



PALM BEACH
Gardens

City of Palm Beach
Gardens FY 2019/20
Proposed Operating & Capital
Improvement Budget-
First Public Hearing

Ordinance 20, 2019
September 5, 2019

Budget Schedule



Maximum
operating
millage set
on
7/11/2019
at 5.55



Proposed
Line-item
Budget
issued on
7/18/2019



Budget
Oversight
report
issued on
8/30/2019



First Public
Hearing on
9/5/2019



Final
Hearing
and
Budget
Adoption
on
9/19/2019

Key Initiatives FY 2020

2017 Resident Survey:

In 2017, the City Council conducted a resident survey to help determine key strategic focus areas for its budgets. While the results of the survey were extremely positive, as evidenced by the overall satisfaction rating of the quality of City services of *4.30 out of 5.0 (up from 4.28 in 2015)*, there are several areas staff has identified that are addressed in next year's budget. A summary of these issues, grouped by the corresponding goal, along with the actions proposed in the FY 2019 Budget, is as follows:

Key Initiatives FY 2020



Responsive and Fiscally Sound Government:

- *Nearly three out of ten of residents (29%, +14% points from 2015) cited traffic concerns as their number one concern about Palm Beach Gardens as a place to live. Additionally, after traffic and growth, crime was the next most mentioned concern (15%, +1% from 2015).*
- **Action Items:**
 - **Funding for a new collective bargaining agreement has been provided that will maintain department salaries and benefits at a level that will place officers' pay scales in the top three of comparative departments in Palm Beach County**

Key Initiatives FY 2020



Responsive and Fiscally Sound Government:

- *Residents are divided on willingness to pay user-based fees for services in lieu of ad-valorem taxes. A plurality of residents prefer paying for services from ad-valorem taxes (44%, +2% points from 2015) rather than user-based fees.*
- Action Items:
 - The budget continues to not levy the following user fees:
 - Utility tax on electric, water, propane and natural gas.
 - Collection fees for residential curbside solid waste and recycling services.
 - Storm water assessments.
 - Fire assessments.
 - No increase in the Communications Service Tax rate of 3.25%, which is less than the maximum of 5.22%, and which has not changed since 2011.

Key Initiatives FY 2020

Parks and Recreation:

- *Over nine out of ten residents (91%, -4% points from 2015) agree that parks and recreation services the City provides are vital to the community.*
- Action Items:
 - Funding for operational costs of the new Gardens North County District Park athletic fields and facilities recently constructed on the County-owned property has been provided in the General Fund. These facilities were funded using the proceeds from the recently enacted one-cent infrastructure sales surtax.
 - Funding for the maintenance, repair and operations plan for existing parks and recreation facilities and fields has been provided.
 - Funding for various capital improvements, including: Burns Road Recreation Center main pool demo and replacement (\$3,000,000) and renovation expansion plans (\$1,218,500) .



Key Initiatives FY 2020

Environmental Stewardship:

- *The most popular environmental direction among residents is for the City to support more green space (70%, -9% from 2015).*
- Action Items:
 - Staff will continue to explore opportunities for preserving open green space and will continue growth and development practices that encourage preservation of green space. Examples of the City's successes in this area include the recent agreement with the County to develop the 82-acre Gardens North County District Park, and the approval of the Avenir development, which set aside approximately 50% (over 2,400 acres) of the total development as a conservation site.



Key Initiatives FY 2020



Responsive and Fiscally Sound Government:

- Mail (44%, -11 points from 2015) is still the preferred method of receiving communication from the City, followed by emails or e-newsletters at 33%. Two in three residents (66%) rate the effectiveness of the Signature City Magazine in communicating important information about the City as a four or five on a five-point scale.
- Action Item:
 - Funding has been provided to continue the quarterly *Signature City* publication.

Key Initiatives FY 2020

Economic Vitality:

- *More residents (72%, +7% from 2015) support more bio-science project development to support jobs in the City.*
- Action Items:
 - The budget sets aside \$2.3 million to be used for economic development incentives to attract bio science and technology companies to the City, such as the Carrier Corporation Center for Intelligent Design.



FY 2020 Property Valuation



FY 2020
Valuation \$12.6
billion



New construction
\$666 million



4.19% increase in
existing property

FY 2020 Property Valuation



FY 2020
Valuation \$12.6
billion



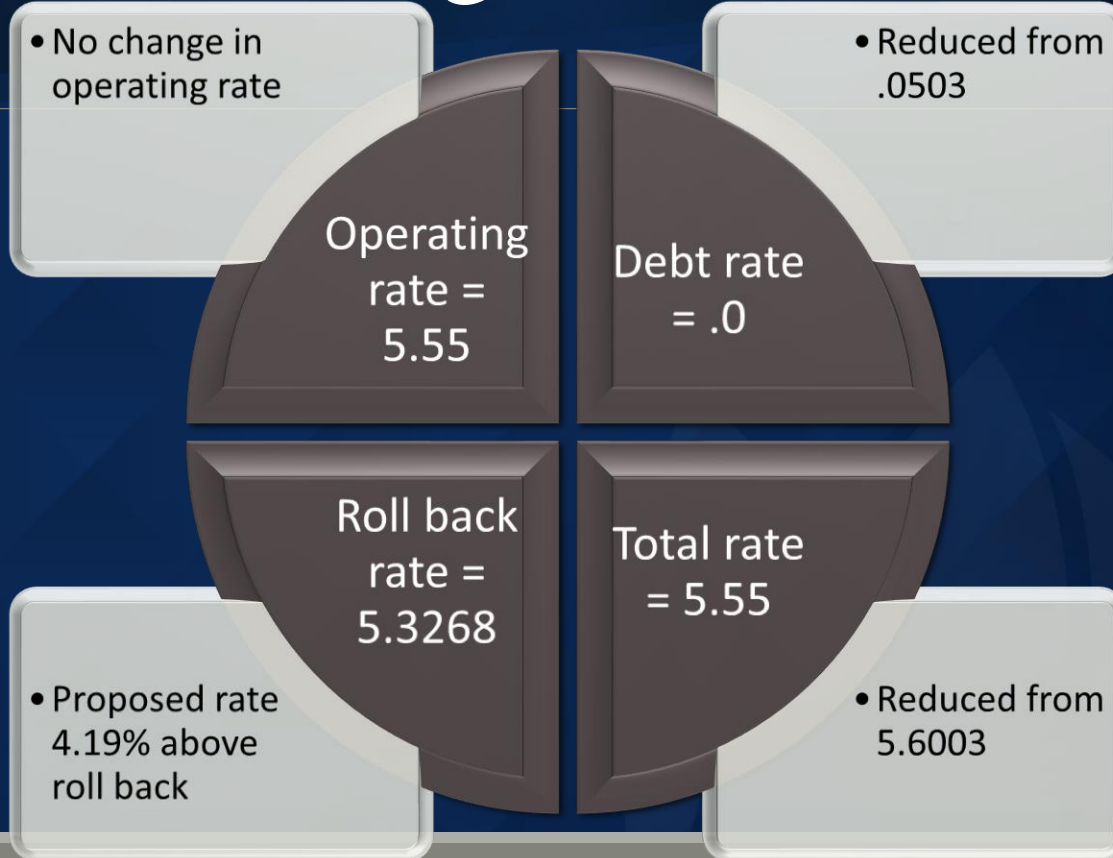
New construction
\$666 million



4.19% increase in
existing property

Overall, total
taxable value
up 9.9% from
FY 2019 total
of \$11.5 billion

Proposed Millage Rate



Effect of Proposed Rate on Typical Homesteaded Properties

Taxable Value (After \$50K Exemption) (1)	Current 5.6003	Proposed 5.55	Annual Increase	Monthly Increase
\$200,000	\$1,120	\$1,136	\$16	\$1.36
\$300,000	\$1,680	\$1,700	\$22	\$1.82
\$400,000	\$2,240	\$2,272	\$27	\$2.28



Annual increases average less than 1.45%, while CPI was 1.9%

(1) Increase of 3% (lesser of CPI for previous year or 3%)

Effect of Proposed Rate on Typical Non-Homesteaded Properties

Taxable Value (Without Exemption) (1)	Current 5.6003	Proposed 5.55	Annual Increase	Monthly Increase
\$200,000				
\$300,000				
\$400,000				

(1) Increased by average City-wide increase 4.19%

Effect of Proposed Rate on Typical Non-Homesteaded Properties

Taxable Value (Without Exemption) (1)	Current 5.6003	Proposed 5.55	Annual Increase	Monthly Increase
\$200,000	\$1,120	\$1,167	\$47	\$3.91
\$300,000	\$1,680	\$1,750	\$70	\$5.83
\$400,000	\$2,240	\$2,334	\$94	\$7.83

(1) Increased by average City-wide increase 4.19%

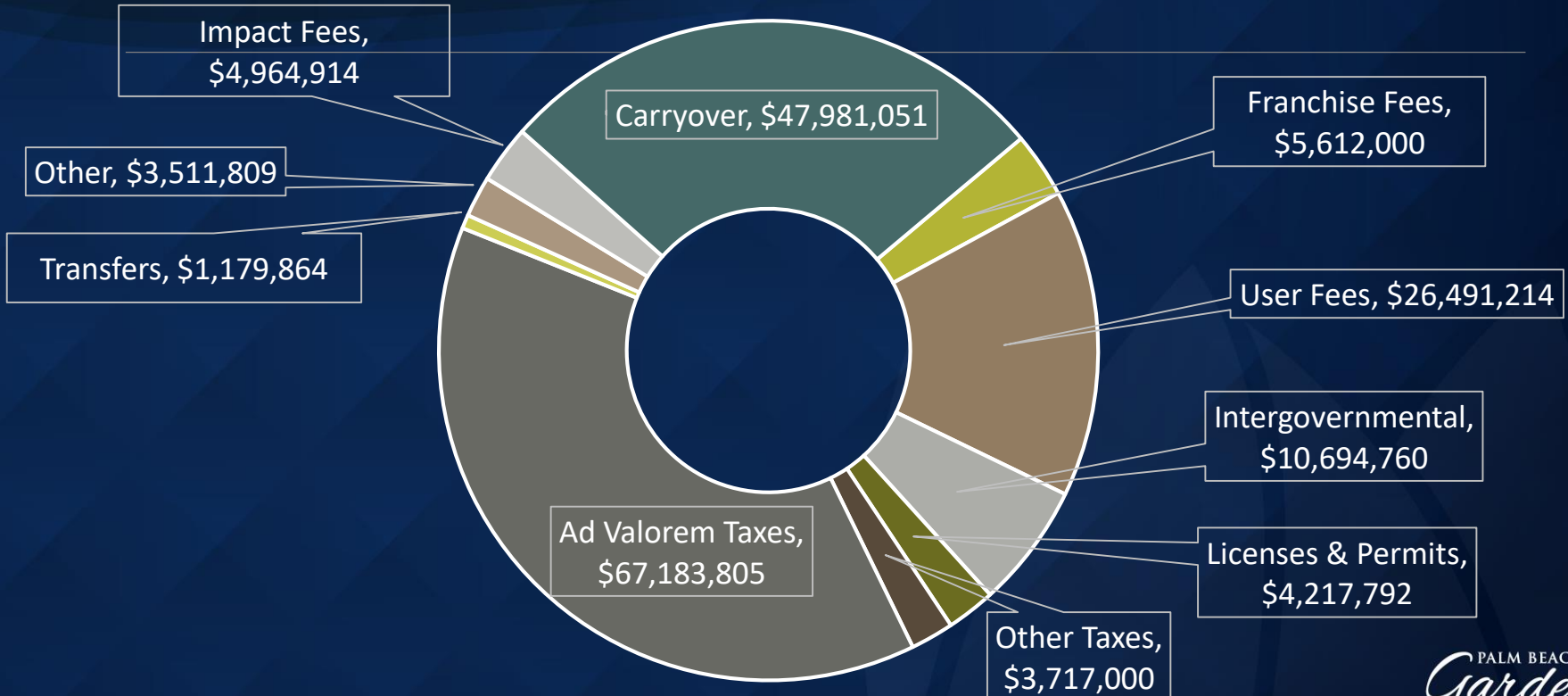
How Much of My Tax Bill Goes to the City?

