

**Palm Beach County**  
**FY 2018**  
**Proposed Budget**

# **Important Meeting Dates**

<b>Budget Retreat</b>	<b>February 21</b>	<b>Noon</b>
<b>Initial Budget Workshop</b>	<b>June 13</b>	<b>6 PM</b>
<b>Board Sets Millage Rate</b>	<b>July 11</b>	<b>Regular BCC Meeting</b>
<b>1st Public Hearing</b>	<b>September 5</b>	<b>6 PM</b>
<b>2nd Public Hearing</b>	<b>September 18</b>	<b>6 PM</b>

# **FY 2018 Major Assumptions and Factors**

## **Countywide Budget is Balanced at the current rate of 4.7815 mills**

Proposed rate will generate \$843.7 million, a 6.9% increase

## **BCC Departments**

Net Ad Valorem budgets for BCC departments up \$14.6 million (4.4%)

ATB 3% Pay increase - \$6.3 million

Health Insurance - \$2.3 million

Supplemental Funding - \$2.3 million

Includes 20 ad valorem funded position

Includes 30 non-ad valorem funded positons

## **Sheriff**

Gross Budget increase of \$28.7 million (includes \$2 million supplement)

Increase in Revenues of \$2.2 million

Loss of \$5 million in excess fees

Includes 55 new positions compared to last year

## **Reentry and Drug Court Programs are fully funded**

The budget assumes receipt of a \$500,000 state grant

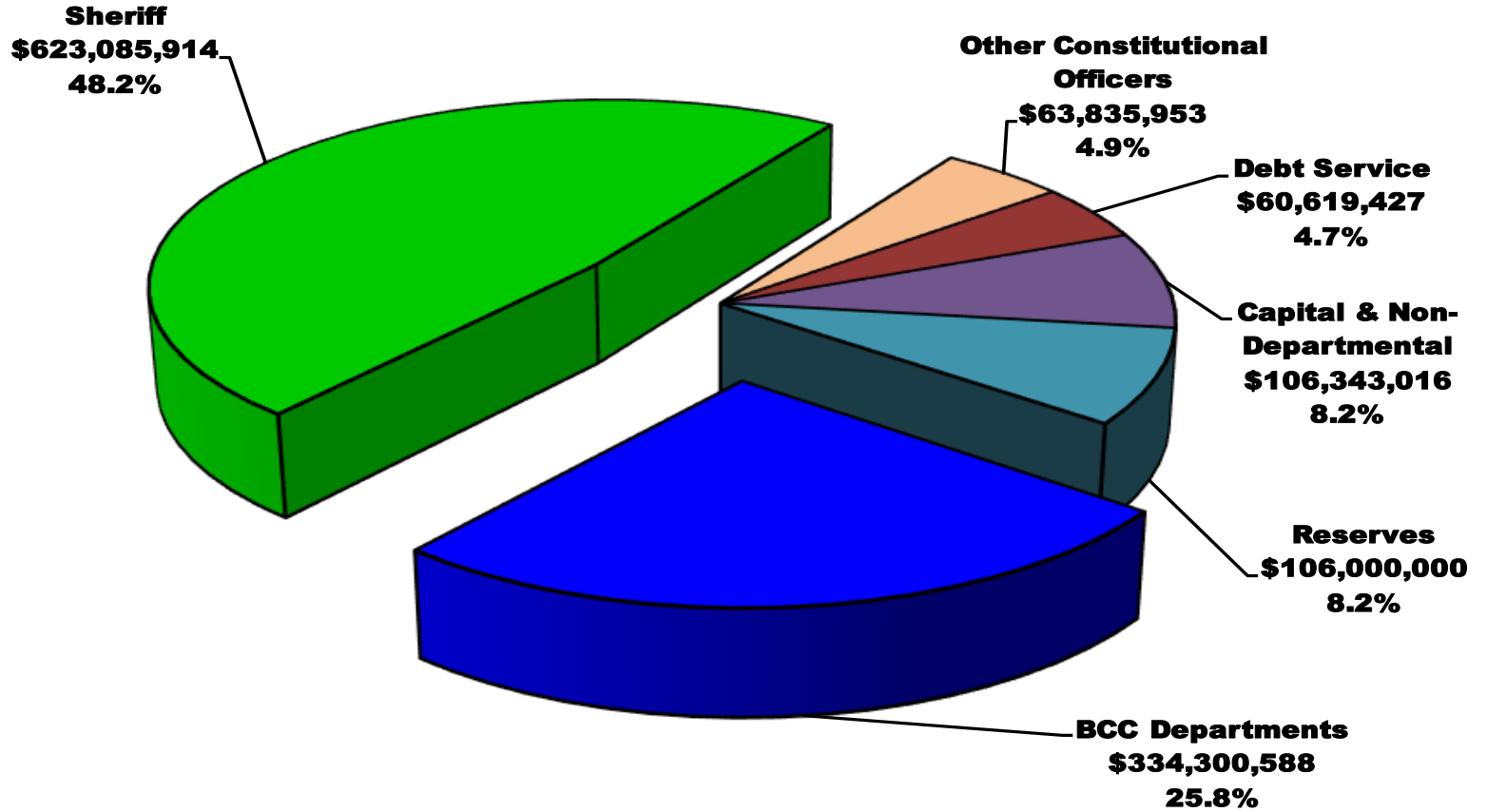
## **Heroin/Opioid Program funded at \$2 million**

