - Health Insurance Trust Fund
Revenue and Expense Summary

	FY2004 Actual	FY2005 Actual	FY2006 Budget	FY2006 Projected	FY2007 Budget	% Change
Revenues						
Town Funding	0	0	0	0	1,193,685	0.00%
Retiree Funding	0	0	0	0	636,000	0.00%
Transfer from Health Fund	0	0	0	0	16,000,000	0.00%
Interest on Investments	0	0	0	0	817,000	0.00%
TOTALS	0	0	0	0	18,646,685	0.00%
Expenses						
Employee Benefits	0	0	0	0	1,220,000	0.00%
Contractual	0	0	0	0	2,200	0.00%
Commodities	0	0	0	0	300	0.00%
TOTALS	0	0	0	0	1,222,500	0.00%
TOTAL REVENUES OVER/(UNDER) EXPENSES	0	0	0	0	17,424,185	
Beginning Net Assets					0	
ENDING NET ASSETS	0	0	0	0	17,424,185	

Health Insurance Trust

REVENUES

Town Funding:
Town's portion of retiree health care expenses

Retiree Funding:
Retiree contribution for health care expenses

Transfer From Health Fund:
Transfer from Health Fund reserves to establish trust

Interest on Investments:
The interest revenue is based upon the financial market conditions.

EXPENSES

Employee Benefits:
Cost of Retiree Health Care expenditures

Contractual:
Estimated costs for auditing and other contractual expenditures.

Commodities:
Estimated costs for office supplies

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Town of Palm Beach
FY2007 Proposed Millage Rate - Change on Homestead Property
Taxable Value Comparison FY2006 vs. FY2007

	2005(FY2006) Final	2006(FY2007) Preliminary		Difference	% Difference
Operating Taxable Value	$10,375,313,831	$12,048,770,891		$1,673,457,060	16.13%
Debt Service Taxable Value	10,432,874,059	12,106,331,119		1,673,457,060	16.04%

Millage Rate/Ad Valorem Revenue Budget Comparison FY2006 vs. FY2007

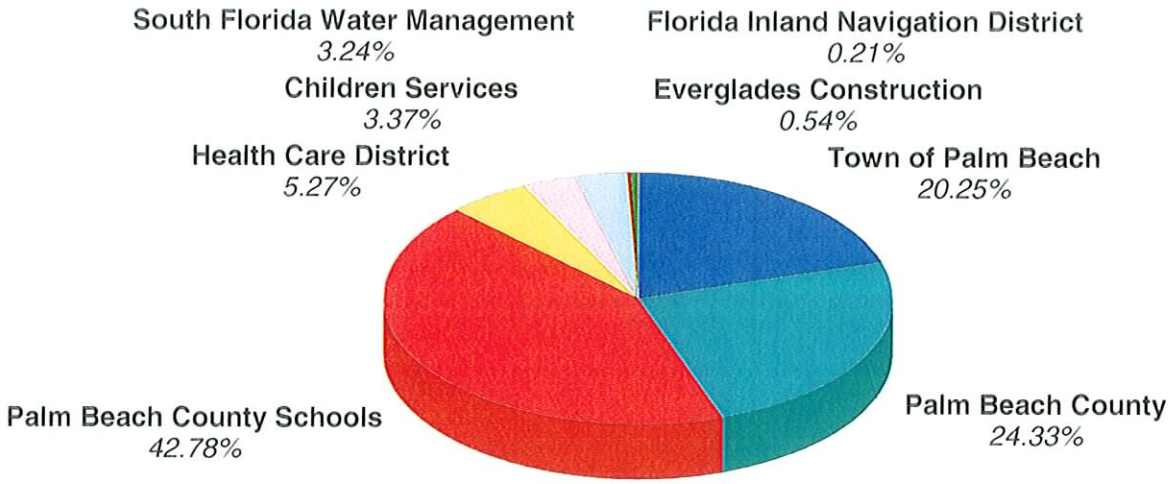
	FY2006 Adopted	FY2007 Adopted		Difference	% Difference
Operating Millage	3.9080	3.7273	(1)	-0.1807	-4.62%
Debt Service Millage	0.0000	0.0000		0.0000	0.00%
Total	3.9080	3.7273		-0.1807	-4.62%
Operating Revenue	$38,519,390	$42,663,915	(2)	$4,144,524	10.76%
Debt Service Revenue	$0	$0		0	0.00%
Total	$38,519,390	$42,663,915		$4,144,524	10.76%

Effect of FY2007 Adopted Millage Rate Change on Homestead Property

	FY2006	FY2007	$ Difference	% Difference
Example I 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	3.9080	3.7273		
Town Taxes	$3,810	$3,746	(64.00)	-1.68%
Example II at $3,000,000				
Taxable Value	$3,000,000	$3,090,000 (3)		
Homestead	(25,000)	(25,000)		
Adjusted Taxable Value	2,975,000	3,065,000		
Millage	3.9080	3.7273		
Town Taxes	$11,626	$11,424	(202.00)	-1.74%
Example III at $5,000,000				
Taxable Value	$5,000,000	$5,150,000 (3)		
Homestead	0	(25,000)		
Adjusted Taxable Value	5,000,000	5,125,000		
Millage	3.9080	3.7273		
Town Taxes	$19,540	$19,102	(438.00)	-2.24%

(1) 3.7273 Operating mills is 10.41% higher than the rolled-back millage of 3.3757 mills.
(2) One mill at 95% would generate $ 12,048,771 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 FY07 taxable value.