About 28 cents of every \$1 in total property taxes paid goes to the City (based on prior year data)

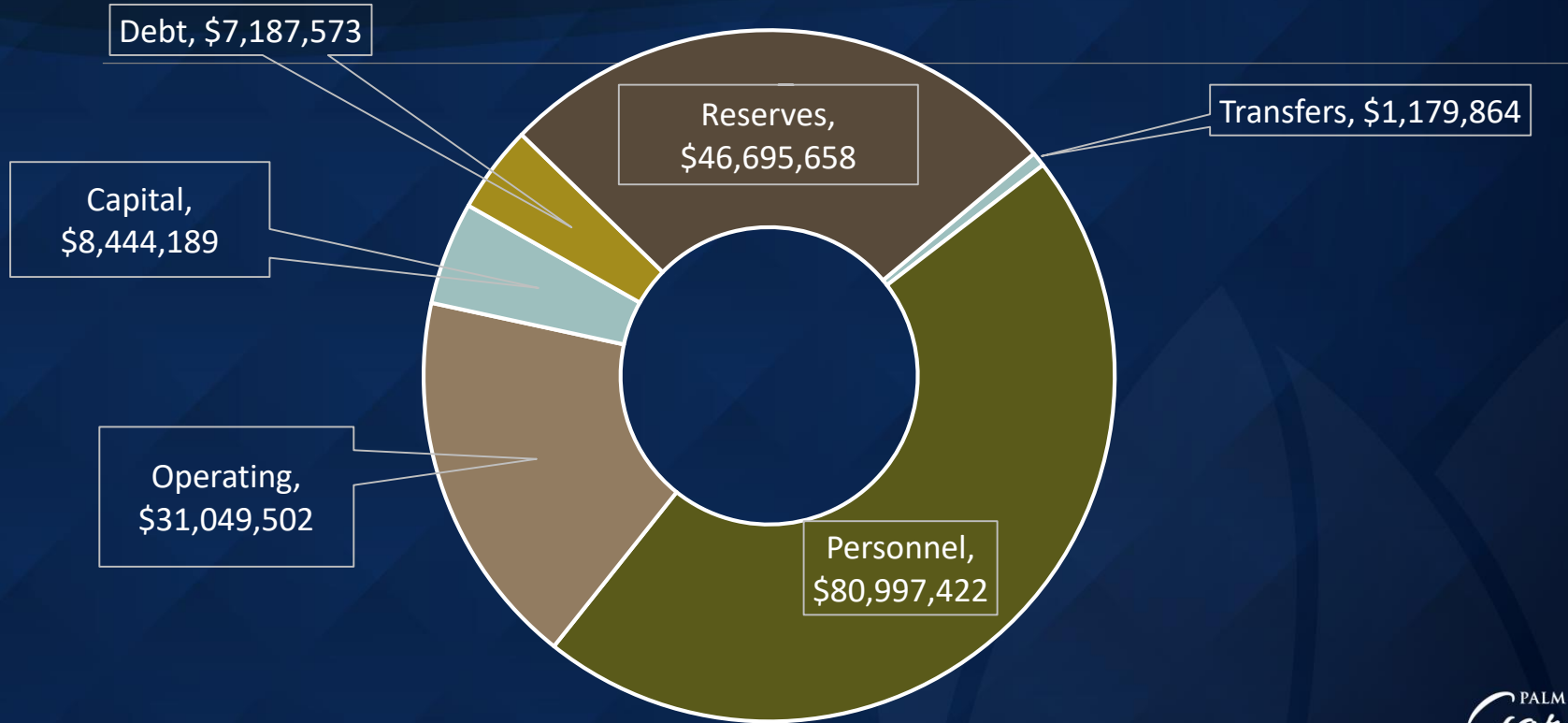


Other taxing authorities collect about 72 cents (PB County, School Board, Health Care District, other special taxing districts)

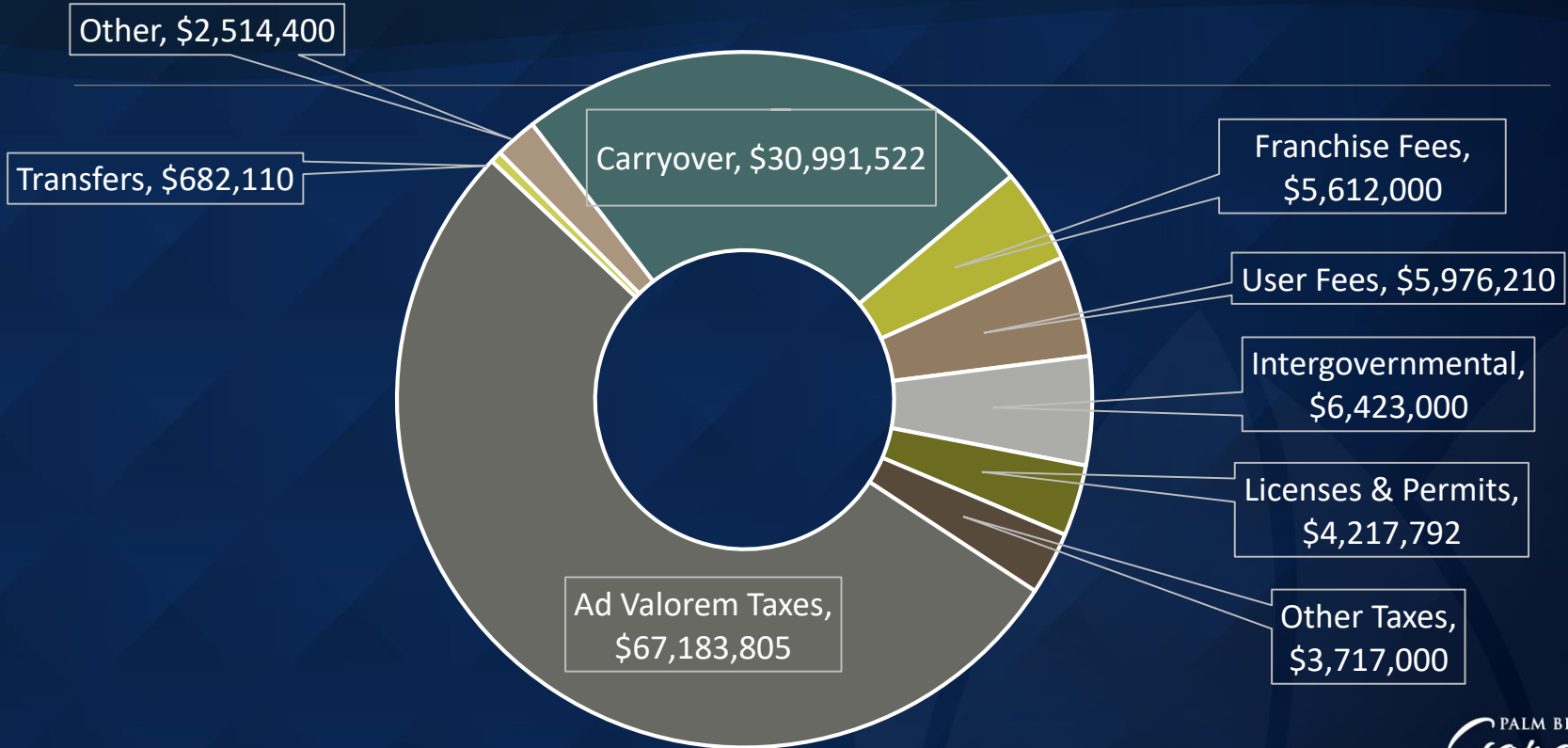
Total Revenues/Sources All Funds \$175,554,209



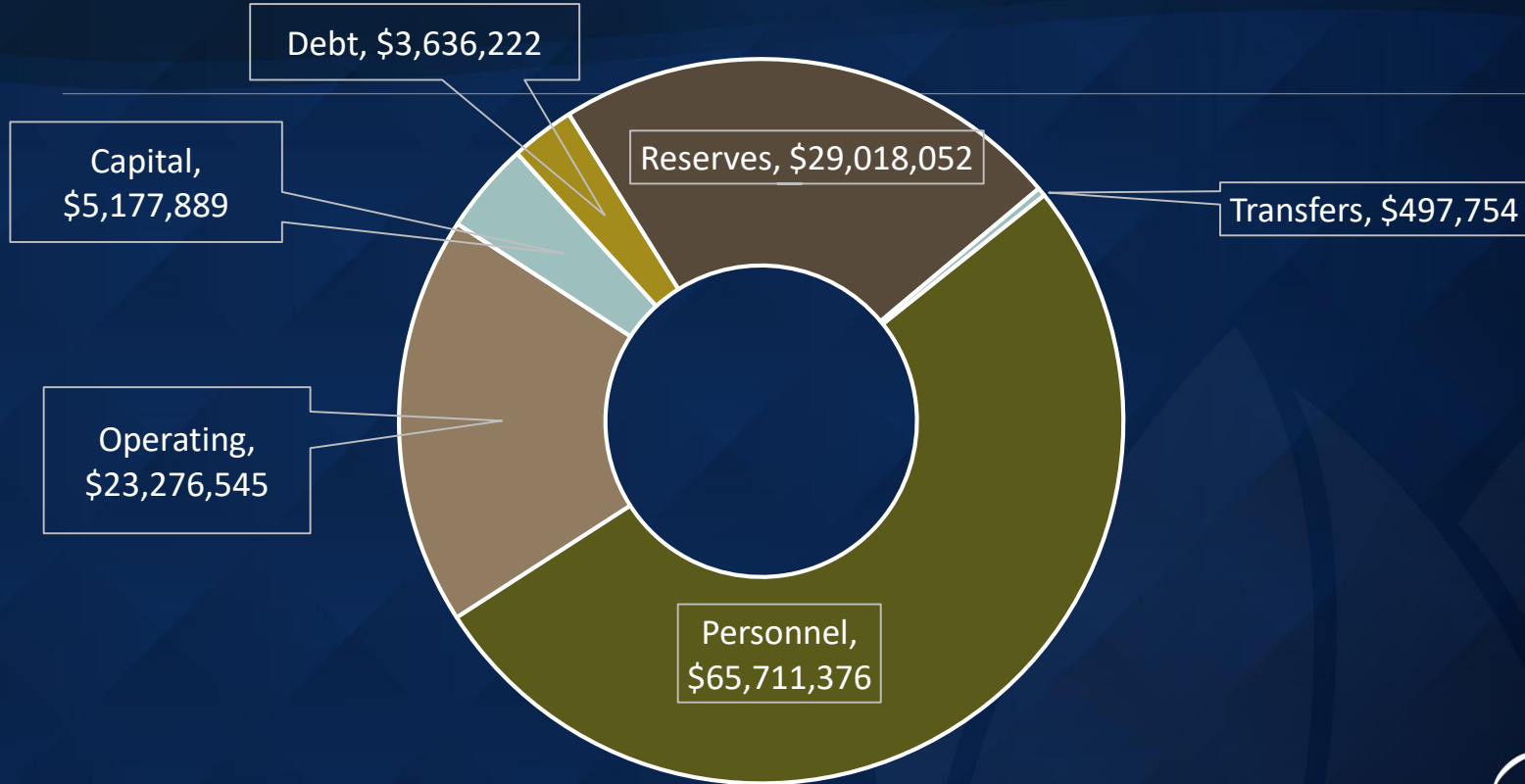
Total Expenditures/Uses All Funds \$175,554,208



Total Revenues/Sources General Fund \$127,317,839



Total Expenditures/Uses General Fund \$127,317,838



Additional
Expenditures

Additional Ad
Valorem
Revenue

Where is
The
Additional
Tax
Revenue
Going
Next
Year?



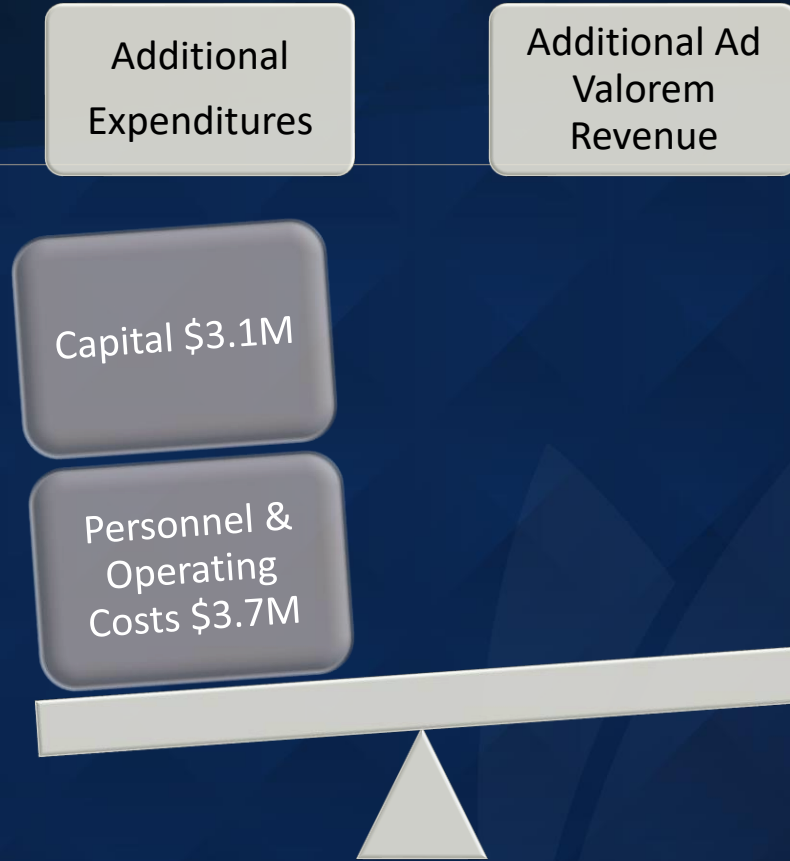
Where is The Additional Tax Revenue Going Next Year?

