

# TOWN OF PALM BEACH

*COMMUNITY QUALITY  
OPERATIONAL EXCELLENCE  
AND  
FINANCIAL SUSTAINABILITY*



FY2014 Proposed Budget

# Maintaining Fiscal Sustainability

- **Rolled-Back Millage Rate (3.0985)**
  - Sufficient for operating budget & transfer \$1,659,194 to coastal protection
  
- **Property Tax Revenue**
  - Flat compared to FY13 and \$5,781,735 (14%) lower than FY07
  
- **Operating Budget (all General Fund costs except Coastal Protection transfer)**
  - 1.8% higher than FY13 and \$7,353,694 (11%) lower than FY09
  
- **Staffing Level**
  - Additional reduction of 5 positions for FY14
  - 67 positions (16% of peak staffing) cut since FY07 with no reduction in services



# Factors to Consider for Millage Rate

- Major Cost Increases in Near Future
  - ▣ Coastal Protection
  - ▣ Second Phase of ACIP
  
- Funding Plans will be Recommended by F&T Committee and Decided by Town Council
  
- Future Tax Increases
  - ▣ Possible for Coastal Funding
  - ▣ Necessary for Capital Improvement Funding

# Ad Valorem Revenue Options

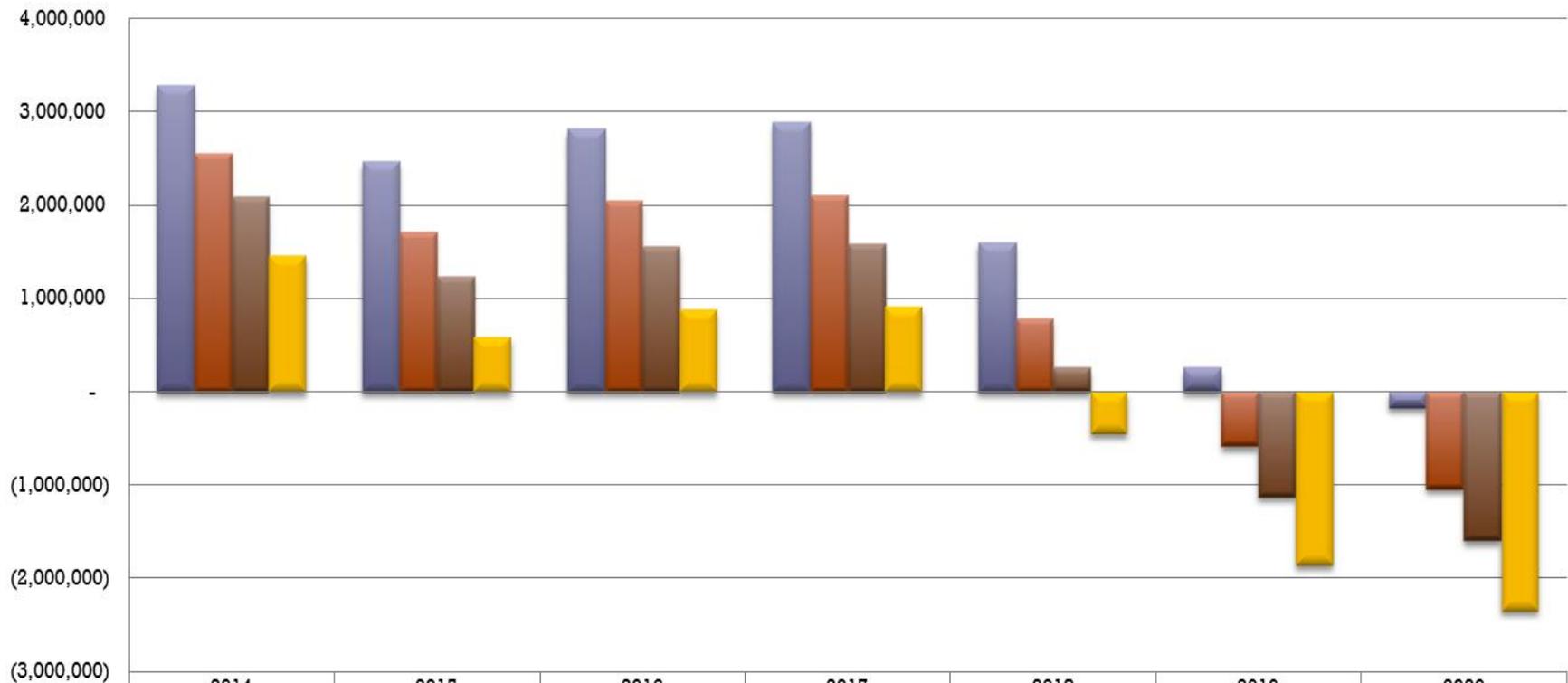
## ❑ Alternatives Presented in the Budget Document

- ❑ Proposed Budget: Rolled Back Rate = 3.0985
- ❑ Rolled-Back Plus Personal Income Growth
- ❑ 3% Growth in Revenue as Forecasted in LTFP
- ❑ Current Rate of 3.2512 (Same rate since 2009)

	Current Rate	LTFP	Rolled Back + PI Growth	Rolled Back
Millage Rate	3.2512	3.1900	3.1509	3.0985
Tax Revenue	\$38,699,804	\$37,971,362	\$37,505,489	\$36,882,180
Tax Effect on Homestead Value of \$1 Million	\$55	(\$4)	(\$42)	(\$93)
Transfer to Coastal	\$3,476,818	\$2,748,376	\$2,282,503	\$1,659,194

# Long Term Financial Plan Impacts

## Surplus/(Deficit) Comparison



	2014	2015	2016	2017	2018	2019	2020
■ Maintain 3.2512	3,276,818	2,462,322	2,813,980	2,891,359	1,600,570	255,986	(169,805)
■ 3% Revenue Increase	2,548,376	1,712,027	2,041,176	2,095,371	780,702	(588,478)	(1,039,603)
■ Rolled Back + PI	2,082,503	1,232,178	1,546,931	1,586,299	256,358	(1,128,552)	(1,595,879)
■ Rolled Back	1,459,194	590,170	885,663	905,192	(445,182)	(1,851,138)	(2,340,143)

# FY14 General Fund Expenditures

- **Salaries and Wages**
  - ▣ Reduced by \$191,048 (1%)
  - ▣ Eliminated 5 Positions (No Layoffs)
  - ▣ Performance-based Pay Increases for Eligible Employees
  
- **Pension Costs**
  - ▣ Increased by \$1,133,316 (25%)
  - ▣ Final Year of “Smoothing” 2008 Investment Losses
  - ▣ Increase in Retirement Activity During 2012
  - ▣ Proposal for Equalize Employee Contributions