TOTAL PROPERTY TAX RATES
TOWN OF PALM BEACH PROPERTY OWNER
FISCAL YEAR 2007



TAXING DISTRICTS	ADOPTED MILLAGE RATES	% OF TOTAL
Town of Palm Beach	3.7273	20.25%
Palm Beach County	4.4775	24.33%
Palm Beach County Schools	7.8720	42.78%
Health Care District	0.9700	5.27%
Children Services	0.6199	3.37%
South Florida Water Management	0.5970	3.24%
Florida Inland Navigation District	0.0385	0.21%
Everglades Construction	0.1000	0.54%
Total	18.4022	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									
	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07
Palm Beach	**4.7901**	**4.7528**	**4.6452**	**4.5059**	**4.0641**	**4.0541**	**4.0529**	**4.0287**	**3.9080**	**3.7273**
	22.14%	**22.08%**	**22.31%**	**21.85%**	**19.92%**	**20.14%**	**20.29%**	**20.39%**	**20.31%**	**20.25%**
P.B. County	4.8666	4.8582	4.9456	4.9362	4.9351	4.8084	4.7910	4.7677	4.7192	4.4775
	22.49%	22.57%	23.75%	23.94%	24.19%	23.89%	23.99%	24.14%	24.53%	24.33%
P.B.C. Schools	9.5850	9.6820	9.0430	8.9180	8.9480	8.7790	8.5710	8.4320	8.1060	7.8720
	44.30%	44.98%	43.44%	43.24%	43.86%	43.61%	42.92%	42.68%	42.14%	42.78%
Other:										
S. Fla. Water Mgmt	0.6220	0.5970	0.5970	0.5970	0.5970	0.5970	0.5970	0.5970	0.5970	0.5970
	2.87%	2.77%	2.87%	2.89%	2.93%	2.97%	2.99%	3.02%	3.10%	3.24%
Children Services	0.4530	0.4403	0.4696	0.5000	0.5703	0.6228	0.6902	0.6902	0.6887	0.6199
	2.09%	2.05%	2.26%	2.42%	2.80%	3.09%	3.46%	3.49%	3.58%	3.37%
Florida Inland Navigation	0.0500	0.0470	0.0440	0.0410	0.0385	0.0385	0.0385	0.0385	0.0385	0.0385
	0.23%	0.22%	0.21%	0.20%	0.19%	0.19%	0.19%	0.19%	0.20%	0.21%
Health Care District	1.1700	1.0500	0.9750	1.0250	1.1500	1.1300	1.1300	1.1000	1.0800	0.9700
	5.41%	4.88%	4.68%	4.97%	5.64%	5.61%	5.66%	5.57%	5.61%	5.27%
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%	0.48%	0.48%	0.49%	0.50%	0.50%	0.51%	0.52%	0.54%
Grand Total	21.6367	21.5273	20.8194	20.6231	20.4030	20.1298	19.9706	19.7541	19.2374	18.4022

** 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.

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

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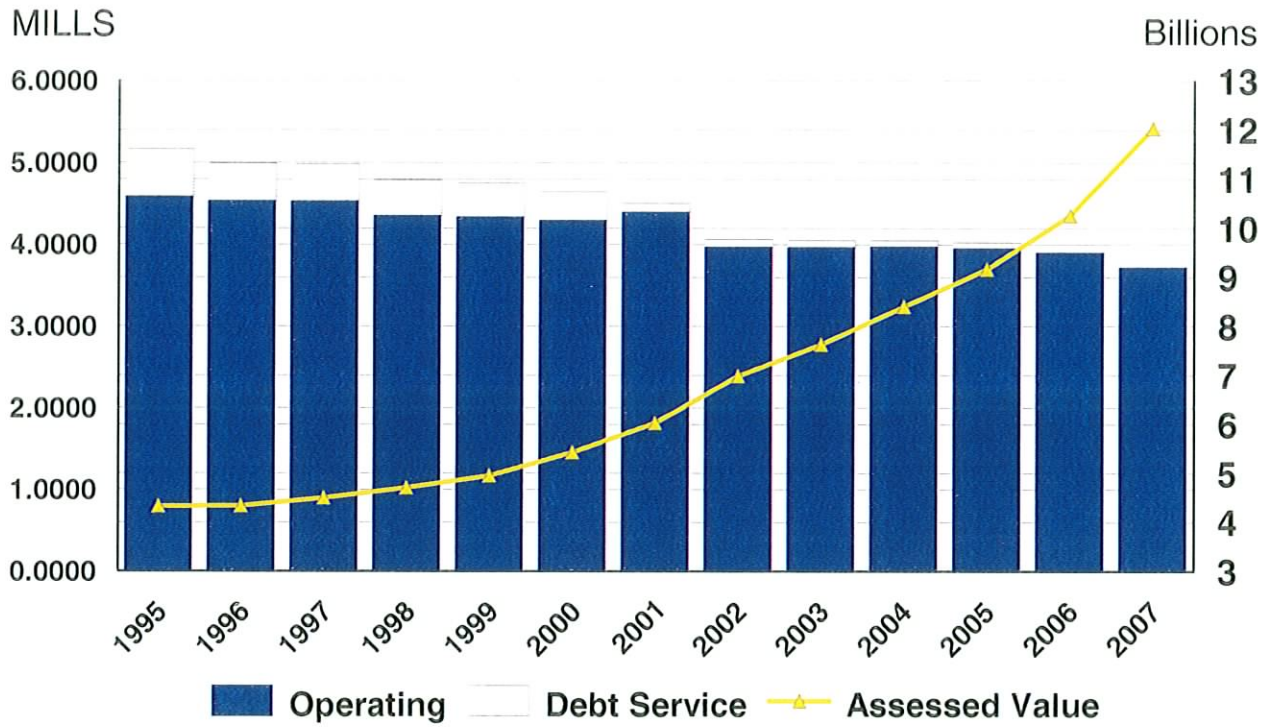
TOWN OF PALM BEACH
ASSESSED VALUES AND PROPERTY TAX RATES
FISCAL YEARS 1995- 2007