Additional
Expenditures

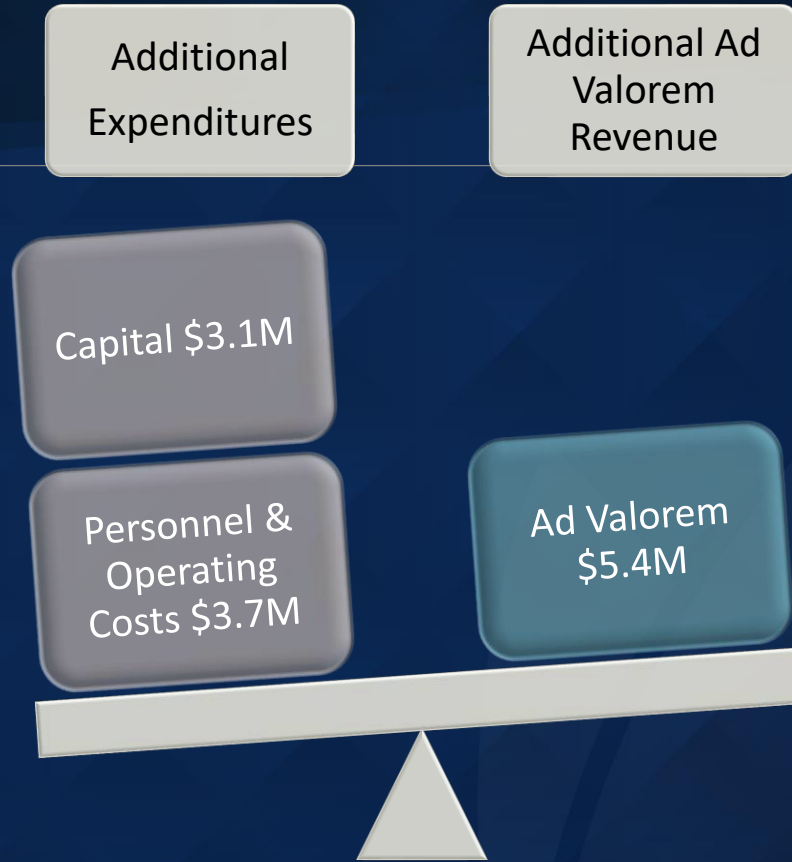
Additional Ad
Valorem
Revenue

Personnel &
Operating
Costs \$3.7M

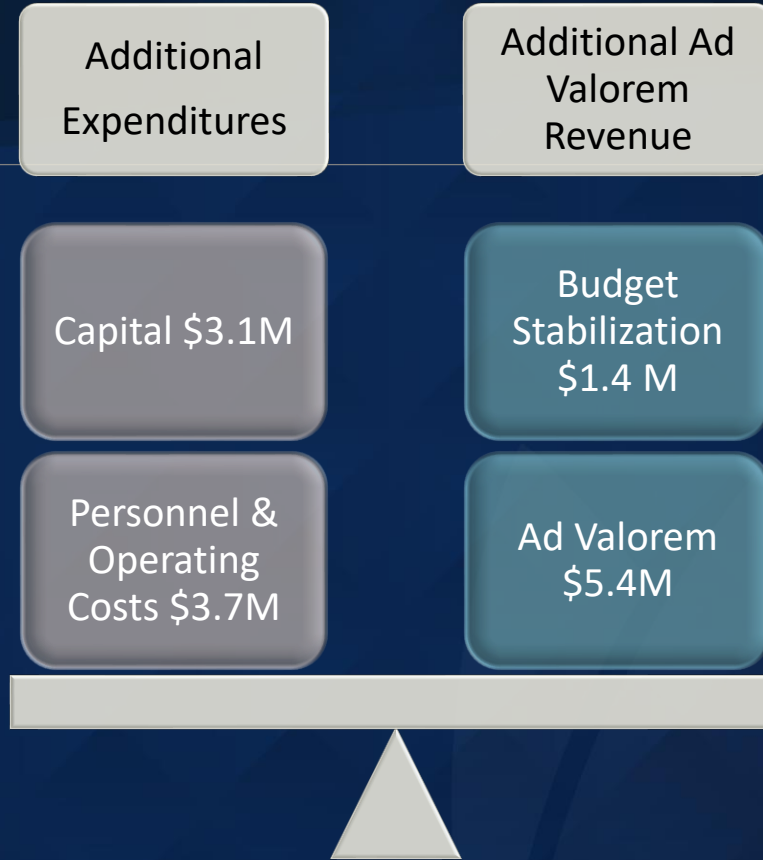
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Budget Cost Drivers



Budget Cost Drivers

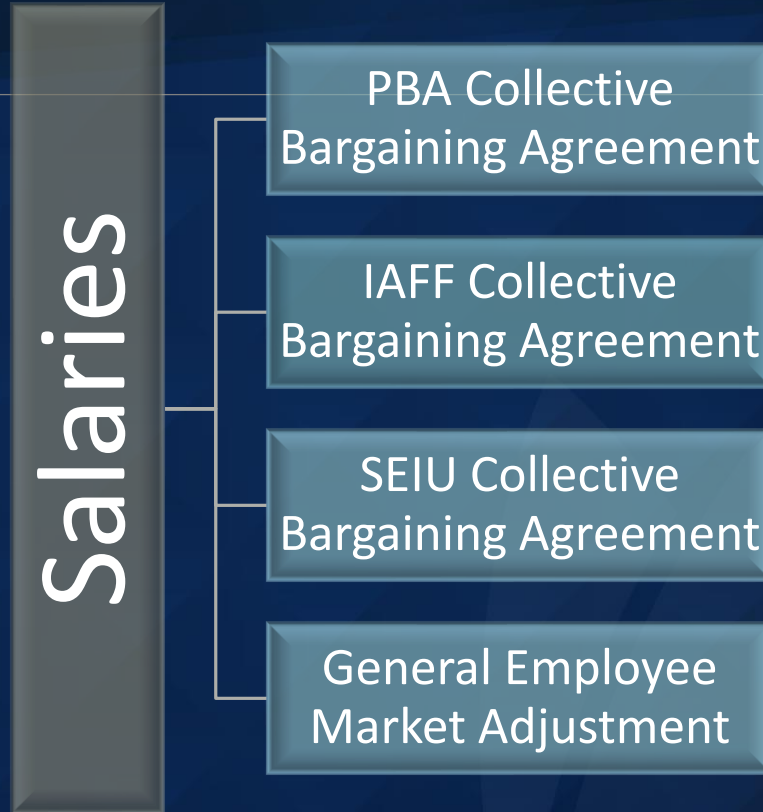


Personnel



Total Personnel Costs (Salaries, FICA, Retirement, Health/Life, Workers Comp): Total \$80.1 million, up \$2.9M, or 3.9%

Personnel – Significant Factors



Personnel Highlights



Pensions: Full funding per actuarial valuations for Police and Fire pension plans and statutory rates for FRS - total \$10.2 million



Positions: Total 532 FT (up 3)

Personnel – New Positions



Budget includes 3 requested new full-time positions:



One Operations Manager – Parks to keep up with expansion of park facilities



One Systems Specialist in IT Department to keep up with increased workload due to recent expansion of service area and staffing



One Building Inspector to keep up with workload from increasing number of development projects

Maintenance, Repair & Operating Costs – Facility Maintenance



\$713,000 for roof repair; painting; parking lot repaving; air conditioning, bathroom and plumbing repairs



\$361,600 for parks irrigation, fencing, netting, sod, court resurfacing, equipment repairs, etc.

Maintenance, Repair & Operating Costs – Landscaping



\$120,000 for roadway
plant replacement and
median tree trimming



Maintenance, Repair & Operating Costs – Stormwater Infrastructure Repair



\$250,000 for annual storm
water repair program
(additional \$300,000 from
State grant)



Maintenance, Repair & Operating Costs – Canal Maintenance



\$250,000 for canal dredging
and maintenance program

Other Fees and Charges

The proposed budget does not levy any of the following fees and charges:

Residential curbside garbage or trash collection

Electric, water, or natural gas utility service taxes

City storm water assessments

City fire assessments

Total cost comparison Assumptions

Taxes were calculated using a \$350,000 assessed property value with a \$50,000 homestead exemption.

Utility tax calculations were based on the following:

Electricity/Gas - \$2,400 per year

Water - \$780 per year

Communication Services Tax was calculated by assuming annual phone and CATV charges of \$3,600.

Total Cost Comparison

City	City Ad Valorem	Other Ad Valorem	Utility Tax	Com. Svc. Tax	Solid Waste Collection	Storm Water	Fire Assessment	Total
P.B. Gardens	1,665	4,468	0	126	0	0	0	6,259
Boca Raton	1,104	4,650	318	195	0	0	135	6,402
Jupiter	798	5,071	191	188	153	55	0	6,456
Juno Beach	602	5,535	144	188	142	0	0	6,611
Royal PB	576	5,505	318	188	107	54	0	6,748
Wellington	744	5,505	240	188	135	230	0	7,042
N. Palm Beach	2,250	4,292	258	188	0	0	0	6,988
Riviera Beach	2,536	4,292	318	188	132	108	0	7,574
West Palm Beach	2,540	4,292	318	195	192	0	100	7,637

Total Cost Comparison

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Other Fund Highlights – Special Revenue Funds



Gas Tax Special Revenue Fund

- Projected Revenue \$966,659
- Significant Expenditures:
 - Street/Sidewalk Repairs 600,000
 - Street Lighting 250,000
 - Roadway striping 160,000



Recreation Special Revenue Fund

- Projected Revenues \$4,856,169
- Projected Expenditures 5,200,780
- Reserve Balance 613,343

Other Fund Highlights – Special Revenue Funds



Golf Special Revenue Fund

- Projected Revenue \$2,632,923
- Projected Expenditures 2,614,979
- Reserve Balance 513,570



Other Fund Highlights – Special Revenue Funds



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- Projected Expenditures 2,614,979
- Reserve Balance 513,570

Other Fund Highlights – Internal Service Funds

Fleet Maintenance Fund

- Projected Revenues \$3,567,128
- Projected Expenditures 4,034,797
- City-wide leasing program 1,534,757



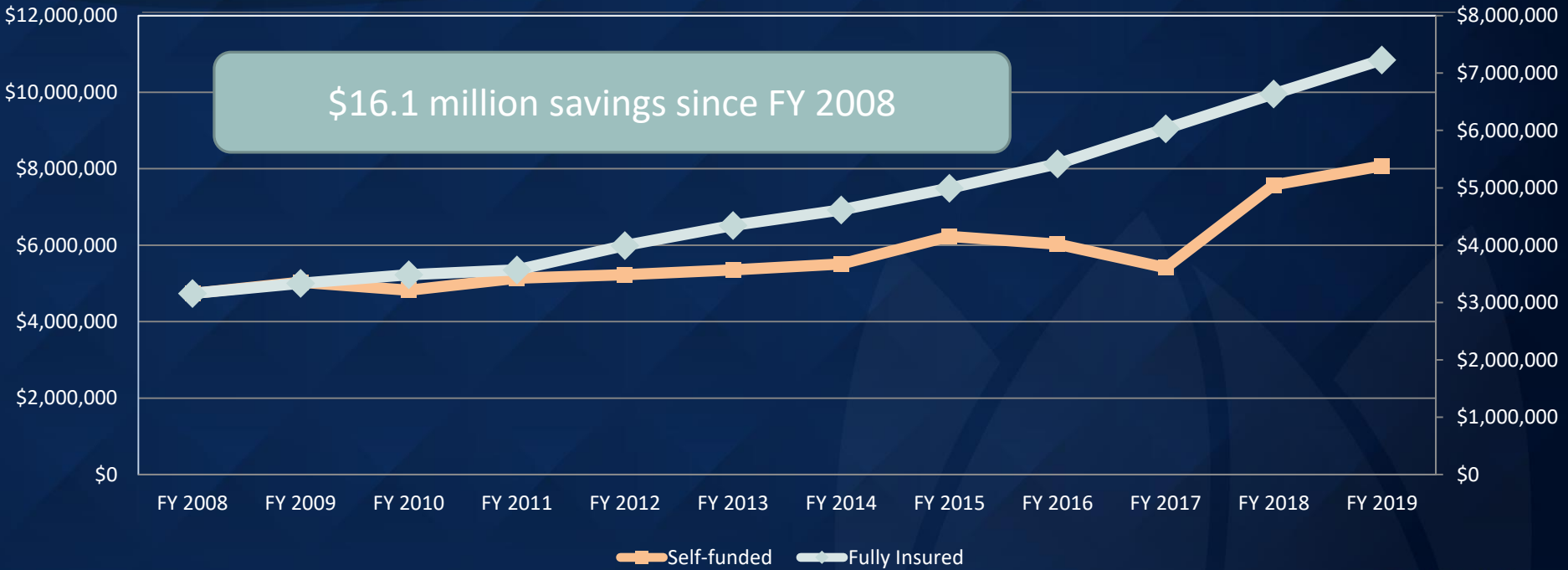
Other Fund Highlights – Internal Service Funds