# FY14 General Fund Expenditures

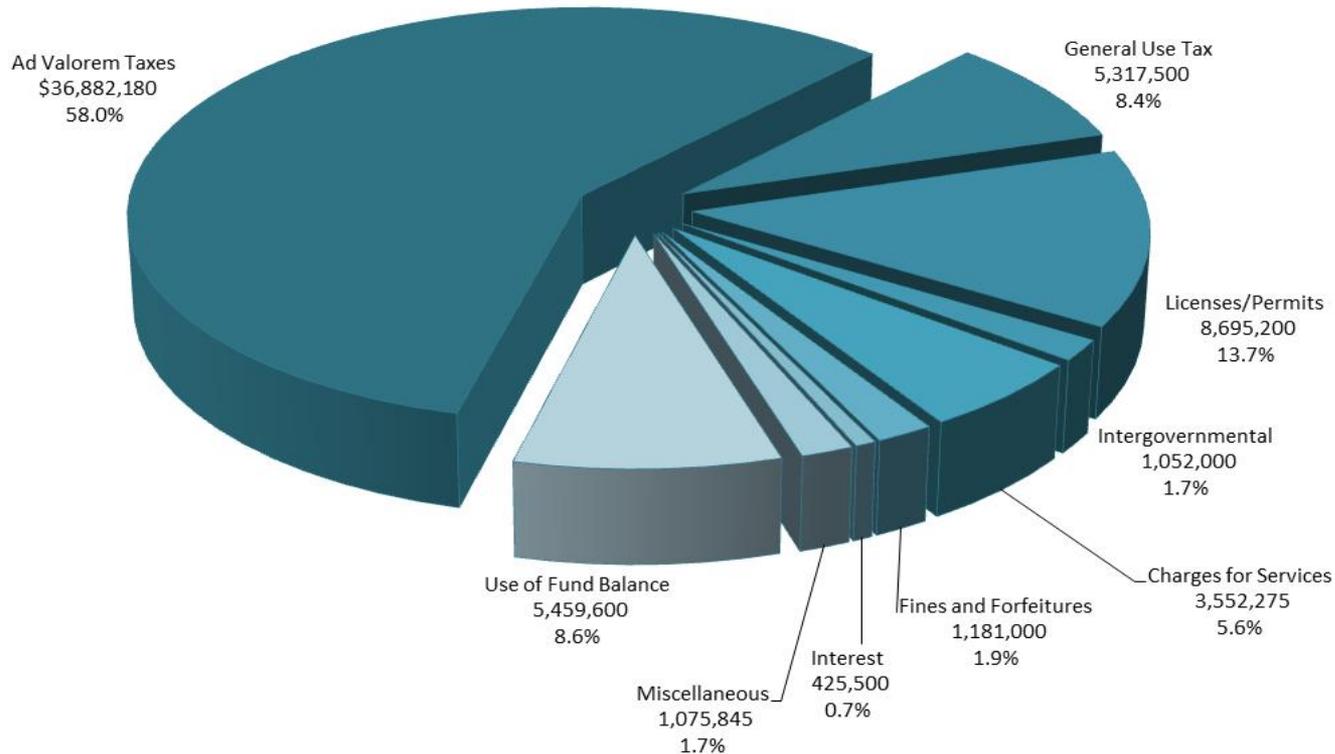
- **Other Employee Benefits**
  - ▣ Reduced by \$175,383 (2%)
  - ▣ Health Insurance Costs are Flat
    - Plan Changes
    - Wellness Program
  
- **Contractual**
  - ▣ Increased by \$159,495 (2%)
  - ▣ Digital Scanning of Records increased \$83,800
  - ▣ Landfill Maintenance Costs increased \$67,500
  - ▣ Employee Recruiting Costs increased \$14,280

# FY14 General Fund Expenditures

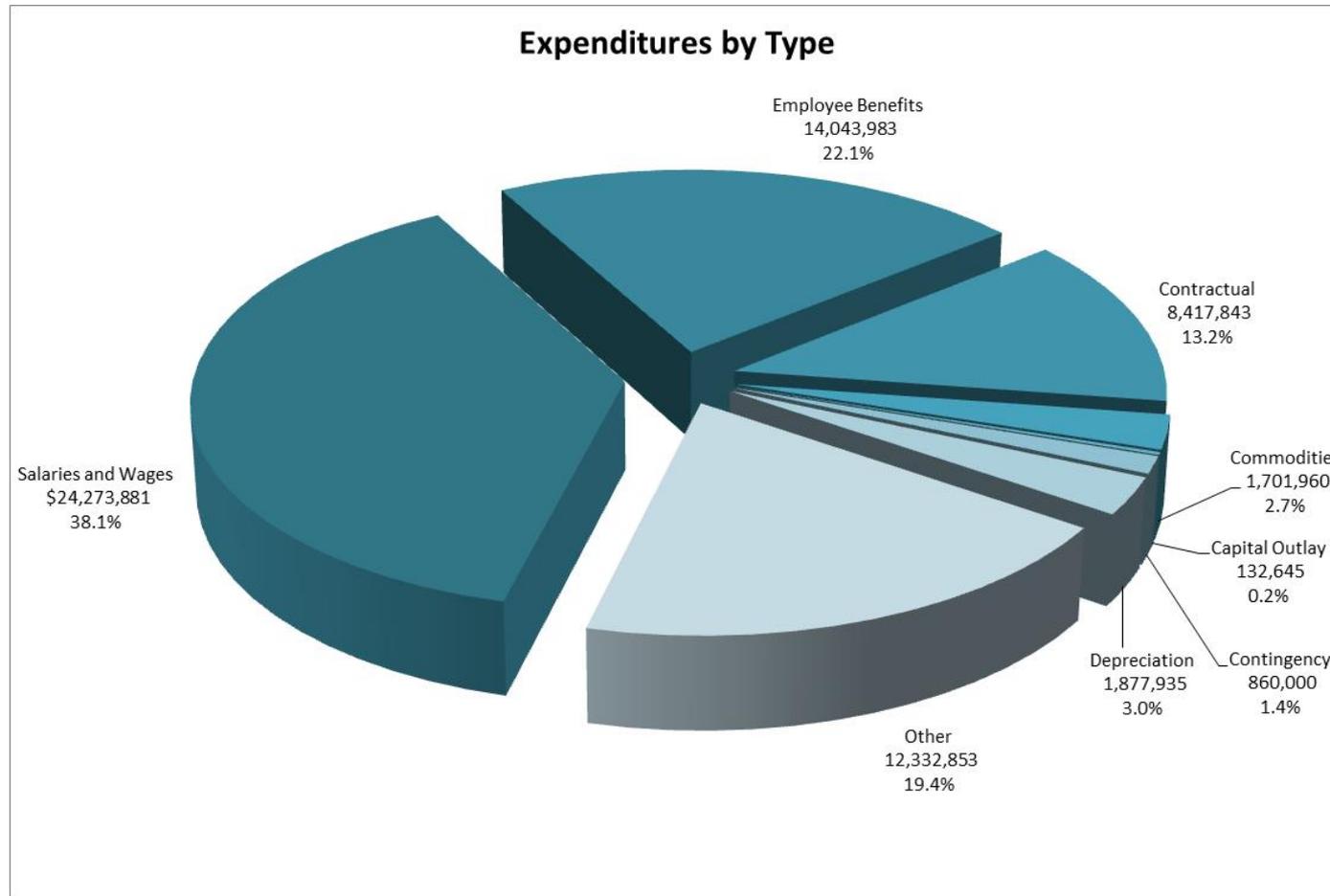
- **Commodities**
  - ▣ Increased by \$173,889 (11%)
  - ▣ Increases in minor computer equipment and software, uniforms, fuel, equipment maintenance supplies, and office equipment
  