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

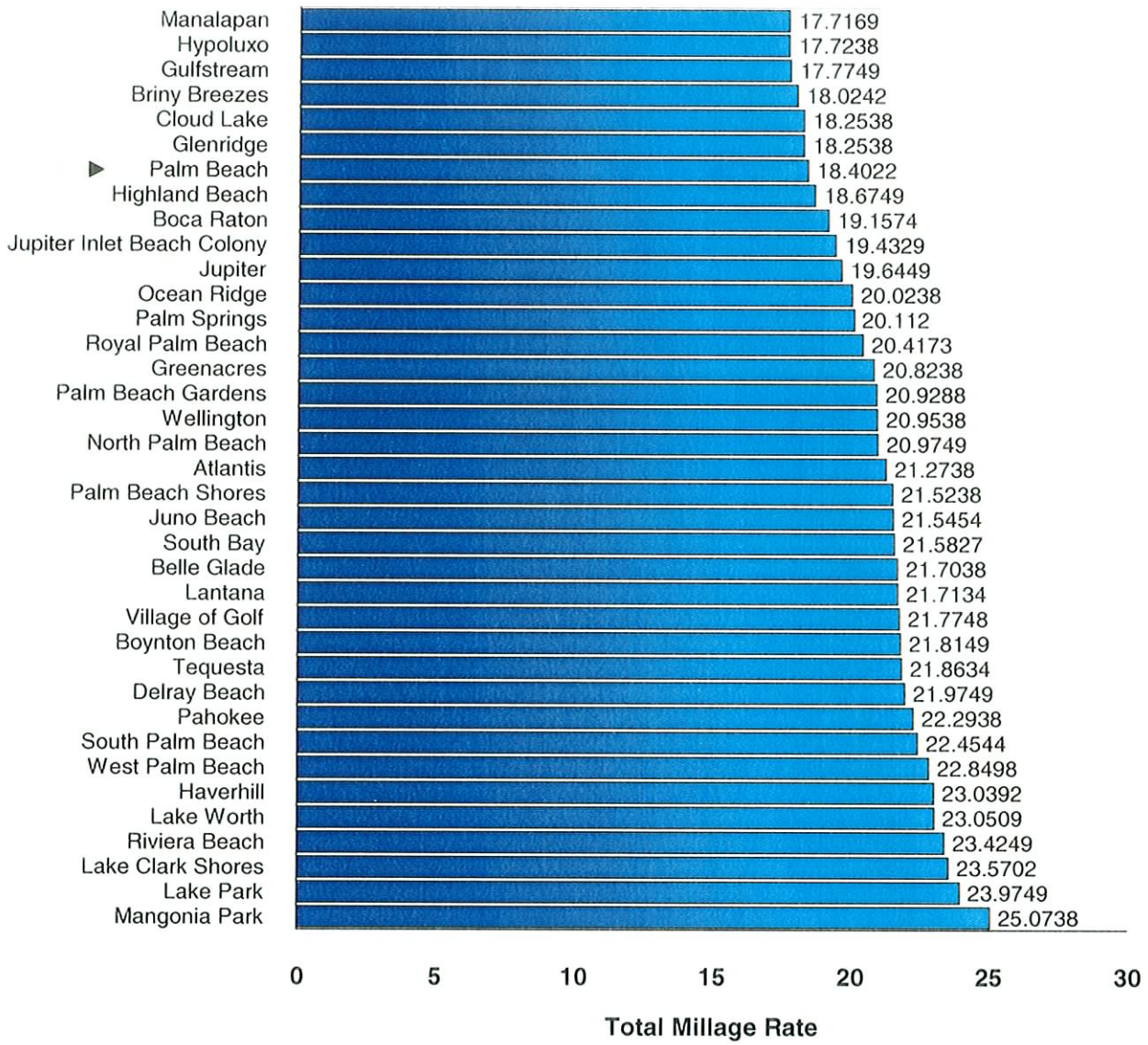
FISCAL YEAR	ASSESSED VALUATION	GENERAL FUND	DEBT SERVICE	TOTAL	REVENUE GENERATED
1995	4,328,630,328	4.5888	0.5791	5.1679	$18,918,705
1996	4,336,830,534	4.5371	0.4589	4.9960	$19,078,793
1997	4,498,027,409	4.5319	0.4491	4.9810	$19,712,823
1998	4,710,632,410	4.3588	0.4313	4.7901	$19,799,200
1999	4,954,502,270	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
2007	12,039,602,941	3.7273	0.0000	3.7273	$42,631,451

Millage Rates and Taxable Values for Palm Beach County Municipalities
Fiscal Year 2007