Self Insured Health Fund

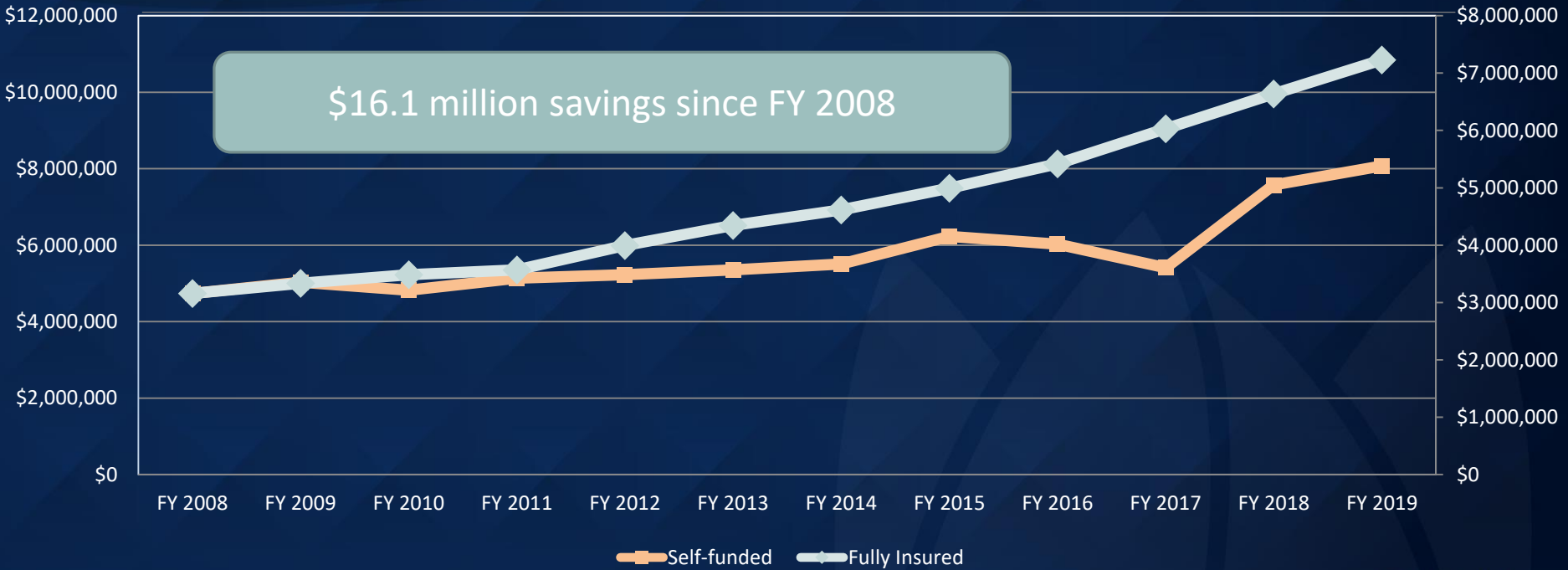
Net Health Insurance Costs

Self-funded vs. Fully Insured Program



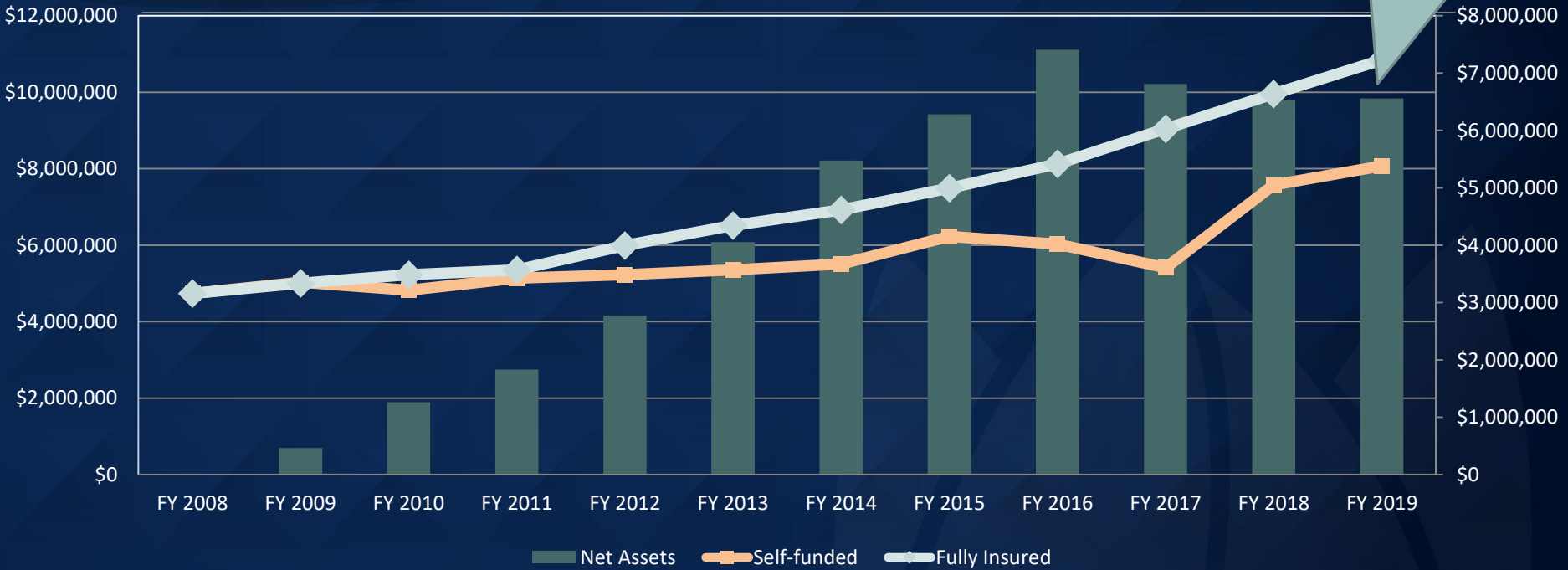
Net Health Insurance Costs

Self-funded vs. Fully Insured Program



Net Health Insurance Costs Self-funded vs. Fully Insured Program

\$6.6 million in reserves as of 9/30/2019



Other Fund Highlights – Impact Funds



Projected Revenue	\$4,964,914
• Expenditures	
• BRCC expansion plans	1,218,500
• Transfer to GF from Road Impact Fund for Burns Road Debt Service	682,110
• Fire Station #1 renovations	510,000
• PW site repurposing for public safety Apparatus, equipment and EMS supplies storage	400,000

Ten-Year Financial Forecast

Highlights

- Maintains operating millage flat at 5.55 through FY 2029
- Debt millage is eliminated in FY 2020 (GO debt paid off in FY 2019)
- Gradual drawdown of unassigned reserves to \$18.5M by FY 2023; increasing to \$23.1 M by FY 2029
- Budget stabilization reserves reduced to zero by FY 2021 but increase to \$9.4M by FY 2029



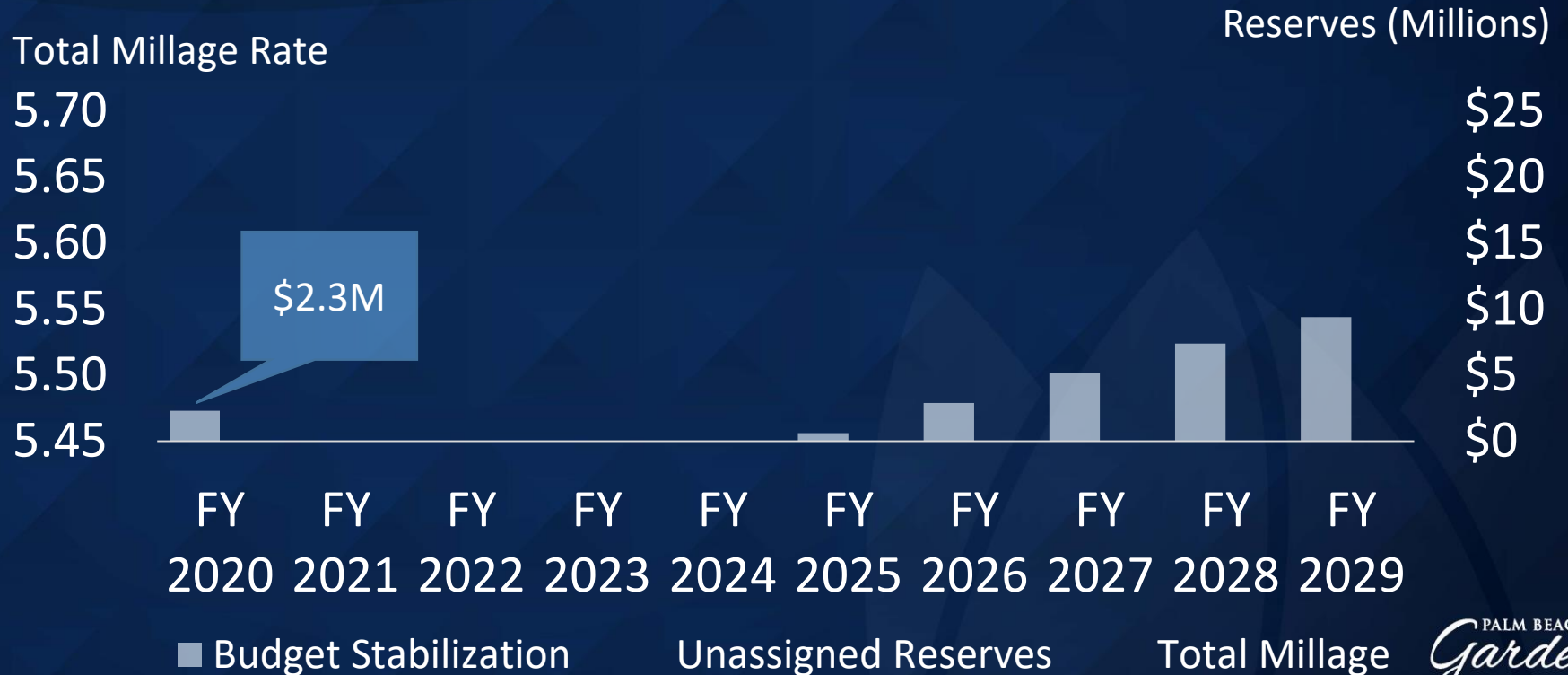
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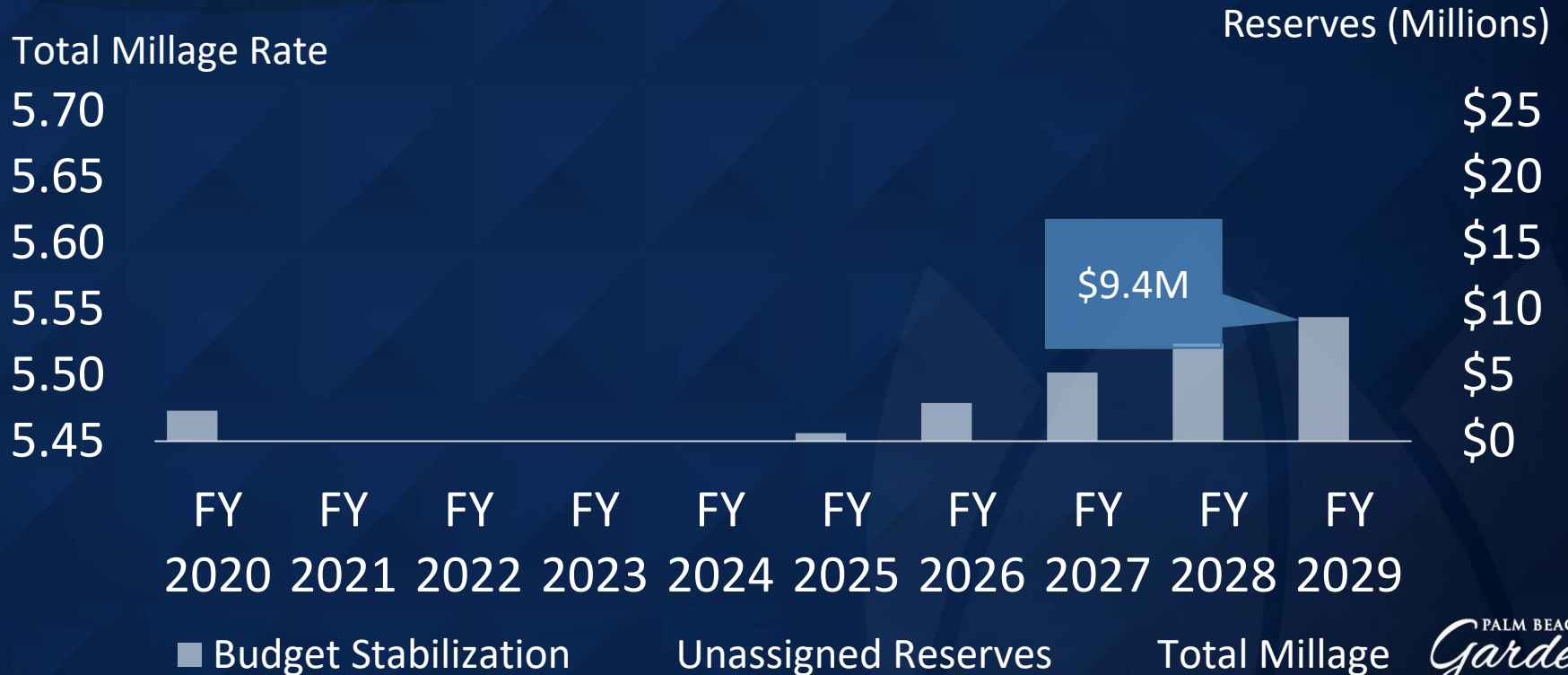
Ten -Year Financial Forecast – 5.55 Operating Rate