- **Capital Outlay**
  - ▣ Reduced by \$73,434 due to reduced depreciation costs
  
- **Coastal Protection Transfer = \$5,659,194**

# General Fund Revenues = \$63,641,100

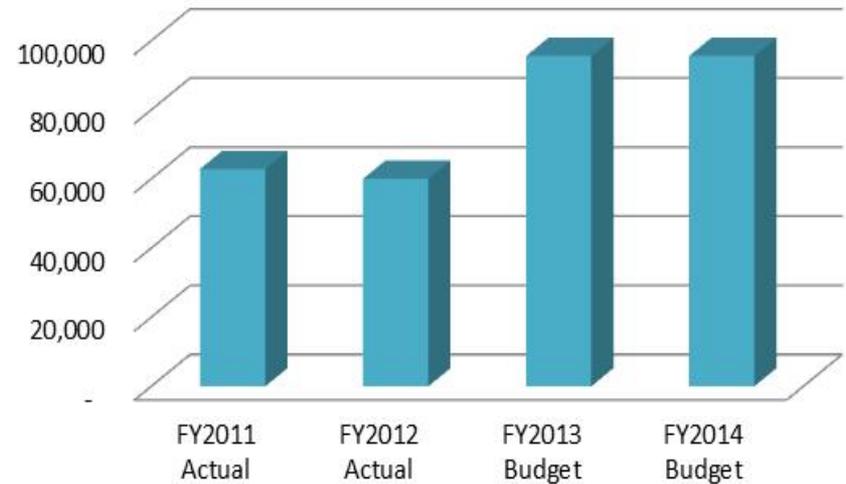
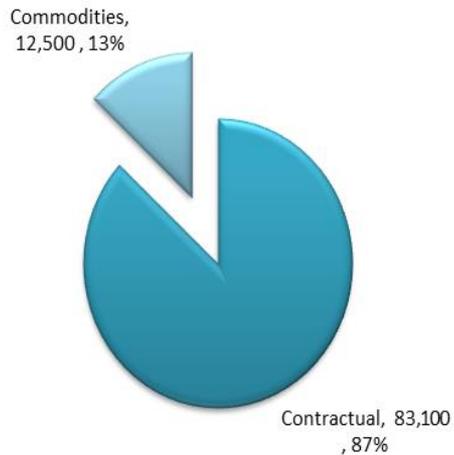
Revenues by Type



# General Fund Expenditures = \$63,641,100



# Legislative = \$95,600 .15% of Total Budget

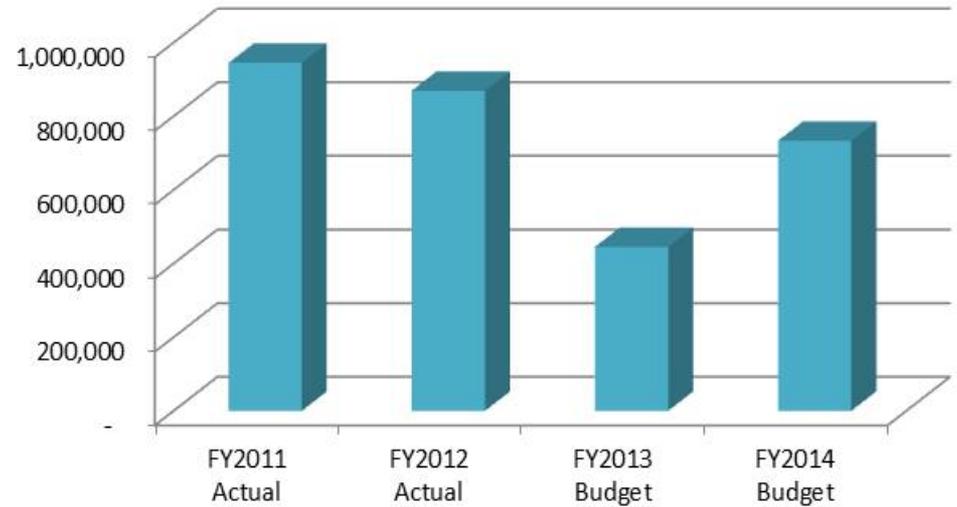
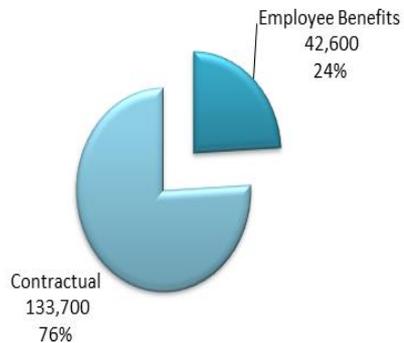


Maintained Level Funding



# General Government = \$733,300

## 1.15% of Total Budget

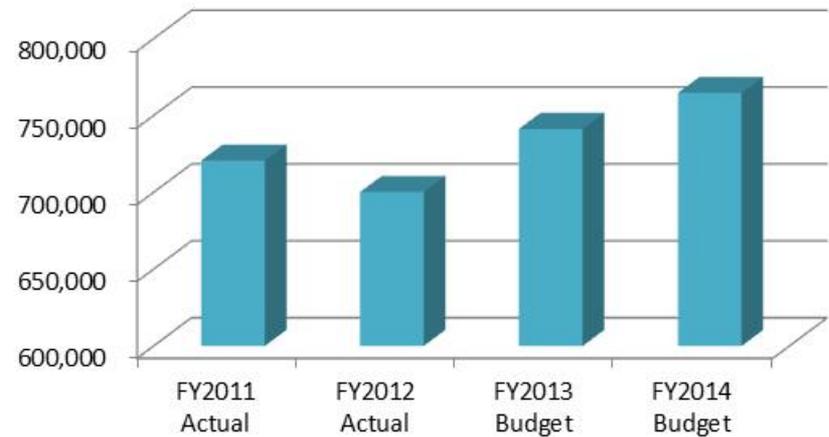
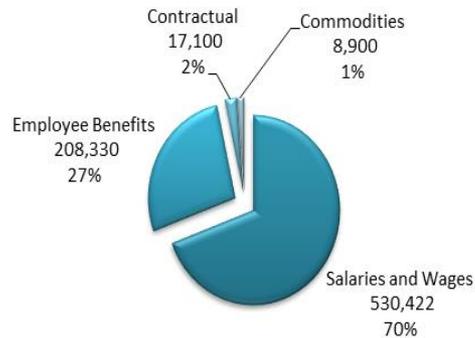