	Taxable Value	City Millage	City Debt	County, School & Other	Total Millage Rate
Manalapan	875,908,520	3.0420	0.0000	14.6749	17.7169
Hypoluxo	459,115,297	2.4500	0.0000	15.2738	17.7238
Gulfstream	696,565,717	3.1000	0.0000	14.6749	17.7749
Briny Breezes	41,648,980	2.7504	0.0000	15.2738	18.0242
Cloud Lake	8,652,084	0.0000	0.0000	18.2538	18.2538
Glenridge	19,189,590	0.0000	0.0000	18.2538	18.2538
Palm Beach	**12,039,602,641**	**3.7273**	**0.0000**	**14.6749**	**18.4022**
Highland Beach	2,302,751,039	3.5793	0.4207	14.6749	18.6749
Boca Raton	19,931,341,591	3.3000	0.2886	15.5688	19.1574
Jupiter Inlet Beach Colony	239,263,462	4.0675	0.0000	15.3654	19.4329
Jupiter	8,819,014,707	2.5417	0.2569	16.8463	19.6449
Ocean Ridge	807,932,066	4.7500	0.0000	15.2738	20.0238
Palm Springs	811,025,923	4.7714	0.6657	14.6749	20.1120
Royal Palm Beach	2,537,374,087	2.1400	0.0235	18.2538	20.4173
Greenacres	1,976,149,164	5.5500	0.0000	15.2738	20.8238
Palm Beach Gardens	9,304,522,294	5.4950	0.1600	15.2738	20.9288
Wellington	7,224,388,157	2.7000	0.0000	18.2538	20.9538
North Palm Beach	2,000,286,958	6.3000	0.0000	14.6749	20.9749
Atlantis	$522,270,799	6.0000	0.0000	15.2738	21.2738
Palm Beach Shores	675,720,973	6.2500	0.0000	15.2738	21.5238
Juno Beach	1,220,497,984	3.2000	0.0000	18.3454	21.5454
South Bay	54,697,468	6.3089	0.0000	15.2738	21.5827
Belle Glade	311,412,666	6.4300	0.0000	15.2738	21.7038
Lantana	1,031,033,126	7.0385	0.0000	14.6749	21.7134
Village of Golf	152,472,624	7.0999	0.0000	14.6749	21.7748
Boynton Beach	5,594,966,739	7.1000	0.0400	14.6749	21.8149
Tequesta	981,960,499	6.4980	0.0000	15.3654	21.8634
Delray Beach	8,416,046,250	6.8600	0.4400	14.6749	21.9749
Pahokee	93,912,983	7.0200	0.0000	15.2738	22.2938
South Palm Beach	432,193,388	6.5000	0.0000	15.9544	22.4544
West Palm Beach	12,009,022,188	7.8500	0.3249	14.6749	22.8498
Haverhill	84,517,168	4.7854	0.0000	18.2538	23.0392
Lake Worth	2,024,765,565	8.1500	0.2260	14.6749	23.0509
Riviera Beach	3,783,219,763	8.7500	0.0000	14.6749	23.4249
Lake Clark Shores	246,933,396	5.3164	0.0000	18.2538	23.5702
Lake Park	666,763,442	8.0000	1.3000	14.6749	23.9749
Mangonia Park	183,338,790	9.8000	0.0000	15.2738	25.0738

Information Obtained from Palm Beach County Property Appraiser

Total Millage Rates for Palm Beach County Municipalities
Fiscal Year 2007



Total millage rate includes the municipal millage, municipal debt, county, shool district, and all other levies.

Information obtained from the Palm Beach County Property Appraiser

Authorized Positions

The Chart below shows the distribution of authorized positions, full and part-time, by departments, for the years 2004 through 2007. The number of full and part-time employees for the Fiscal year 2007 is 414.23, which is an increase of 1.87 over FY2006 of 412.36.

Full Time Equivalent Employees	***FY2004***	***FY2005***	***FY2006***	***FY2007***
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	2.00	2.00	2.00
Administrative Assistant (Shared)	0.50	0.00	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	2.00	2.00	2.00
Information Systems Support Specialist	1.00	1.00	1.00	1.00
	10.50	12.00	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	3.00	3.00	3.00	3.00

Authorized Positions

Full Time Equivalent Employees	*FY2004*	*FY2005*	*FY2006*	*FY2007*
Accounting Clerk/Receptionist	1.00	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	2.00	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	0.00	1.00	1.00	1.00
Combination Inspector	3.00	3.00	2.50	2.50
Code Compliance Officer II	1.00	1.00	1.00	1.00
Code Compliance Officer I	1.00	1.00	1.50	1.50
Office Manager	1.00	1.00	1.00	1.00
Administrative Lieutenant	0.50	0.50	0.00	0.00
Fire Marshal	1.00	1.00	1.00	1.00
Fire Prevention Officer	0.00	0.00	2.00	2.00
Plan Reviewer	0.00	0.00	0.50	0.50
Office Assistant	0.00	0.00	1.00	1.00
Fire Inspector	1.00	1.00	0.00	0.00
	23.50	24.50	27.50	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	0.00	0.00

Authorized Positions

Full Time Equivalent Employees	*FY2004*	*FY2005*	*FY2006*	*FY2007*
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	1.00	1.00	1.00
Battalion Chief	3.00	3.00	3.00	3.00
EMS Division Chief	0.00	0.00	1.00	1.00
Captain	0.00	0.00	0.00	0.00
Lieutenant	15.00	15.00	15.00	15.00
Administrative Lieutenant	0.50	0.50	1.00	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
	78.50	79.50	80.00	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	57.00	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	2.00	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	*FY2004*	*FY2005*	*FY2006*	*FY2007*
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	1.00	1.00	1.00
	131.00	131.00	131.00	131.00
Public Works				
Public Works Director	1.00	1.00	1.00	1.00
Assistant Director	1.00	2.00	2.00	2.00
Administrative Assistant	5.00	5.00	6.00	4.00
Project Administrator	0.00	0.00	0.00	1.00
Data Processor	1.00	1.00	1.00	1.00
Public Works Inspector	1.00	1.00	1.00	1.00
Town Engineer	1.00	1.00	1.00	1.00
Coastal Management Coordinator	1.00	1.00	1.00	1.00
Project Engineer	2.00	2.00	1.00	2.00
Managers	4.00	4.46	5.00	4.00
Supervisors	8.64	8.32	8.78	8.82
Electricians	2.87	2.76	2.79	2.73
Mechanics	7.00	7.01	8.01	8.00
Equipment Operators	39.75	38.70	39.06	40.71
Laborers	14.00	14.91	14.66	13.91
Sanitation Walker	4.00	4.00	4.00	4.00
Maintenance Worker	1.96	1.88	1.88	1.88
Nursery Worker	1.00	0.90	0.90	0.97
Tree Trimmer	1.94	1.88	1.88	1.88
Painter	0.98	0.92	0.92	0.90
	99.14	99.74	101.88	101.80
Capital Fund				
Construction Manager	0.00	1.00	1.00	1.00