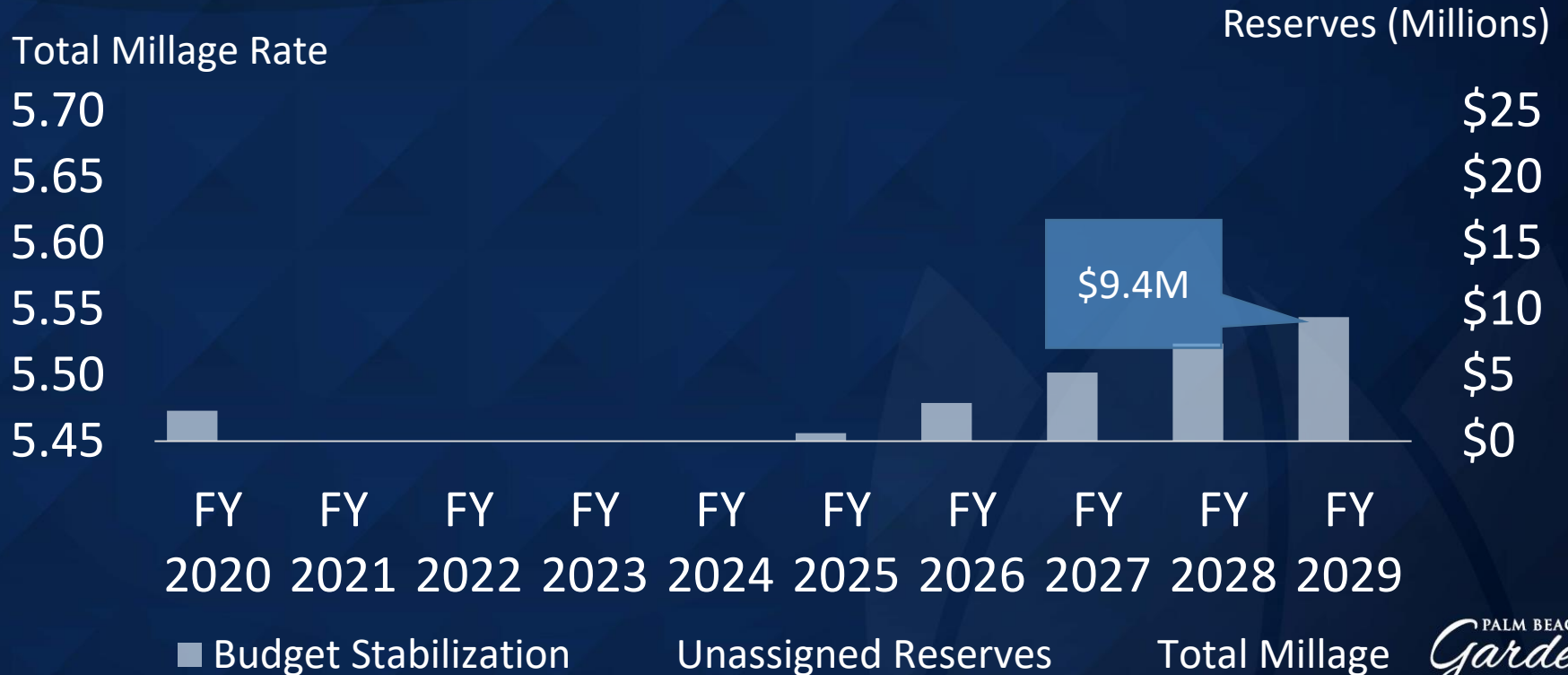
Ten -Year Financial Forecast – 5.55 Operating Rate



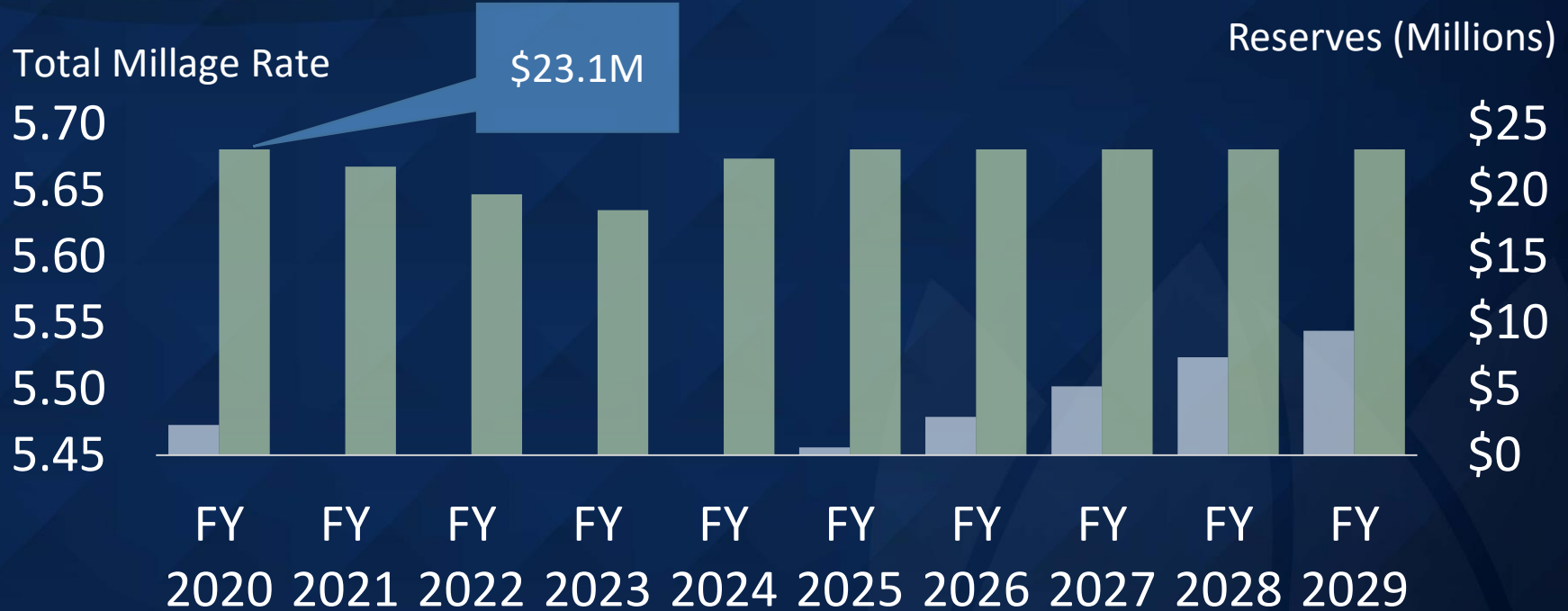
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Ten -Year Financial Forecast – 5.55 Operating Rate