64.73% Increase from FY2013



# Town Manager's Office = \$764,752

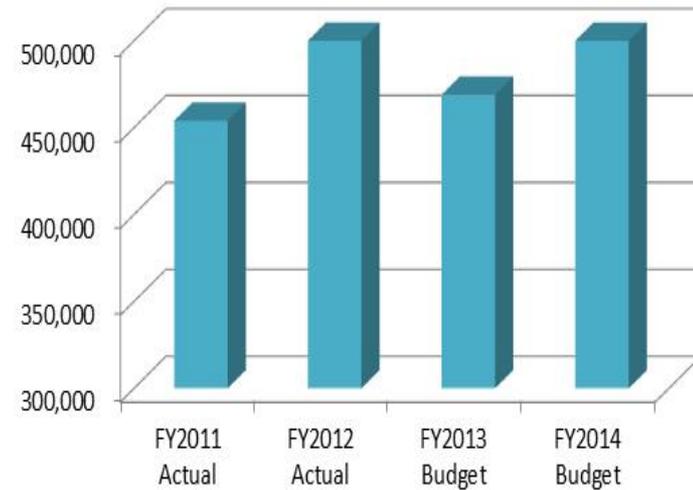
## 1.20% of Total Budget



3.15% Increase from FY2013



# Advice and Litigation = \$518,915 .82% of Total Budget

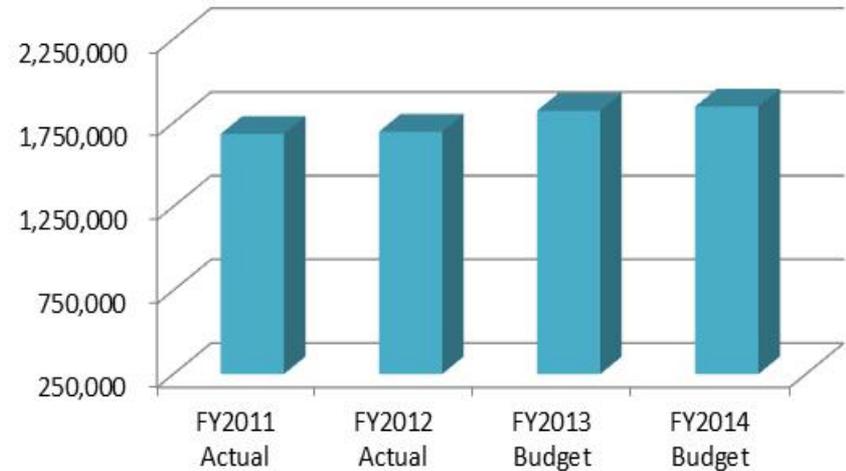
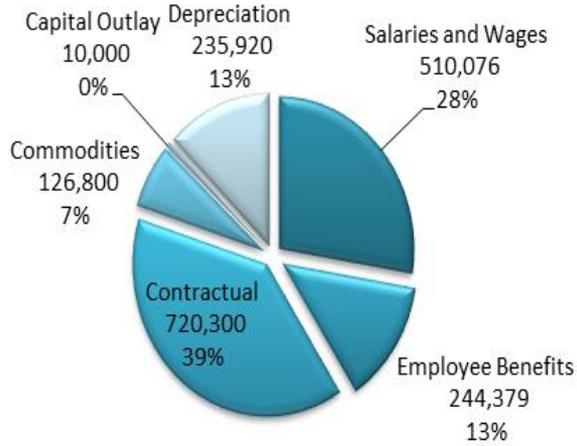


10.66% Increase over FY2013



# Information Systems = \$1,847,475

## 2.90% of Total Budget

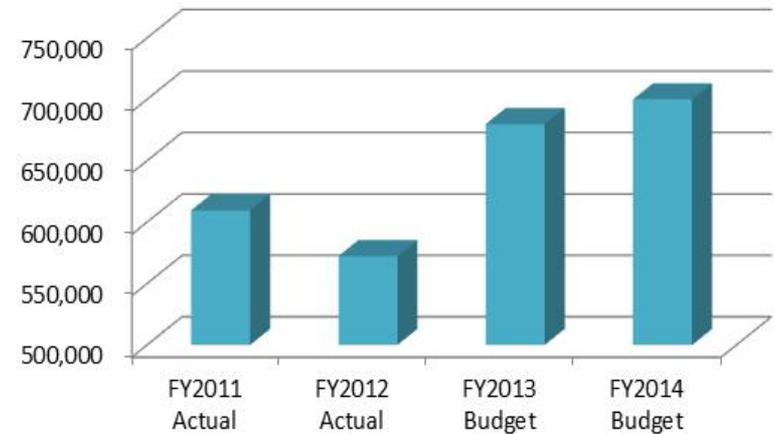
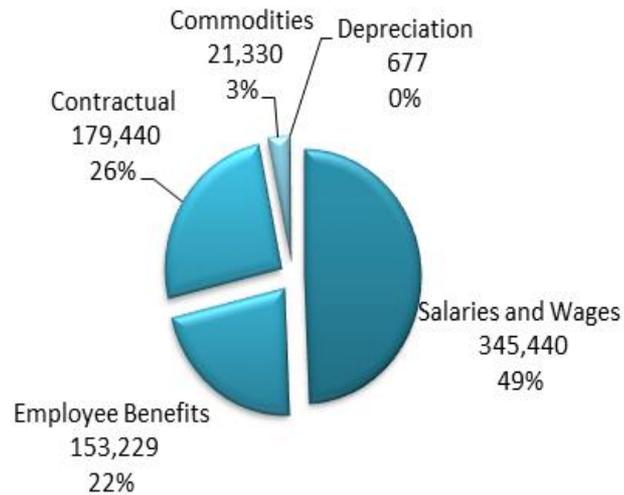


10.66% Increase from FY2013



# Human Resources = \$700,116

## 1.10% of Total Budget

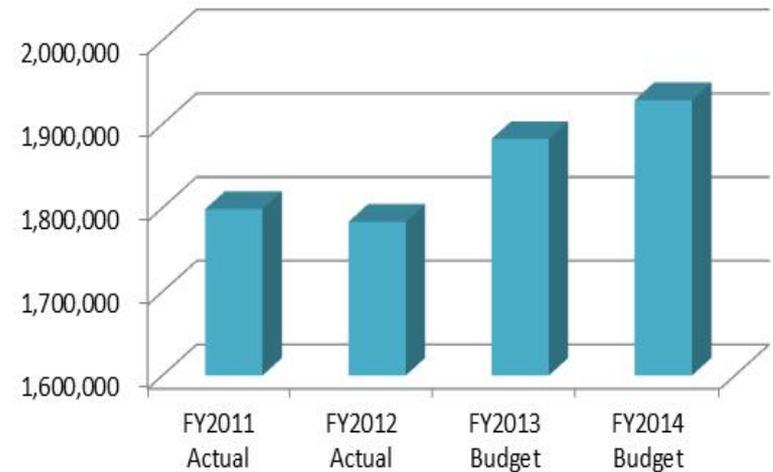
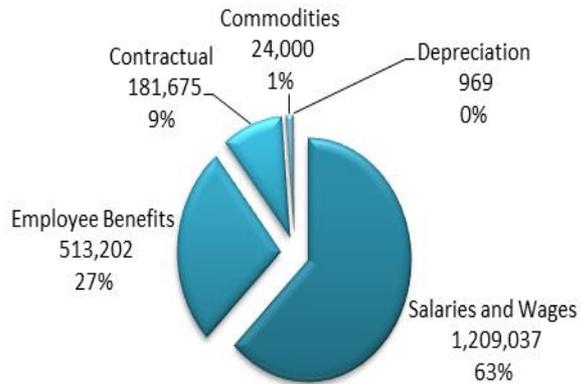