Authorized Positions

Full Time Equivalent Employees	*FY2004*	*FY2005*	*FY2006*	*FY2007*
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
Tennis Facilities Assistant	0.00	0.00	0.00	0.80
Recreation Supervisor	1.00	1.00	1.00	2.00
Recreation Maintenance Worker	1.00	1.00	1.00	1.00
Bus Driver	.31	.31	.31	.31
Activity Leader I	4.03	3.18	3.58	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	1.95	1.95
Golf Mechanic	1.00	1.00	1.00	1.00
Equipment Operator	1.00	1.95	2.20	2.20
Spray Tech/Equip. Operator	1.00	0.00	0.00	0.00
Golf Laborer	.15	.15	.41	.41
Registration Clerk	5.00	5.20	4.50	4.50
Public Works Employees	1.11	1.51	.80	.95
	30.13	29.83	30.28	32.23
Self Insurance Fund - Risk				
Risk Manager	1.00	1.00	1.00	1.00
Administrative Secretary	0.50	1.00	1.00	1.00
	1.50	2.00	2.00	2.00

Authorized Positions

Full Time Equivalent Employees	*FY2004*	*FY2005*	*FY2006*	*FY2007*
Self Insurance Fund - Health				
Human Resource Director	0.20	0.20	0.20	0.20
HR Assistant	0.00	0.70	0.70	0.70
HR Analyst	0.70	0.70	0.70	0.70
HR Secretary II	0.70	0.00	0.00	0.00
	1.60	1.60	1.60	1.60
Kruesler Park				
Various	2.20	2.20	2.20	2.20
Grand Total Authorized Positions	400.97	406.27	412.36	414.23

TOWN OF PALM BEACH
DONATION RESERVE ACCOUNT SUMMARY
PERIOD ENDED SEPTEMBER 30, 2006

DONATION ACCOUNT DESCRIPTION	DONATION RESERVE ACCT	BALANCE AT 10/01/05	REVENUES FISCAL Y-T-D	EXPENDITURES FISCAL Y-T-D	BALANCE AT 09/30/2006
Bicentennial Eagle	103-000-247-49-00	11,688.53	512.35	0.00	12,200.88
Centennial Celebration	103-000-247-20-00	0.00	0.00	0.00	0.00
Co-Worker Recognition Program	103-000-247-16-00	12,694.60	16,000.00	24,952.71	3,741.89
Employee Fitness Center	103-000-247-23-00	58,817.49	0.00	1,458.40	57,359.09
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	66.02	0.00	0.00	66.02
Finance	103-000-247-10-00	60.00	0.00	0.00	60.00
Fire-Rescue	103-000-247-30-00	20,211.73	44,278.00	20,078.97	44,410.76
Fire-Rescue Dress Uniforms	103-000247-21-00	29,958.00	0.00	17,579.00	12,379.00
Fire-Rescue MICU	103-000-247-28-00	1,102.40	0.00	72.00	1,030.40
Fourth on Flagler (WPB)	103-000-247-15-00	297.50	0.00	0.00	297.50
Ibis Isle Project	103-000-247-18-00	0.00	38,800.00	32,839.00	5,961.00
Ilyinsky Memorial Fund	103-000-247-15-00	12,000.00	2,211.31	14,211.31	0.00
July 4th Celebration	103-000-247-05-00	17,340.42	6,464.75	0.00	23,805.17
Marine Unit Equipment	103-000-247-31-00	1,000.00	0.00	0.00	1,000.00
Medical Care Commission	103-000-247-19-00	0.00	17,098.40	17,098.40	0.00
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
PBCA Raymond J. Kunkel Award	103-000-247-22-00	0.00	3,000.00	0.00	3,000.00
Palm Beach Public School Clock	103-000-247-17-00	0.00	4,050.00	0.00	4,050.00
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	1,794.14	250.00	182.65	1,861.49
Police Department	103-000-247-32-00	137,520.32	20,805.00	127,758.05	30,567.27
Police Comm. Nextel Reband Rad Frq	103-000-247-35-00	0.00	0.00	0.00	0.00
Police Scholarship Fund	103-000-247-34-00	148,169.01	39,117.34	36,000.00	151,286.35
Public Works Department	103-000-247-48-00	624.05	1,550.00	0.00	2,174.05
Planning, Zoning & Building	103-000-247-50-00	0.00	50.00	0.00	50.00
Recreation Department	103-000-247-33-00	23,709.62	43,262.73	25,419.42	41,552.93
Risk Training	103-000-247-36-00	0.00	5,000.00	923.97	4,076.03
Tangier/N. County Road Improvement	103-000-247-25-00	0.00	30,000.00	0.00	30,000.00
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	2,873.06	3,612.50	4,323.90	2,161.66
Town Scholarship Fund	103-000-247-09-00	3,000.00	0.00	0.00	3,000.00
Undesignated Donations	103-000-247-14-00	9,633.28	0.00	4,355.50	5,277.78
TOTALS:		$495,270.15	$279,562.38	$330,753.28	$444,079.25

Town of Palm Beach

Information Systems Management Plan

Information Systems
FY2007 Budget Summary

The major focus for this year is going to be on the purchase and initial implementation of software systems as outlined by the Town's Software Consultant. The selection process of the vendors from the responses to the RFP is almost complete and the Town will begin implementation of these systems this fall.