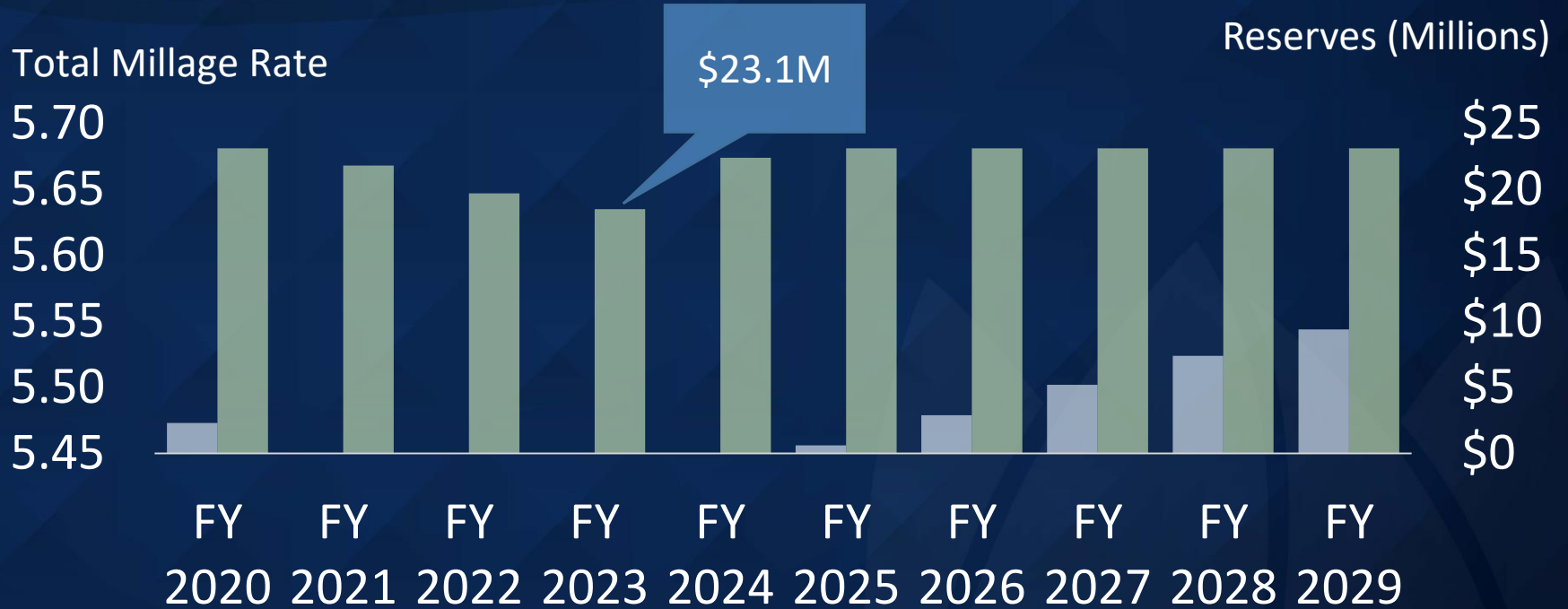


■ Budget Stabilization

■ Unassigned Reserves

Total Millage

Ten -Year Financial Forecast – 5.55 Operating Rate



■ Budget Stabilization

■ Unassigned Reserves

Total Millage

Ten -Year Financial Forecast – 5.55 Operating Rate



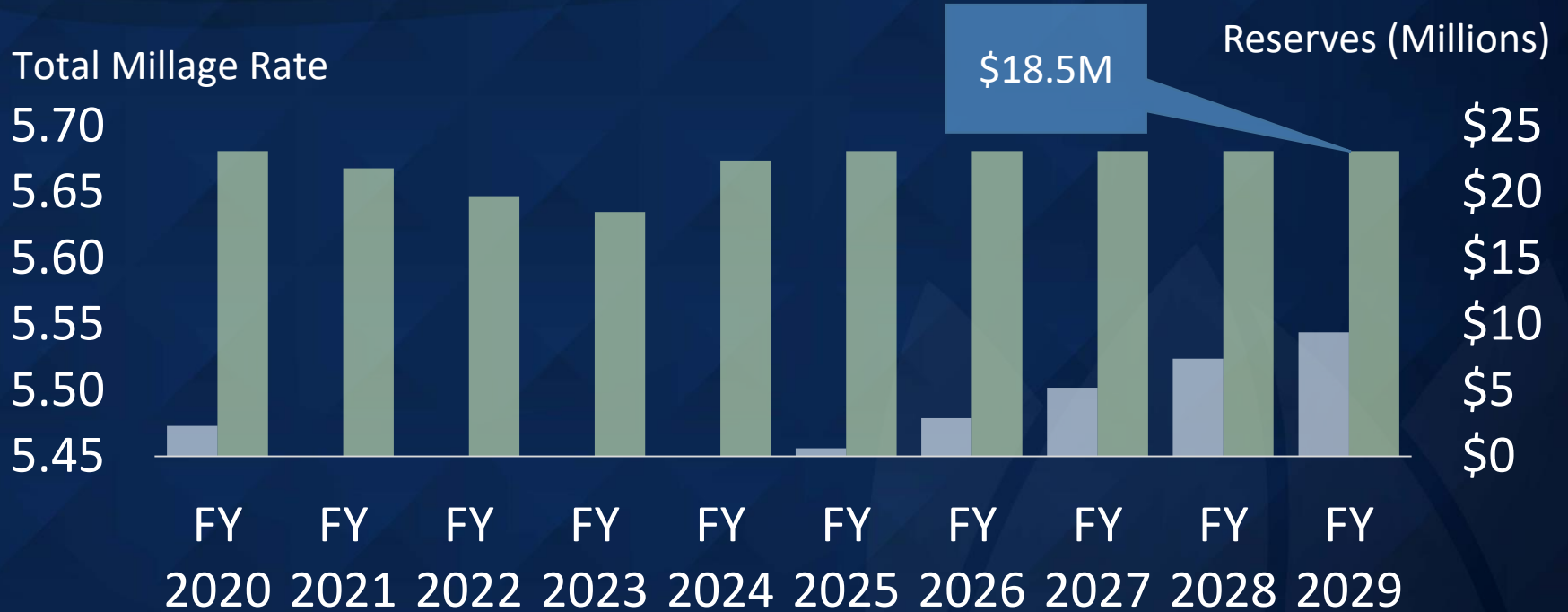
■ Budget Stabilization

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Total Millage



Ten -Year Financial Forecast – 5.55 Operating Rate

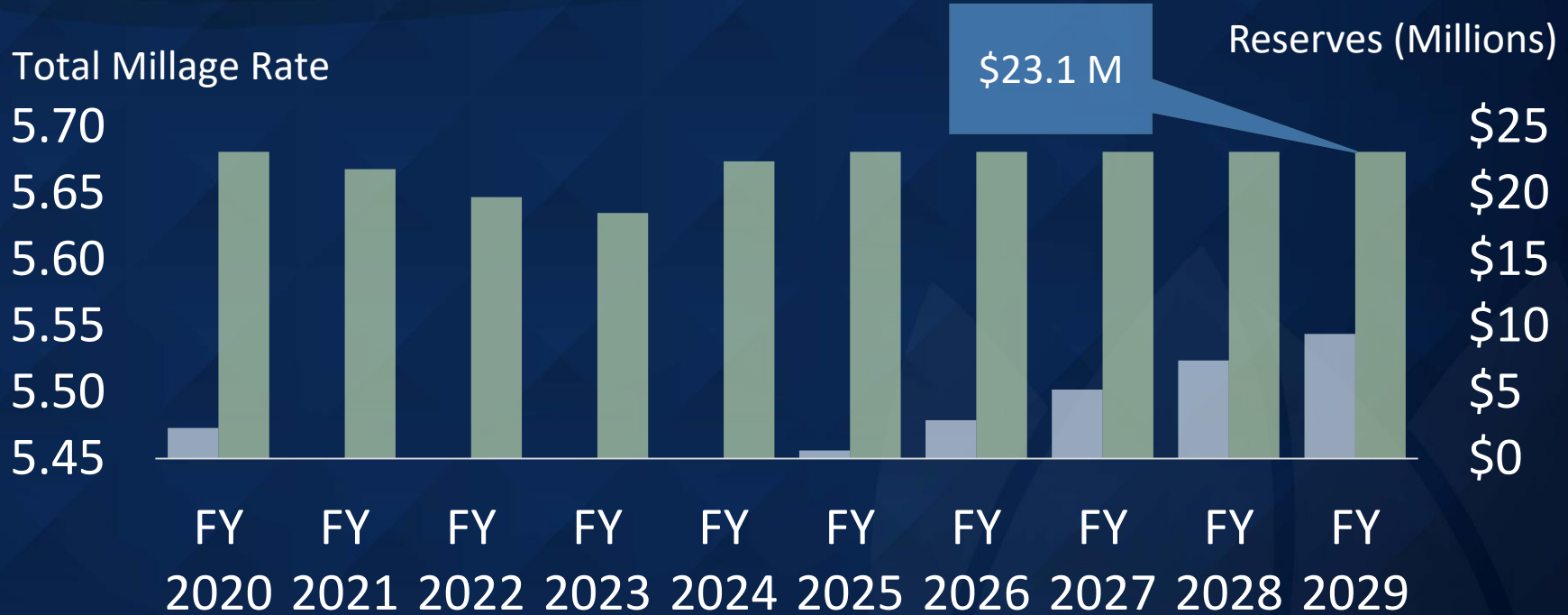


■ Budget Stabilization

■ Unassigned Reserves

Total Millage

Ten -Year Financial Forecast – 5.55 Operating Rate

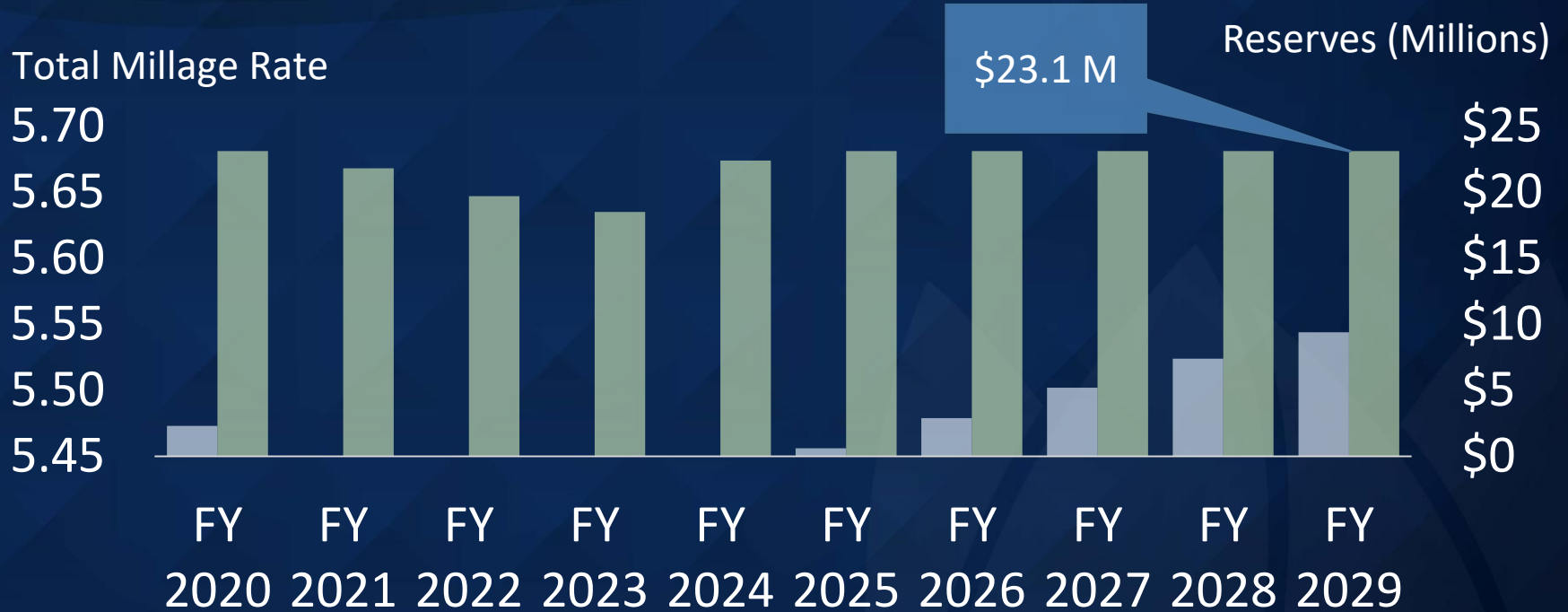


■ Budget Stabilization

■ Unassigned Reserves

Total Millage

Ten -Year Financial Forecast – 5.55 Operating Rate

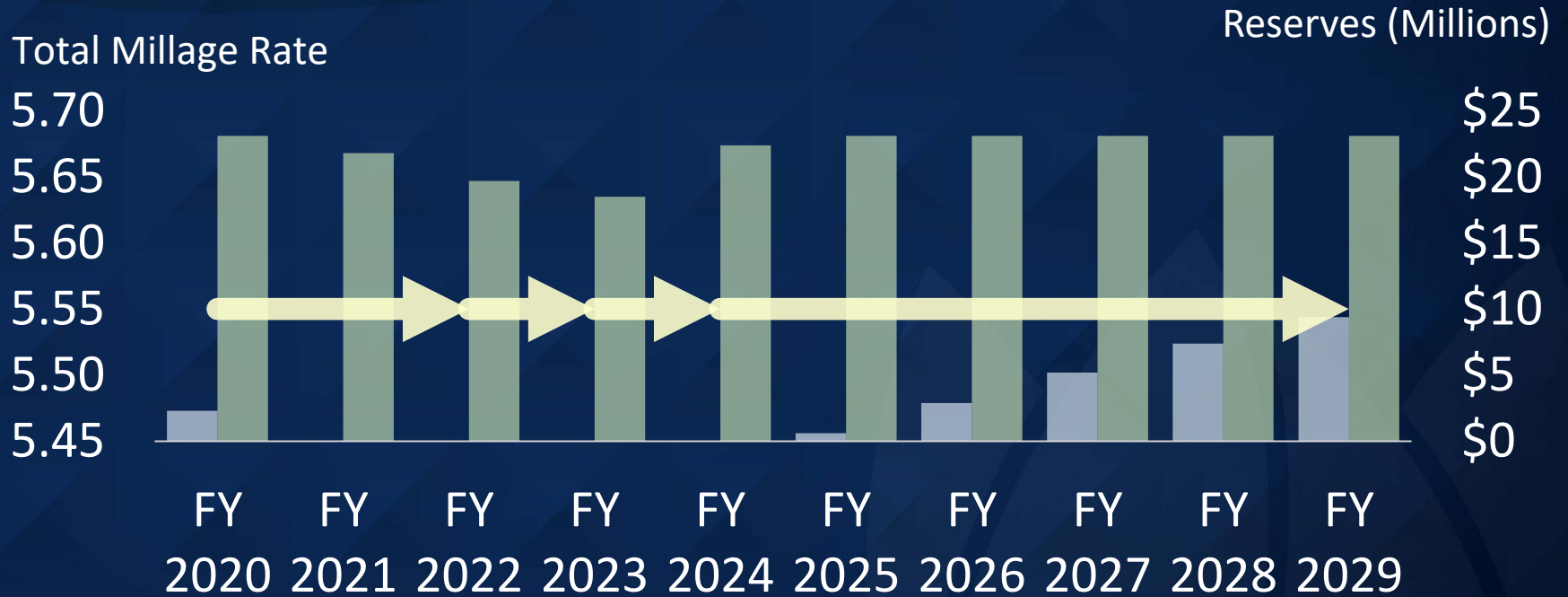


■ Budget Stabilization

■ Unassigned Reserves

Total Millage

Ten -Year Financial Forecast – 5.55 Operating Rate



■ Budget Stabilization

■ Unassigned Reserves

▶ Total Millage

Ten -Year Financial Forecast – 5.50 Operating Rate in All Years



■ Budget Stabilization

■ Unassigned Reserves

■ Total Millage



Ten -Year Financial Forecast – 5.50 Operating Rate in All Years



■ Budget Stabilization

■ Unassigned Reserves

■ Total Millage



Ten -Year Financial Forecast – 5.50 Operating Rate in All Years



FY 2020 FY 2021 FY 2022 FY 2023 FY 2024 FY 2025 FY 2026 FY 2027 FY 2028 FY 2029

■ Budget Stabilization

■ Unassigned Reserves

■ Total Millage



Ten -Year Financial Forecast – 5.50 Operating Rate in All Years