2.96% Increase over FY2013



# Finance = \$1,928,883

## 3.03% of Total Budget

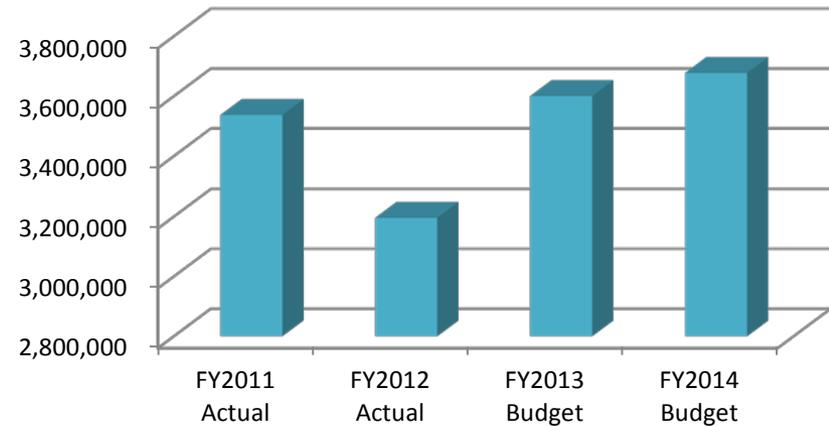
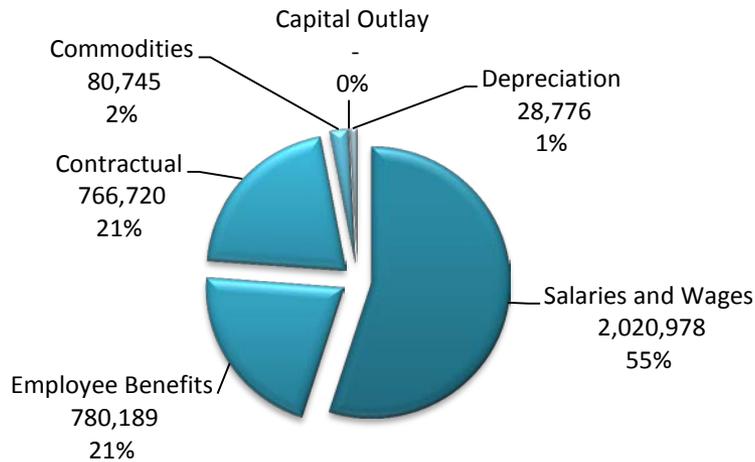


2.47% Increase from FY2013



# Planning, Zoning and Building = \$3,677,408

## 5.78% of Total Budget

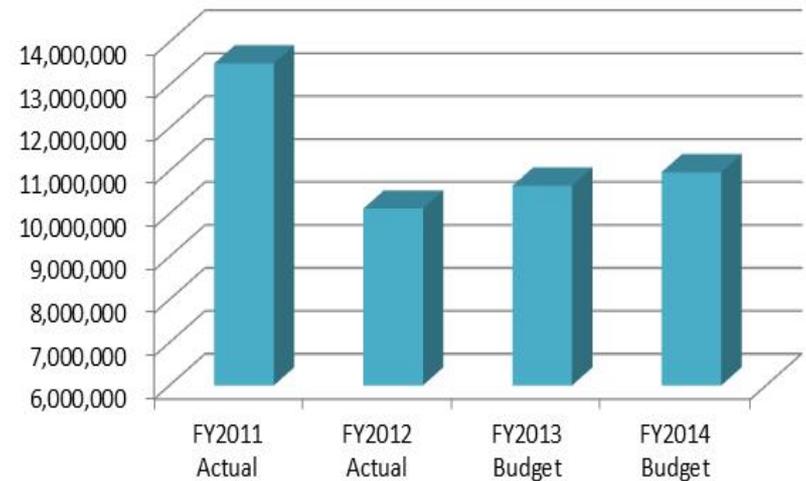
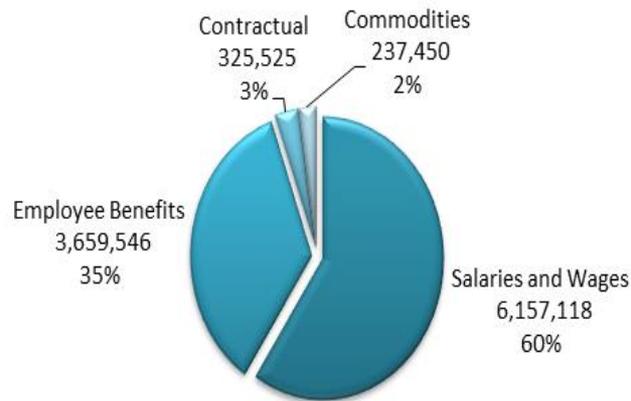


2.15% Increase from FY2013



# Fire-Rescue = \$10,966,908

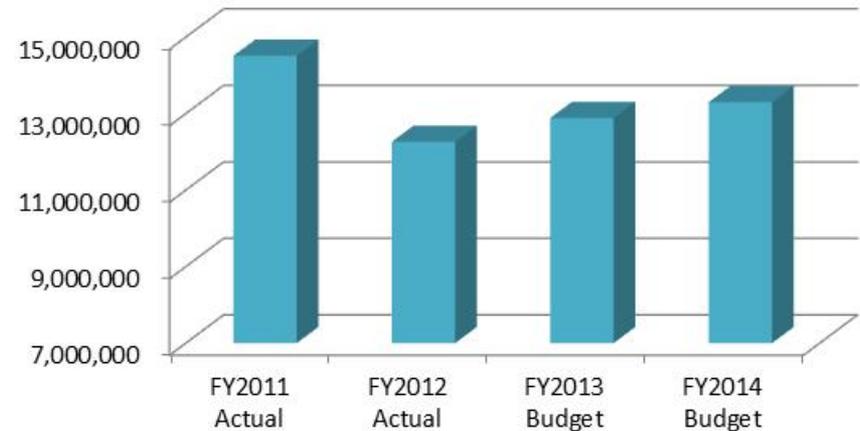
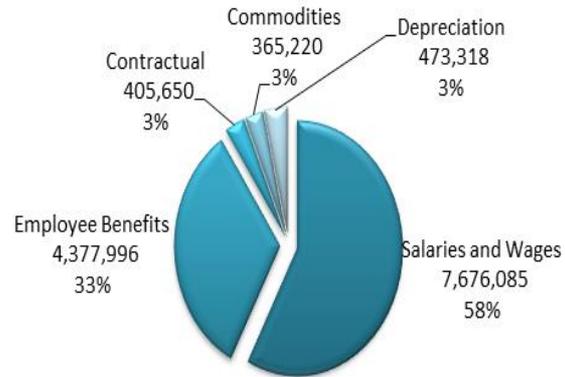
## 17.23% of Total Budget



2.95% Increase from FY2013



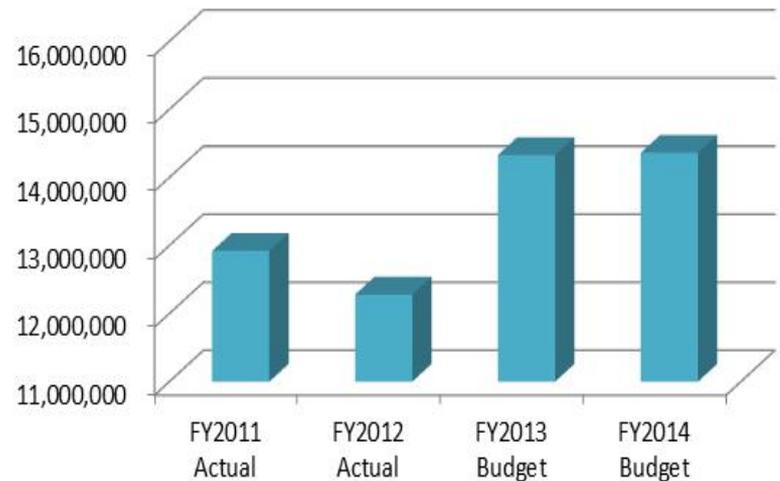
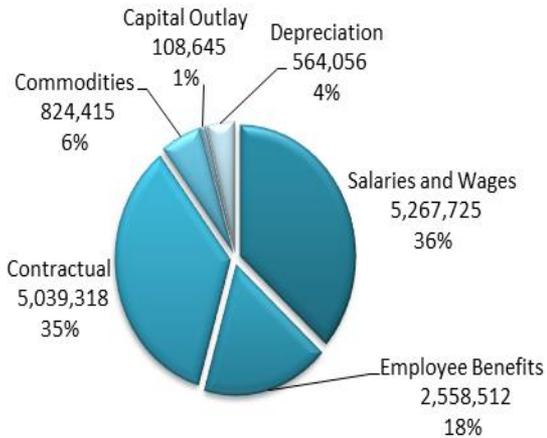
# Police = \$13,298,269 20.90% of Total Budget