The Information Systems budget is $1,870,144 which is an increase of $153,198 or 9% from FY2006. The following is an outline of the major items and projects included in the FY2007 Office of Information Systems Budget.

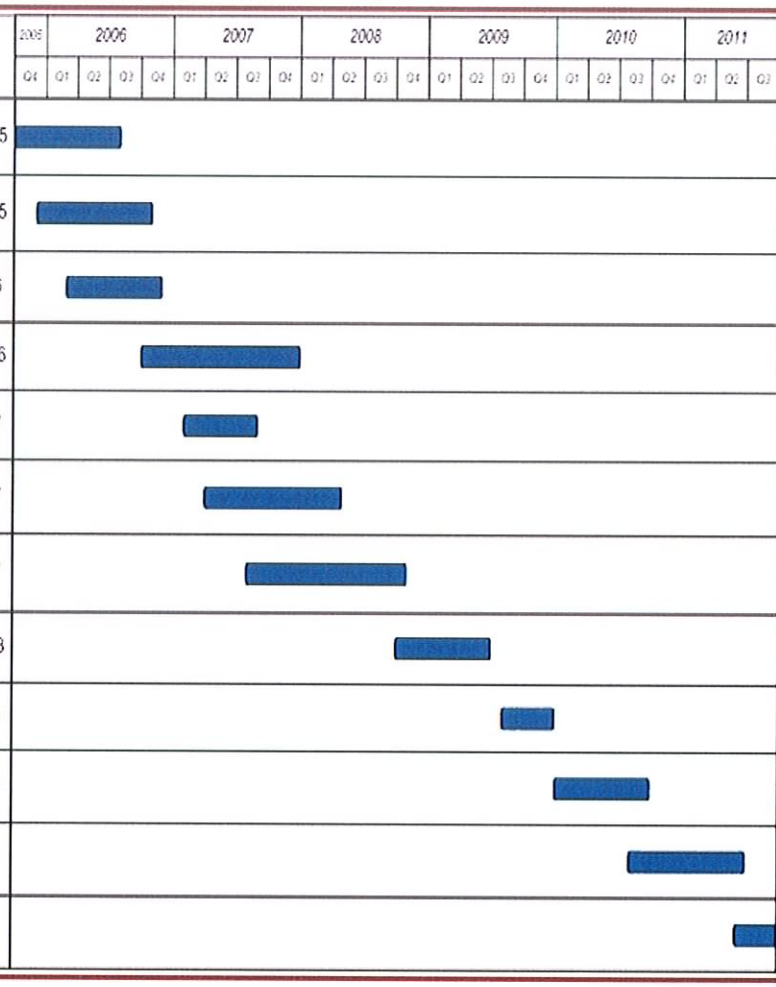
Town Wide Software Systems: During FY2006, the Office of Information Systems has spent a majority of the year preparing the Town's infrastructure to accommodate the new software systems. The servers, PC's and network have all been revised and updated and are ready to run the most current and advanced systems that are available. The structure of the Town's GIS system has also been redesigned and ready for implementation of new data and applications. Information Systems Staff have spent several weeks in training to become certified and prepared to operate systems in an advanced windows network environment. Several staff members for all departments have spent numerous hours working on the review of the proposed software systems to ensure that the money invested in these applications is well spent.

Beginning with the FY2007 budget, the Town is proposing to budget $350,000 each year for the next five years to fund the purchase and implementation of these new software systems. This yearly funding will allow the Town to work with the Software Vendors to either lease or finance the software applications over the entire five year schedule. By planning over the five year period and using the funds as needed over the estimated schedule the budget will remain level funded and the impact to Town taxpayers will be minimal. Because of planning last year and several decreases in the budget this year, the $350,000 added this year is only increasing the Information Systems budget by about $135,000.

During the first two years the Town will be implementing Financials, Human Resources and Planning, Zoning & Building applications. There will also be modifications made and interfaces created to make sure all new and any existing applications are working together. During the third year these systems will be finalized and the process of investigating new applications for public safety will under way. The RFP process will be similar to the one used during FY2006 and will include assistance from the software consultant and reviewed by committee. During the fourth and fifth year, the process of implementing public safety applications will begin. The graph below shows in more detail the estimated project schedule spread out over the five year period.