FY 2020 FY 2021 FY 2022 FY 2023 FY 2024 FY 2025 FY 2026 FY 2027 FY 2028 FY 2029

■ Budget Stabilization

■ Unassigned Reserves

■ Total Millage



Ten -Year Financial Forecast – 5.50 Operating Rate in All Years



■ Budget Stabilization

■ Unassigned Reserves

Total Millage



Ten -Year Financial Forecast – 5.50 Operating Rate in All Years



■ Budget Stabilization

■ Unassigned Reserves

Total Millage



Ten -Year Financial Forecast – 5.50 Operating Rate in All Years



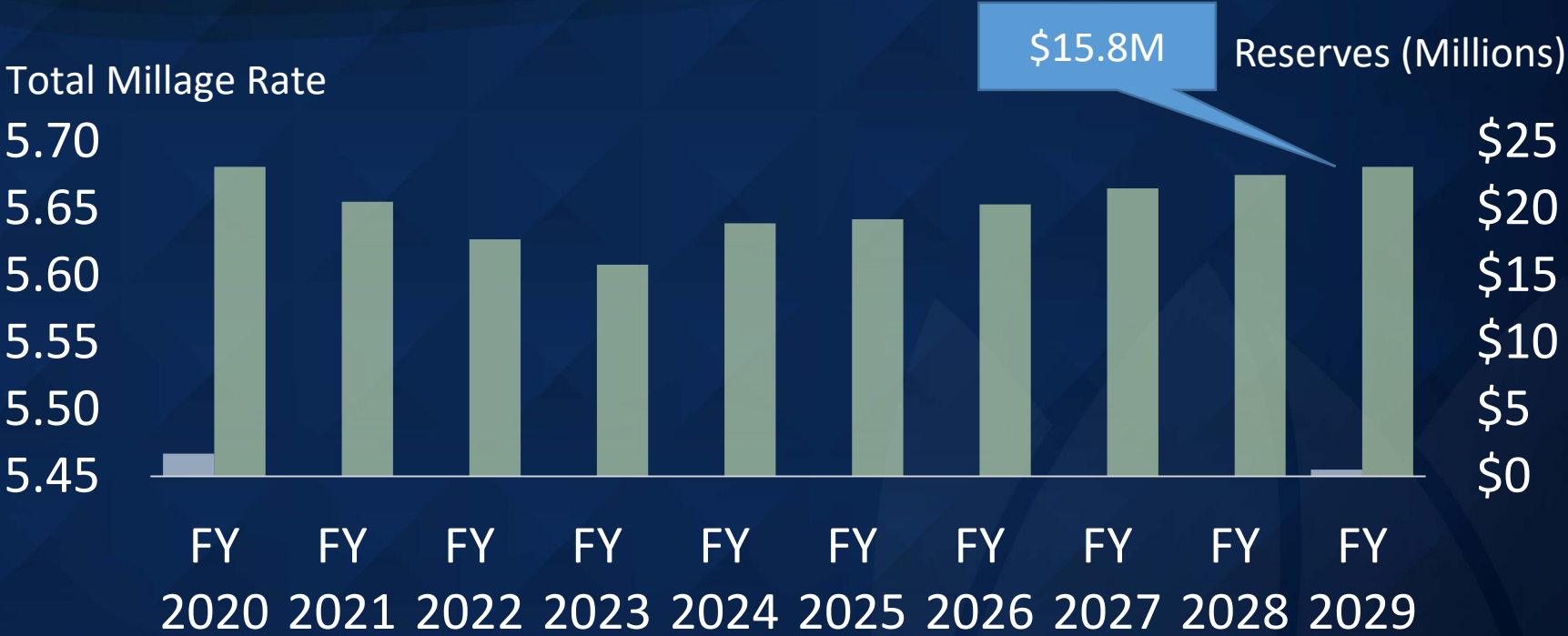
■ Budget Stabilization

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Total Millage



Ten -Year Financial Forecast – 5.50 Operating Rate in All Years



■ Budget Stabilization

■ Unassigned Reserves

Total Millage



Ten -Year Financial Forecast – 5.50 Operating Rate in All Years



■ Budget Stabilization

■ Unassigned Reserves

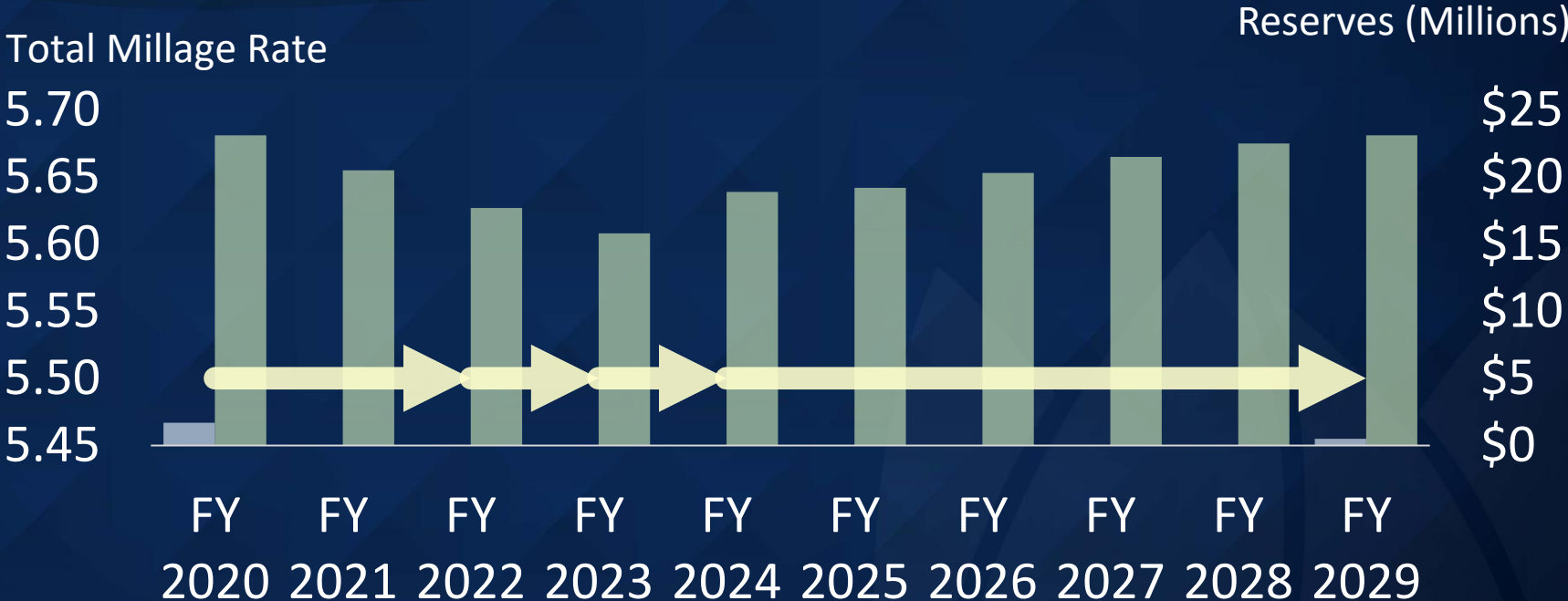
Total Millage



Ten -Year Financial Forecast – 5.50 Operating Rate in All Years



Ten -Year Financial Forecast – 5.50 Operating Rate in All Years



Ten -Year Financial Forecast – 5.50 Operating Rate in 2020, Then Adjust Rate to Maintain Reserves



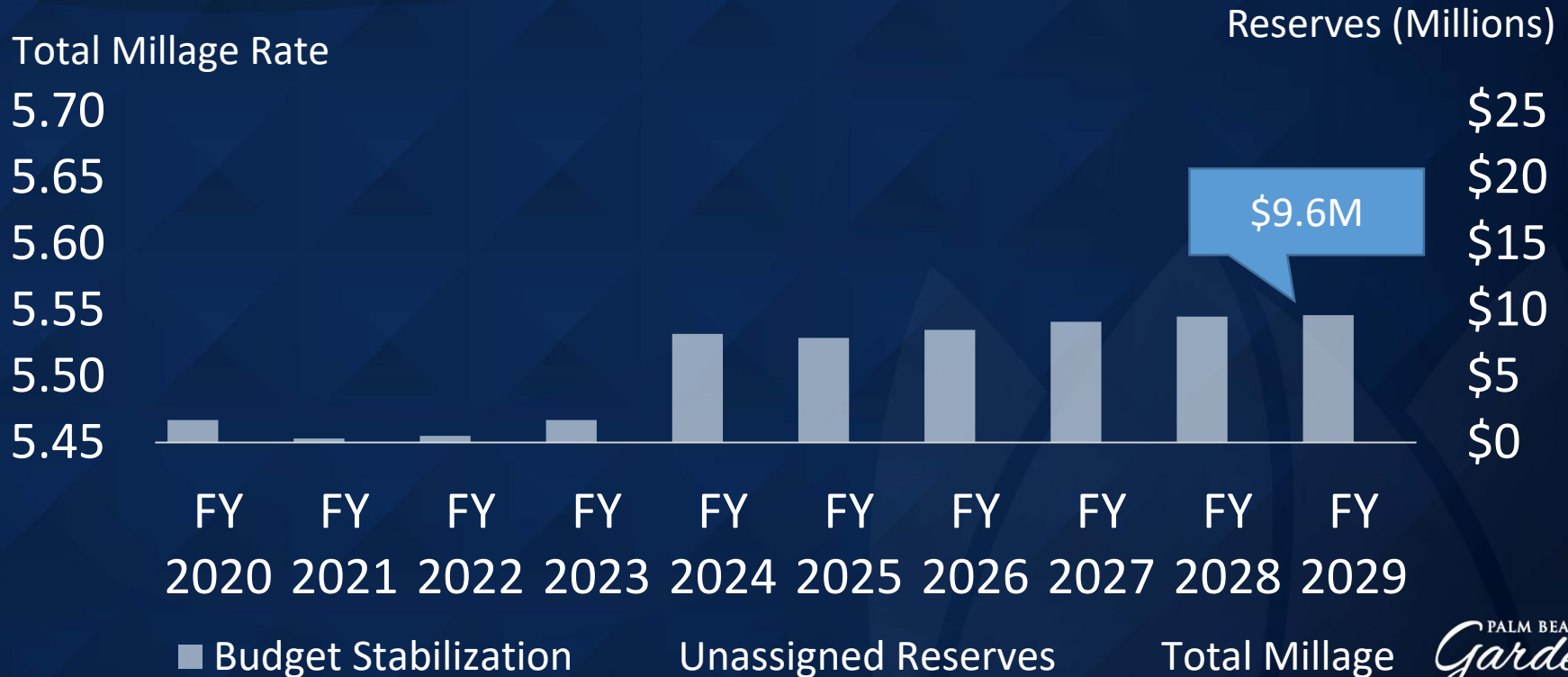
Ten -Year Financial Forecast – 5.50 Operating Rate in 2020, Then Adjust Rate to Maintain Reserves



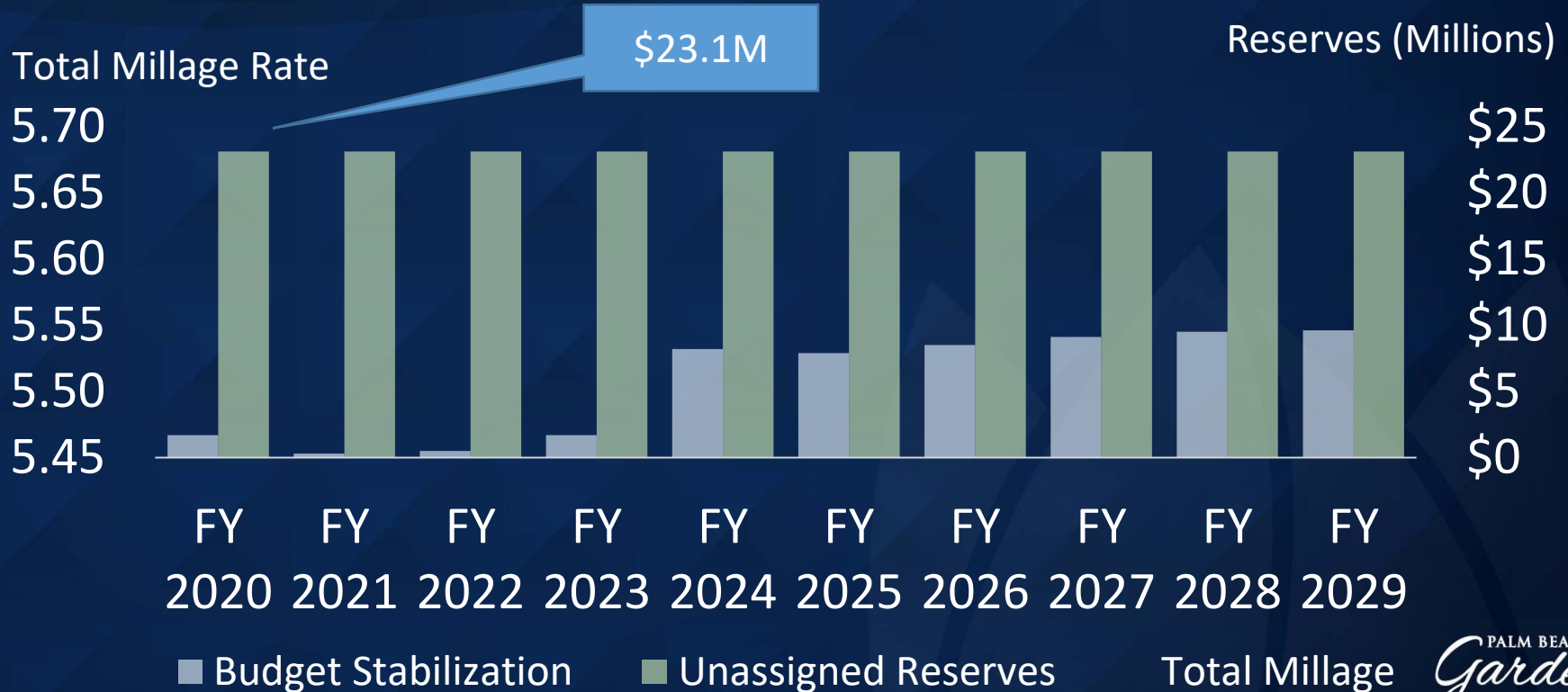
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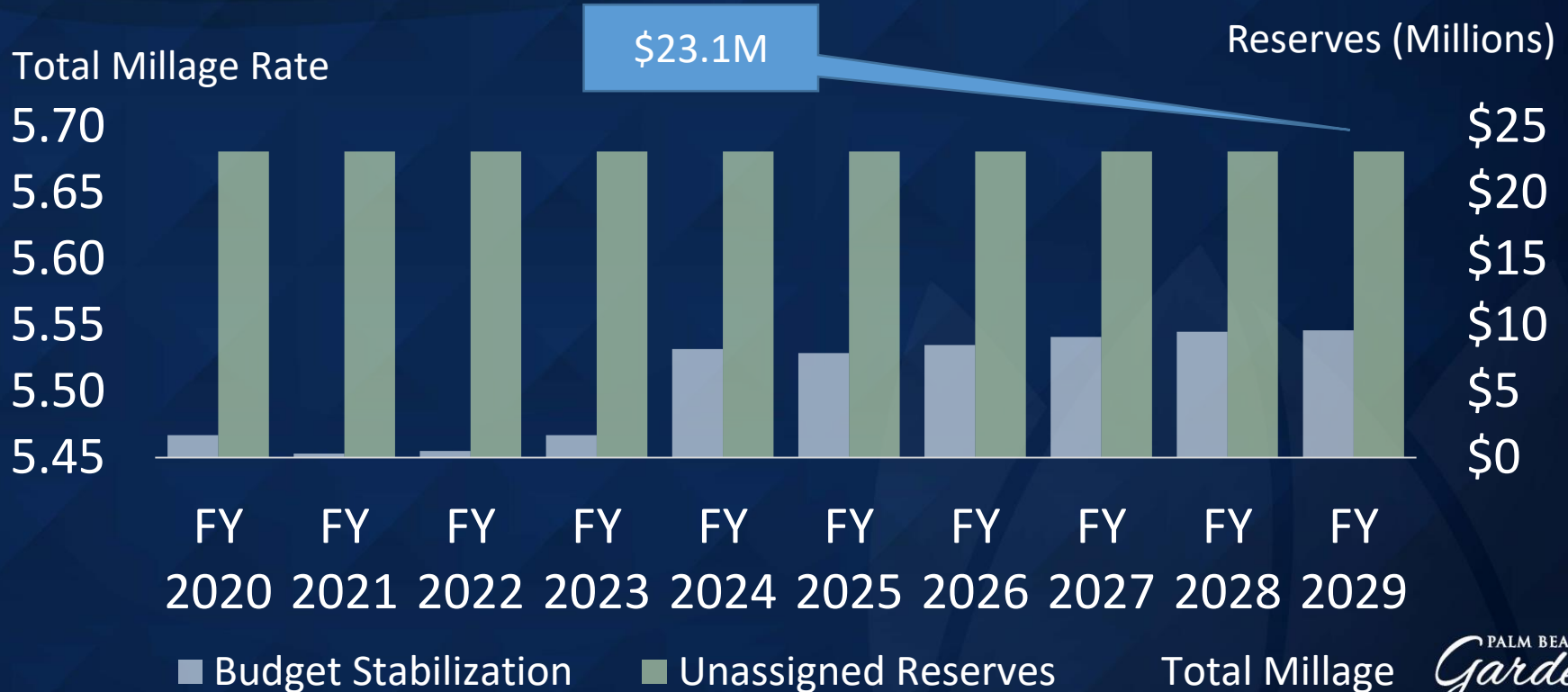
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Ten -Year Financial Forecast – 5.50 Operating Rate in 2020, Then Adjust Rate to Maintain Reserves