3.2% Increase from FY2013



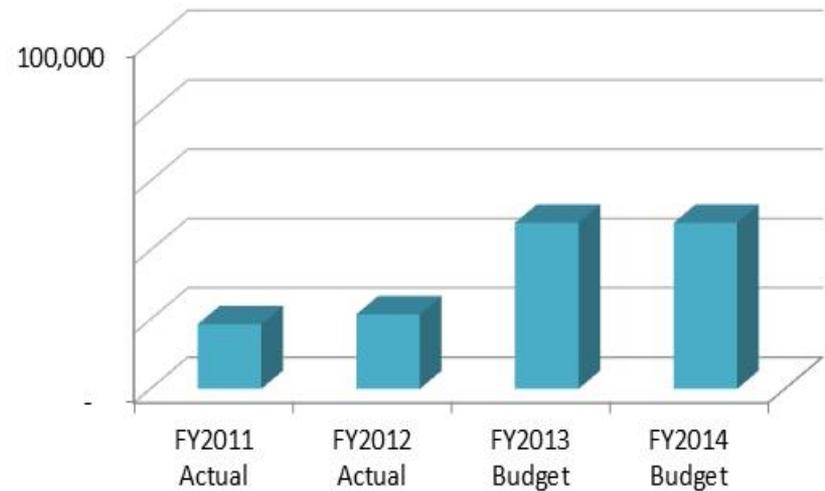
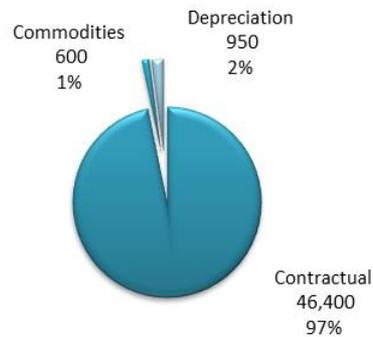
# Public Works = \$14,362,671 22.57% of Total Budget



0.22% Increase from FY2013



# Emergency Management = \$47,950 .08% of Total Budget



Maintained Level Funding

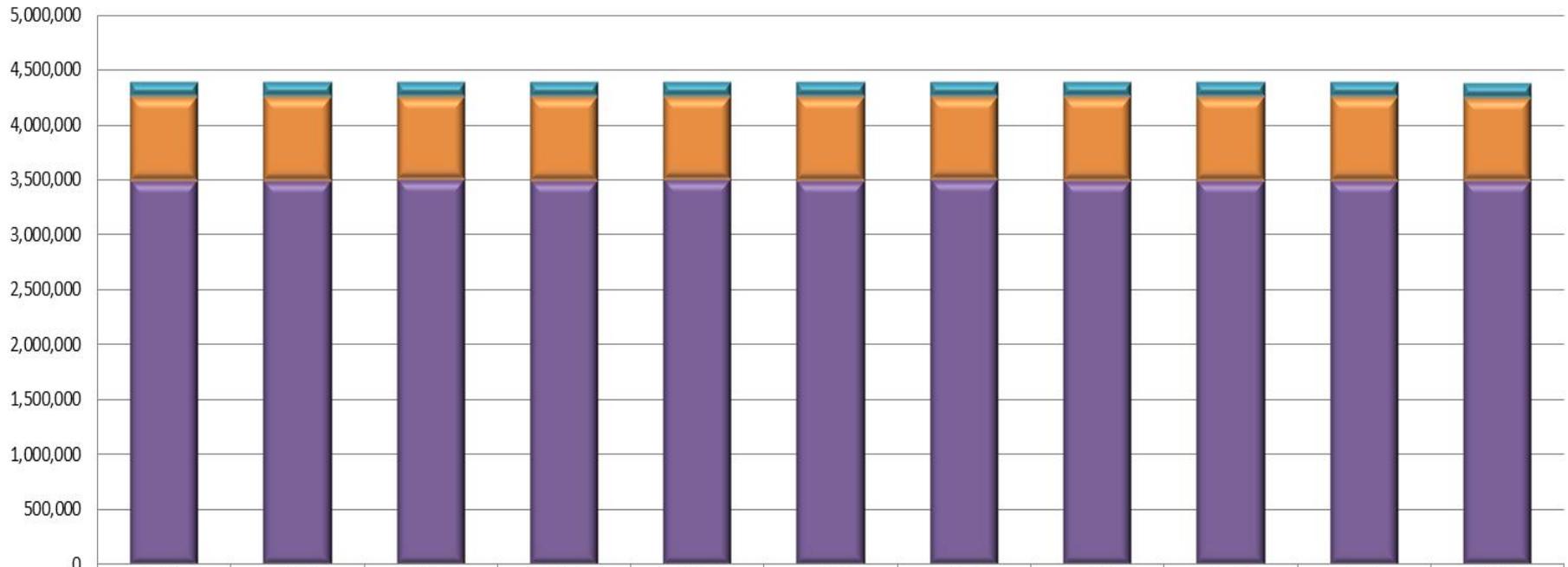


# Transfers to Other Funds



# Debt Service Fund

Total Annual Debt Service



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2010A Par 3	127,938	126,288	124,488	127,288	124,688	126,988	124,188	125,913	127,038	127,913	128,538
2010B	778,281	772,681	772,031	775,678	773,050	774,275	774,825	774,663	773,350	776,188	773,359
2010A	3,491,275	3,494,700	3,499,775	3,493,650	3,500,850	3,496,250	3,499,850	3,495,275	3,496,900	3,495,275	3,490,400

# Pay As You Go Capital Improvement Program

<b>Revenues</b>	
Transfer from General Fund	\$1,000,000
Transfer from Town Facilities Fund	225,000
WPB Reimbursement for Water Projects	800,000
Interest Earnings	25,000
<b>Total Revenues</b>	<b>\$2,050,000</b>
<b>Expenditures</b>	
Storm Drainage Improvements	\$100,000
Sanitary Sewer Improvements	150,000
Roadway Milling, Resurfacing and Rebuilding	500,000
Bulkheads & Seawalls	50,000
WPB Water Main Improvements	800,000
Class III Landfill Improvements	100,000
Facility Improvements	350,000
<b>Total Expenditures</b>	<b>\$2,050,000</b>



# Accelerated Capital Improvement Program

- Final Phase 1 Projects to be Completed During FY14
- No New Funding Proposed for FY14
- Budget Does Not Include Phase 2 Projects to be Funded by a Future Bond Issue