Five Year Software Plan
Estimated Project Schedule

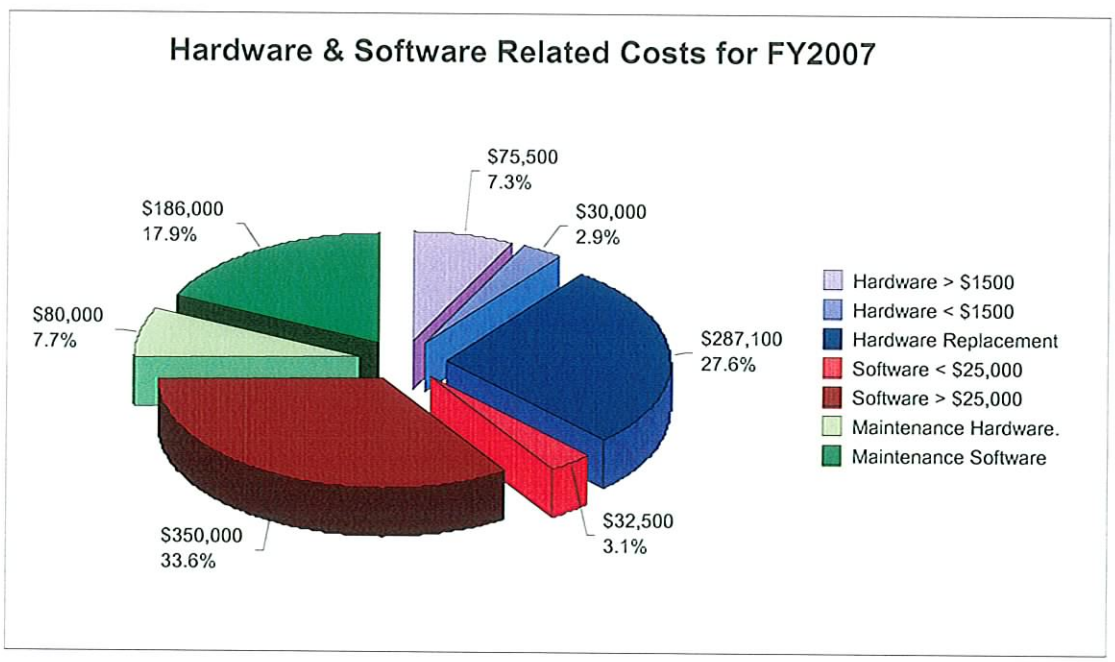
ID	Task Name	Start
1	Implement Windows Active Directory & Domain Structure	10/3/2005
2	Upgrade the GIS structure and Implement SDE	12/5/2005
3	Finalize the RFP selection process & Start Phase One	3/1/2006
4	Implementation of Financials	10/2/2006
5	Implementation of Human Resources	2/1/2007
6	Implementation of Planning, Zoning & Building	4/2/2007
7	Implementation of Related Systems and interfaces	8/1/2007
8	Begin RFP Process for Public Safety	10/1/2008
9	Finalize RFP for Public Safety & Start Phase Two	8/3/2009
10	Implementation of CAD & Mobile Computing Systems	1/1/2010
11	Implementation of Records Systems	8/2/2010
12	Implementation of Various Other Public Safety Systems	6/1/2011



Hardware Maintenance: The FY2007 budget includes a small 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 by $5,000 for FY2007.

Software Maintenance: In the proposed FY2007 budget, Software Maintenance has gone up $16,000 from $170,000 to $186,000 Townwide. Software maintenance also includes annual licensing fees and support 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.

Hardware Replacement: During FY2007, the Town will be replacing one of the ISeries systems. The estimated replacement cost for this machine is $140,000 and will be funded through the Town's equipment replacement fund. This midrange server performs two major functions for the Town. The first is to run all of the Town's email applications. This function is extremely processor intensive and runs on a 24x7 basis. The second function is to serve as a redundant CAD dispatching system for Public Safety. This backup function is extremely critical to the Town and is used on a regular basis when maintenance is needed on the main system. The replacement of this equipment will maintain the levels of service needed by all Town staff for these functions.



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Town of Palm Beach

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

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

Revised: September 30, 2006

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 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 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: July 12, 2006

Financial Policies

Town of Palm Beach, Florida

Subject Policy: Recreation 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 - Recreation 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 Recreation Enterprise Fund.

Policy: It is the policy of the Town of Palm Beach to annually appropriate a Contingency Reserve of 5% of the proposed Recreation 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 - Recreation Enterprise Fund - Capital Fund

Town of Palm Beach, Florida

Subject Policy: Contingency Reserve -Recreation 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 Recration 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 Recreation 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 Recreation Enterprise Fund - Capital 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 - Recreation Enterprise Fund

Town of Palm Beach, Florida

Subject Policy: Equipment Replacement Reserve - Recreation Enterprise Fund

Effective Date: October 1, 2005

Purpose: The purpose of this policy is to create a reserve within the Recreation 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 Recreation 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 Recreation 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

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

Financial Policies

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. For your convenience and reading ease, the following is a list of acronyms that are used by the Town of Palm Beach.

ALS	Advanced Life Support
CAFR	Comprehensive Annual Financial Report
CDBG	Community Development Block Grant
CIP	Capital Improvement Program
EMS	Emergency Medical Services
FY	Fiscal Year
FTE	Full-Time Equivalent
GAAP	Generally Accepted Accounting Principals
GASB	Governmental Accounting Standards Board
GIS	Geographic Information System
ICMA	International City/County Management Associaition
MDT	Mobile Data Terminals
OPEB	Other Post Employment Benefits
REF	Recreation Enterprise Fund
TRIM	Truth in Millage

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.

ACTUARIAL: A person or methodology that makes determinations of required contributions to achieve future funding levels that addresses risk and time.

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.

ADOPTED BUDGET: The budget as it is approved by the Town Council prior to the beginning of each fiscal year.

AMENDED BUDGET: The amended budget is the working budget. It is the adopted budget that incorporates all operating transfers and approved budget amendments (changes in the budget total that are approved subsequent to initial adoption).

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.

ANNUAL BUDGET: A plan for the coordination of resources and expenditures. The budget is the financial plan for the Town's allocation of resources to provide services, accomplish the Town's goals and objectives, and perform activities.

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.

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.

ASSETS: Resources owned or held by a government, which have monetary 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.

BALANCED BUDGET: A budget in which planned funds available equal planned expenditures.

BEGINNING FUND BALANCE: The unexpended amount in a fund at fiscal year end, which is available for appropriation in the next fiscal year.

BENEFITS: Payments to which participants may be entitled under a pension plan, including pension benefits, death benefits, and benefits due on termination of employment.

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.

BOND RATING: An evaluation of credit worthiness performed by an independent rating service. The Town is one of only three municipalities in the State of Florida to maintain a AAA rating from both Moody's and Standard & Poor's.

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 AMENDMENT: The process by which unanticipated changes in revenue or expenditures are made a part of the budget, thereby amending it.