Budget Stabilization
 Unassigned Reserves
 Total Millage



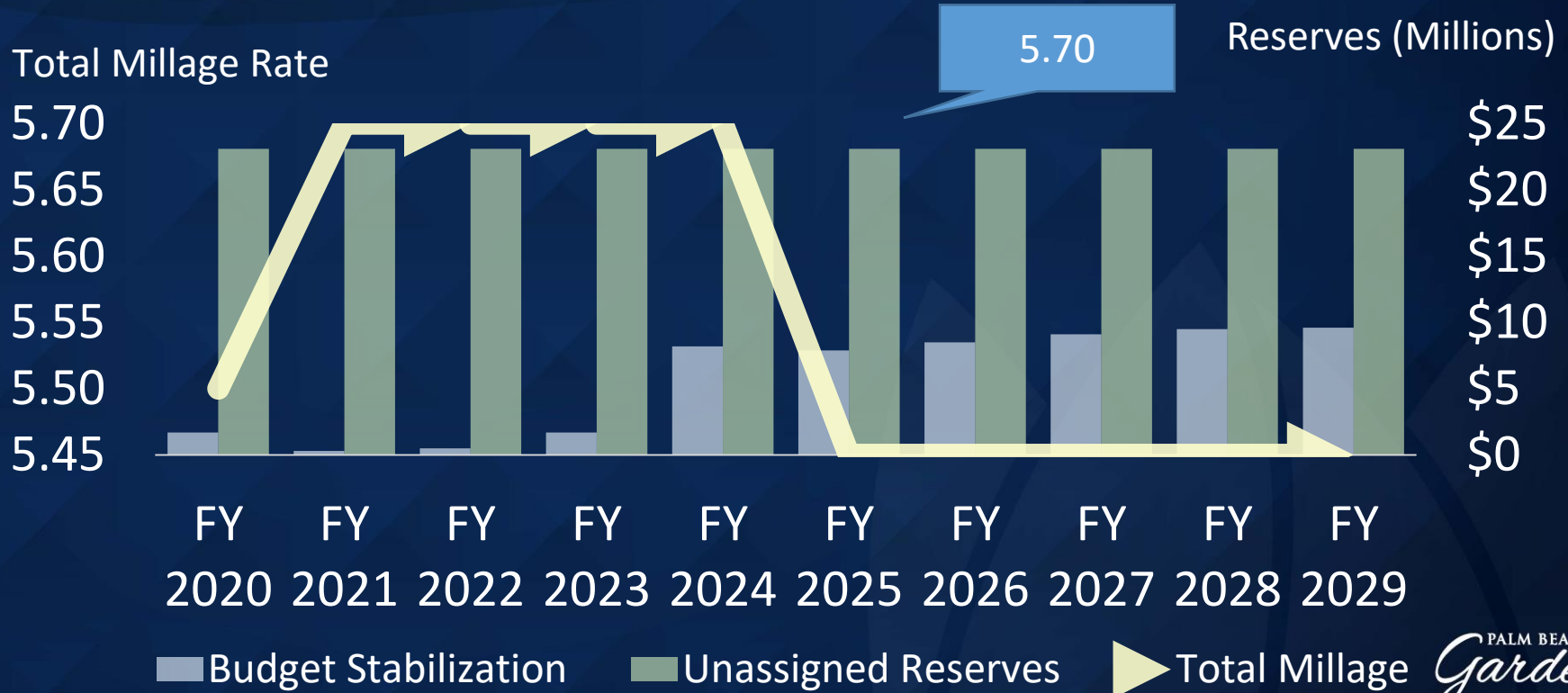
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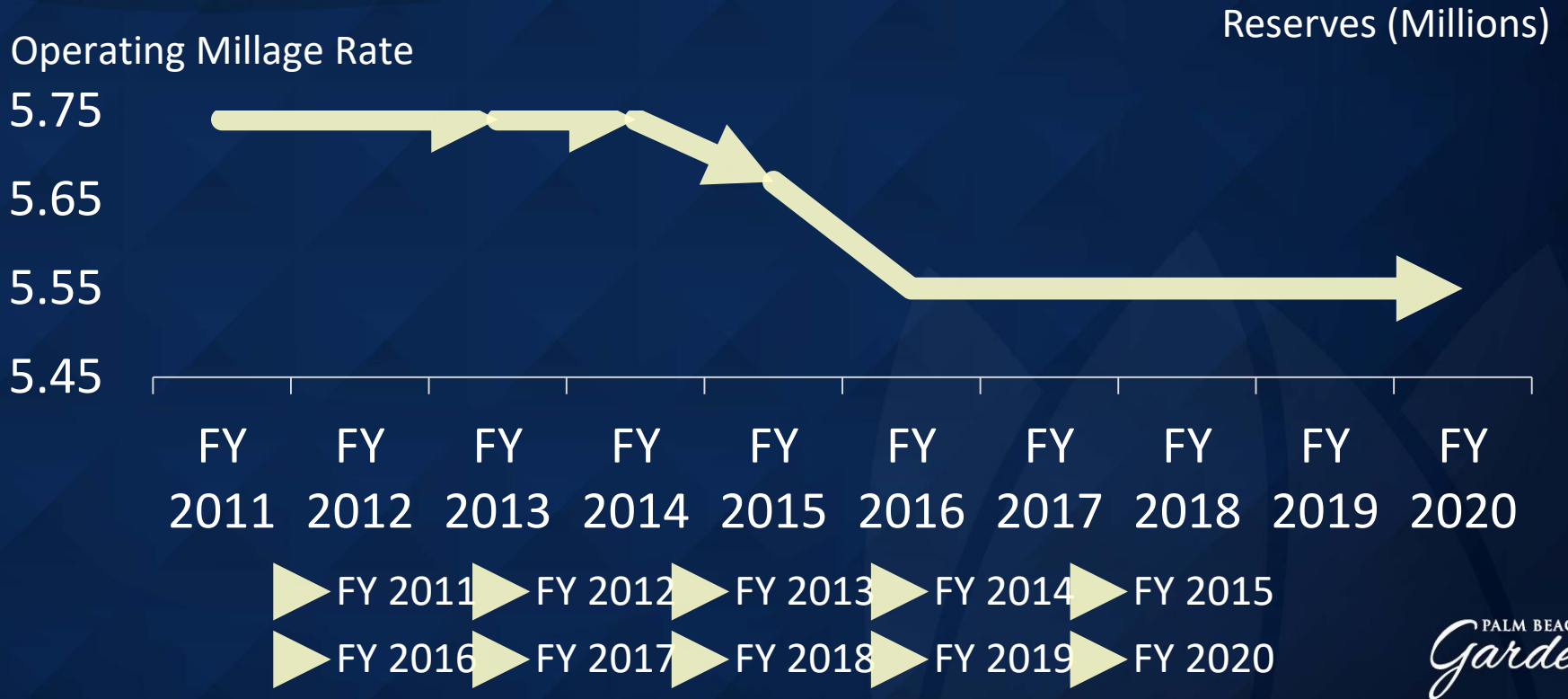
Ten -Year Financial Forecast – 5.50 Operating Rate in 2020, Then Adjust Rate to Maintain Reserves



Ten -Year Financial Forecast – 5.50 Operating Rate in 2020, Then Adjust Rate to Maintain Reserves



Ten -Year Historical and Projected Operating Millage Rates



Comparison of Current 10-Year Projection to Prior Year 10-Year Projection

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Unassigned Reserves - PY	22,097,995	20,110,980	19,481,044	18,742,273	19,514,442	21,264,609	22,766,106	22,766,106	22,766,106	N/A
Unassigned Reserves - CY	23,066,106	21,802,731	19,682,161	18,476,854	22,370,179	23,066,106	23,066,106	23,066,106	23,066,106	23,066,106
Budget Stabilization Reserves - PY	0	0	0	0	0	0	777,234	3,859,714	7,453,649	N/A
Budget Stabilization Reserves - CY	2,339,064	0	0	0	0	619,440	2,918,745	5,198,821	7,417,136	9,450,773

Fiscal Year 2020 Budget Oversight Review Board Report

Summary of FY 2020 Budget

Findings:

“The BORB is pleased to see no increase in millage and a stable tax rate.”

“The BORB’s review of the Budget confirms that (i) the City is financially strong and has policies in place to maintain the current financial stability; and (ii) City Staff has been transparent throughout the budgetary process with its residents and citizens.”

MEMORANDUM

CITY OF PALM BEACH GARDENS

Summary of One-Cent Sales Surtax Findings:

“The BORB has found that the City has expended Tax funds in accordance with Florida Statutes, County Ordinance, City Ordinance, and related Resolutions. Furthermore, the Staff has been efficient and thorough with respect to incurring such expenditures.”

Source: FY 2020 Budget Oversight Committee Report, Andrew Comiter, Chair

Summary of Proposed Budget

FY 2019/2020 Budget Provides Spending Plan to Accomplish Following:



Provides funding for 3 additional employees to keep up with increasing demand for services



Provides funding for PBA, SEIU and IAFF contracts; market adjustments for non-union employees



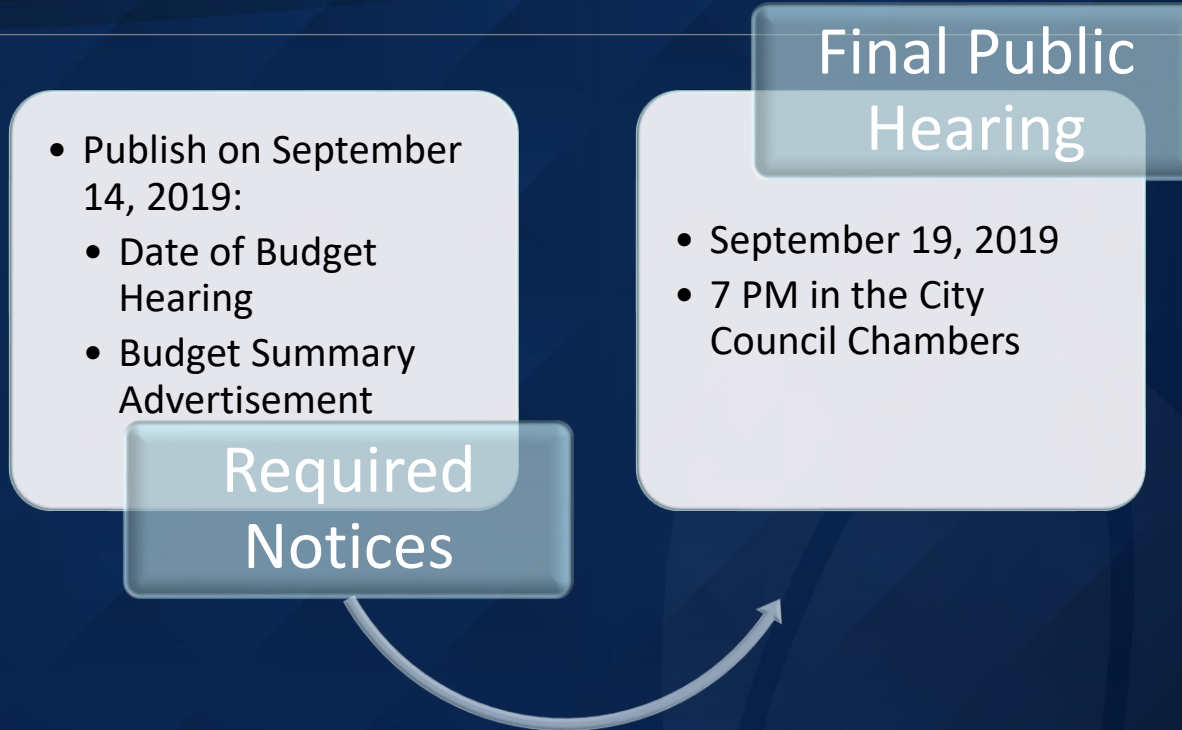
Provides \$250,000 (plus \$300,000 grant) for storm renovation/repairs; \$250,000 for canal maintenance program



Reduces overall tax rate from 5.6003 to 5.55



What's Next?



Required Action

Staff recommends a motion that the City of Palm Beach Gardens adopt a proposed operating and total millage rate of 5.55 mills, which is greater than the rolled-back rate of 5.2368 by 4.19%



Staff recommends a motion to approve Ordinance 20, 2019 on first reading, adopting a budget for fiscal year 2019/2020