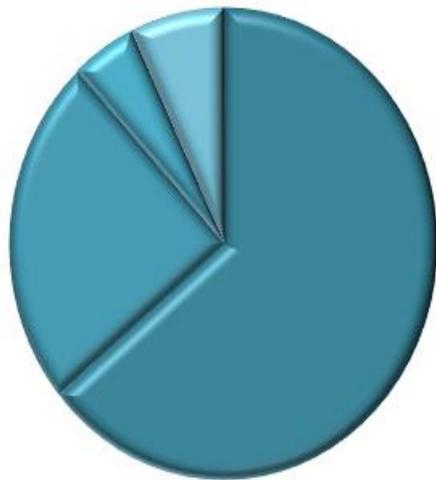
# Coastal Protection Program

Project	FY14 Budget
Island wide Expenditures	485,000
R1 – Sea Turtle Monitoring	33,000
R1 - Beach Tilling, Escarpment Removal	20,000
R2 – North Ocean Blvd Seawall Replacement	5,600,000
R3-4 – Beach Nourishment	11,600,000
R3-4 – Beach Nourishment Construction Mitigation	150,000
R3-4 – Sea Turtle Monitoring	32,000
R3-4 – Biological Monitoring	220,000
R3-4 – Beach Tilling, Escarpment Removal, and Engineering	31,000
R7 – Renourish Phipps Project and Engineering	1,811,000
R7 – Beach Tilling, Escarpment Removal	20,000
R7 – Sea Turtle Monitoring	32,000
R7 – Biological Monitoring	100,000
R8 – Regional EIS	1,000,000
R8 – Construct Phase 1 concurrently with Phipps	950,000
R8 – Sea Turtle Monitoring	32,000
R8- Beach Tilling, Escarpment Removal	20,000
<b>Total Coastal Protection Fund</b>	<b>22,136,000</b>

# Recreation Enterprise Fund

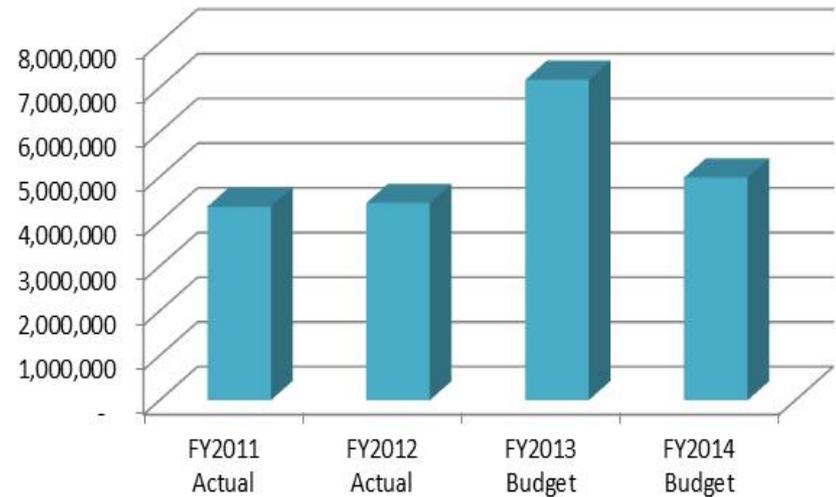
## Revenues = \$4,984,400

Revenues



- Marina
- Par 3
- Tennis
- Recreation Center
- Investment Earnings
- Miscellaneous Revenue

Revenues

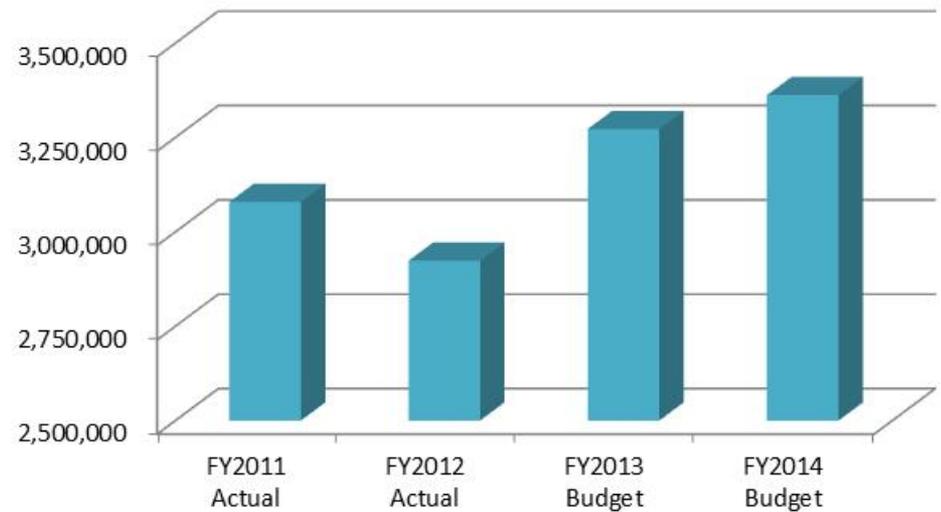
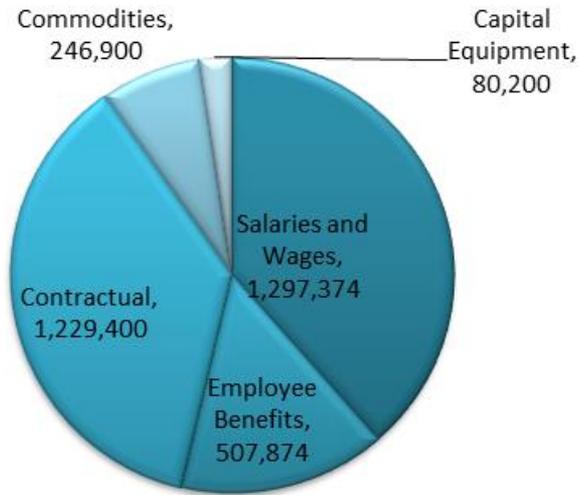