Glossary

BUDGET CALENDAR: A schedule of key dates which the Town follows in the preparation, adoption and administration of the budget.

BUDGET MESSAGE: A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body.

BUDGET TRANSFER: An action which changes budgeted amounts at the department, division, and/or object code level of control with offsetting increases and decreases in budgeted line items.

BUDGETARY BASIS: This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash or modified accrual.

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.

BUSINESS PLAN: A written document outlining how Town sources will be applied to achieve the objectives determined for the Leisure Services Enterprise Fund.

CAPITAL EQUIPMENT: Equipment with an expected life of more than one year and a value of more than $2,500 for vehicles and equipment and $1,500 for computer equipment.

CAPITAL LEASE: An agreement conveying the right to use property, plant or equipment usually for a stated period of time where the lessee assumes all the risks and rewards of ownership.

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. The minimum threshold used to qualify a project for the Capital Improvement Program is $50,000.

CAPITAL PROJECT: Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life; also called capital improvements.

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.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): This official annual report presents the status of the Town's finances in a standardized format. The CAFR is organized by fund and contains two basic types of information: a balance sheet that compares assets with liabilities and fund balance; and an operating statement that compares revenues and expenditures.

CONTINGENCY: A budgeted reserve set-aside for possible emergencies, revenue shortfalls, or unforeseen expenditures not otherwise budgeted for.

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.

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.

Glossary

DEFICIT: An excess of liabilities and reserves of a fund over its assets.

DEPARTMENT: A basic organizational unit of government that is functionally unique in its delivery of services.

DEPRECIATION: The decrease in value of physical assets due to use and the passage of time.

DESIGNATED FUND BALANCE: Funds that have been identified for a specific purpose. This differs from reserved funds, in that there is no legal requirement for funds that have been designated.

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.

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 Recreation 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.

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.

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 EQUIVALENT (FTE): Number of positions calculated on the basis that one FTE equates to a 40-hour workweek for twelve months. For example, two part-time positions working 20 hours for twelve months also equals one FTE.

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.

Glossary

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.

GASB: Governmental Accounting Standards Board - an established national board, which governs financial reporting standards on state and local government levels throughout the United States of America, with its main headquarters in Chicago, IL.

GASB 34: Statement 34 of the Governmental Accounting Standards Board - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* - establishes new financial reporting standards for state and local governments throughout the United States.

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.

GEOGRAPHIC INFORMATION SYSTEM (GIS): A GIS is a specialized data management system designed for the entry, analyses, and display of data commonly found on maps. GIS integrates maps with a database and allows analyses to be performed using location relationships of map features to the database.

GOAL: A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

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.

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.

INFLATION: A rise in price levels caused by an increase in available funds beyond the proportion of available goods.

INFRASTRUCTURE: Assets which are immovable and of value only to the governmental unit (e.g. sidewalks, gutters, bridges.)

INTERFUND TRANSFERS: The movement of moneys between the funds of a governmental entity.

INTERGOVERNMENTAL REVENUE: Revenue collected by one government and distributed (usually through some predetermined formula) to another level of government(s).

Glossary

INTERLOCAL AGREEMENT: A written agreement between the Town and other units of government to share in similar services, projects, emergency assistance, support, funding, etc., to the mutual benefit of all parties.

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.

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.

MILL: A taxation unit equal to one dollar of tax obligation for every $1,000 of assessed valuation of property.

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.

MISSION STATEMENT: The statement that identifies the particular purpose and function of a department.

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.

NON-EXPENDABLE TRUST FUNDS: When a government uses a non-expendable trust fund, the principal must remain intact, but it can expend the earnings.

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.

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.

PENSION FUND: The pension funds account for the accumulation of resources to be used for retirement benefit payments to the Town's employees.

PER CAPITA: A measurement of the proportion of some statistic to an individual resident determined by dividing the statistic by the current population.

PERFORMANCE BUDGET: A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.

PERFORMANCE MEASURE: Data collected to determine how effective and/or efficient a program is in achieving its objectives.

PERSONAL SERVICES: A general category of operating expenses that includes salaries and wages, pensions, health insurance and other fringe benefits.

PERSONNEL COSTS: Costs directly associated with employees, including salaries and fringe benefits.

POST-EMPLOYMENT BENEFITS: A form of deferred compensation that includes heathcare and any type of post-employment benefit that is not an integral part of a pension plan.

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.

PROGRAM BUDGET: A budget with expenditures that are based primarily on programs of work. Each individual program is established as a separate cost center.

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.

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.

Reserves: a portion of the fund balance or retained earnings legally segregated for specific purposes.

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.

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.

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.

TRUTH IN MILLAGE: The Florida Truth in Millage Act (TRIM) serves to formalize the property tax levying process by requiring a specific method of tax rate calculation, form of notice, public hearing requirements

and advertisement specifications prior to the adoption of a budget tax rate.

The effect of TRIM is to inform taxpayers that their property taxes are changing (up or down), the cause (a change in the assessed value of their property and/or an increase in the proposed spending level) and how the proposed new tax rate compares to the rate that would generate the same property tax dollars as the current year (the "rolled back" rate).

UNENCUMBERED: The portion of an allotment not yet expended or encumbered.

UNDESIGNATED/UNRESERVED FUND BALANCE: Unrestricted funds available to be designated as a budget-funding source.

USEFUL LIFE: The period of time that a fixed asset is able to be used. This can refer to a budgeted period of time for an equipment class or the actual amount of time for a particular item.

USER CHARGES: The payment of a fee for direct receipt of a public service by the party benefitting from the service.

WORKLOAD INDICATORS: Statistical and historical measures of the services level provided or workload completed by each department within the Town.

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