30.5% Decrease from FY13

## Resolution No. 104-2013

### ■ FY14 REF Fee Schedule

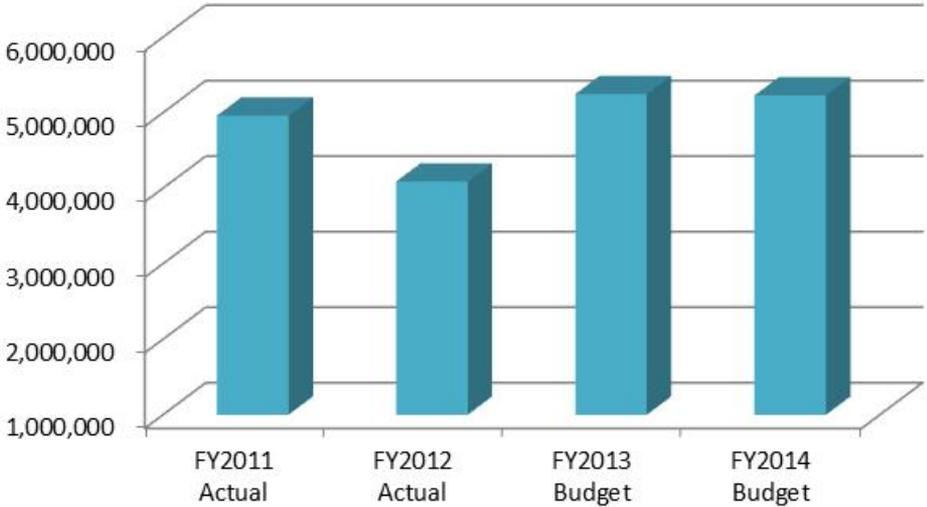
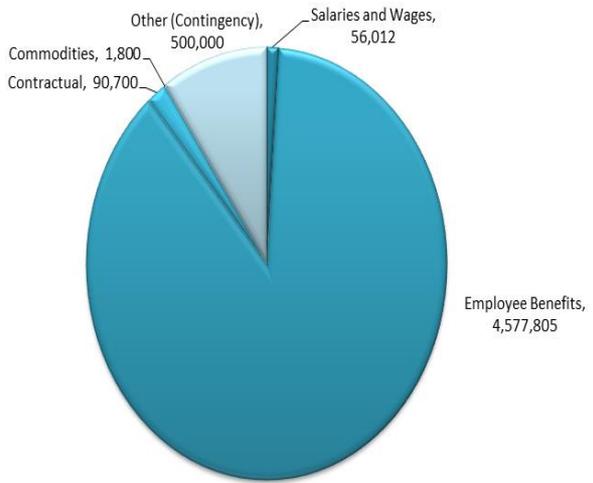
# Recreation Enterprise Fund Expenditures = \$3,361,748



2.74% Increase from FY13



# Health Fund = \$5,226,317



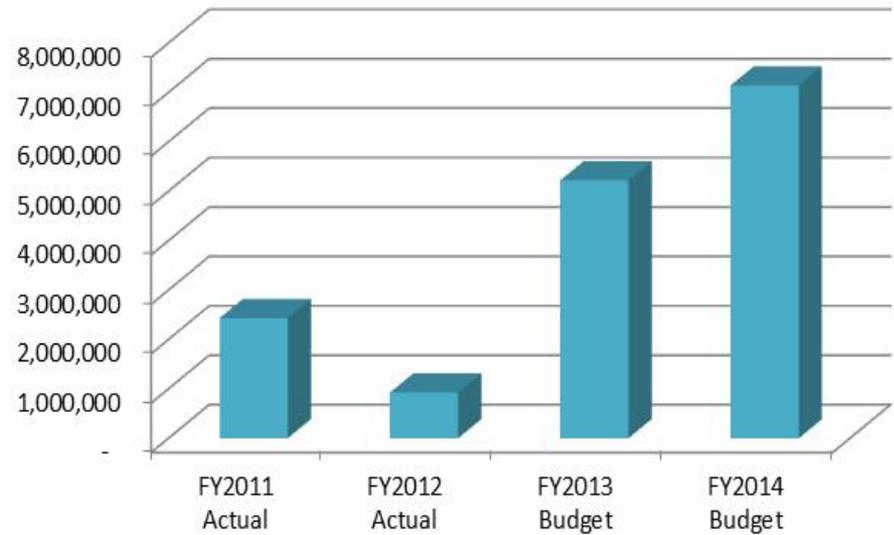
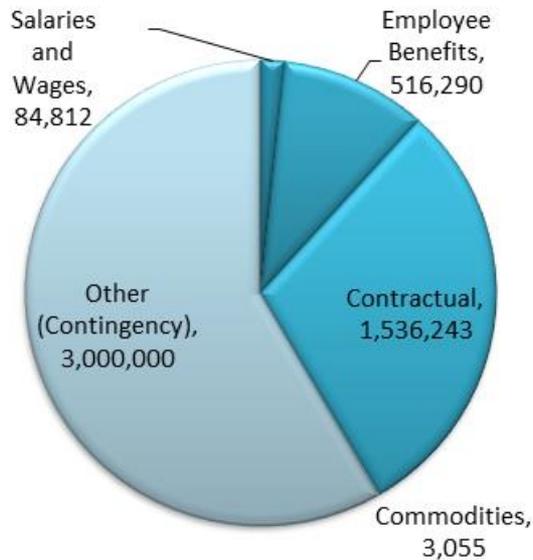
0.33% Decrease from FY13



# Health Insurance Update

- 2014 Plan Design
- Wellness Strategy
- Patient Protection and Affordable Care Act
- Domestic Partner Benefits
- Dental Insurance

# Risk Fund = \$7,142,000



36.83% Increase from FY13

- Includes \$2,000,000 Transfer to Coastal Protection



# Equipment Replacement Fund

- Depreciation Transfer = \$1,879,535
  - Decrease of \$91,434 from FY13
  
- Equipment Purchases = \$2,977,895
  - Quint Fire Apparatus
  - Sewer Jet Vacuum Truck
  - Yard Trash Crane
  - 3 Police Pursuit Vehicles
  - Bucket Truck
  - Numerous Smaller Pieces of Equipment



# Employer Funding for Pension Funds

## Defined Benefit Plan

	FY2013	FY2014	\$ Change	% Change
Gen. Employees	\$1,223,869	\$1,850,688	\$626,819	51.2%
Lifeguards	125,294	143,700	18,406	14.7%
Police	1,257,107	1,881,949	624,842	49.7%
Fire-Rescue	1,370,637	2,040,491	669,854	48.9%
<b>Sub-Total</b>	<b>\$3,976,907</b>	<b>\$5,138,653</b>	<b>\$1,939,921</b>	<b>48.8%</b>
Prepaid Contribution	0	(930,690)	(930,690)	100.0%
Proposed Contribution Change	0	152,515	152,515	100.0%
<b>Amount Included in Budget</b>	<b>\$3,976,907</b>	<b>\$5,138,653</b>	<b>\$1,161,746</b>	<b>29.2%</b>

## Defined Contribution Plan

	FY2012	FY2013	FY2014
General	\$123,785	\$371,693	\$374,514
Lifeguards	2,014	5,428	5,590
Police	43,163	158,090	155,012
Fire-Rescue	47,748	172,855	158,081
<b>Total</b>	<b>\$216,710</b>	<b>\$708,066</b>	<b>\$693,197</b>

# OPEB Trust Fund

- ▣ Current Balance = \$20,942,252
  
- ▣ Annual Town Funding
  - FY08 = \$1,466,000
  - FY09 = \$1,649,000
  - FY10 = \$1,550,000
  - FY11 = \$1,533,000
  - FY12 = \$1,493,000
  - FY13 = \$1,769,000
  - FY14 = \$1,506,000



# Resolutions

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- **Resolution No. 117-2013**  
Commercial Solid Waste Fee Assessments
- **Resolution No. 114-2013**  
Worth Avenue Commercial District Assessments
- **Resolution No. 116-2013**  
Everglades Island Underground Assessment Area
- **Resolution No. 118-2013**  
Proposed Millage Rate

# Upcoming Schedule

- **August 13 Regular Town Council Meeting**
  - ▣ F&T Committee Recommendations re: Coastal and ACIP
  - ▣ Any Unresolved FY14 Budget Matters
  
- **September 10 at 5:01pm**
  - ▣ First Public Hearing  
to Adopt FY14 Millage Rate and Budget
  
- **September 18 at 5:01pm**
  - ▣ Second and Final Public Hearing  
to Adopt FY14 Millage Rate and Budget