## **Capital Project Funding - \$30.9 million**

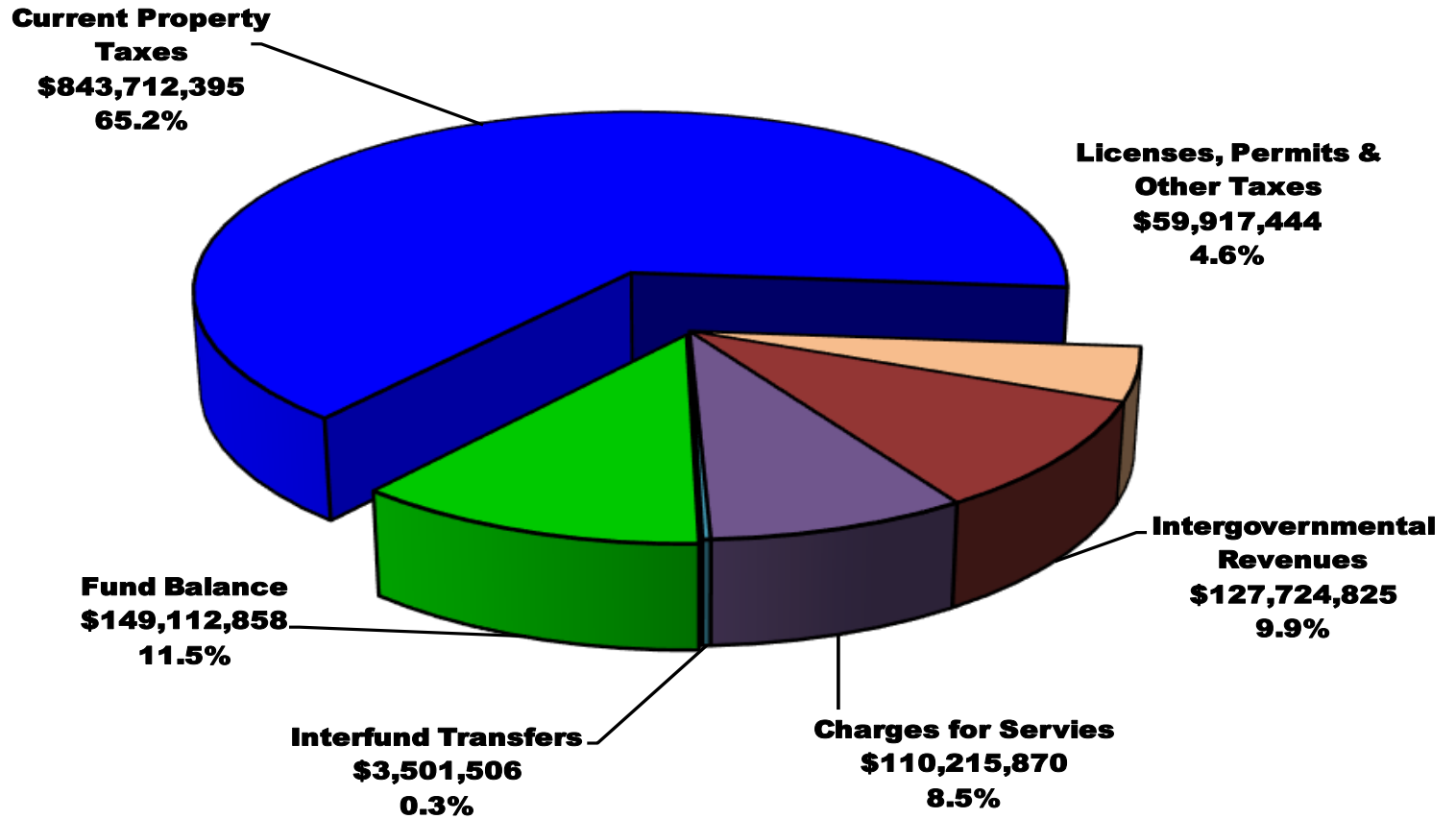
Primarily R&R projects

Includes \$3 million for SFWMD property

**FY 2018**  
**General Fund Total Appropriation Budget**  
**\$1,294,184,898**

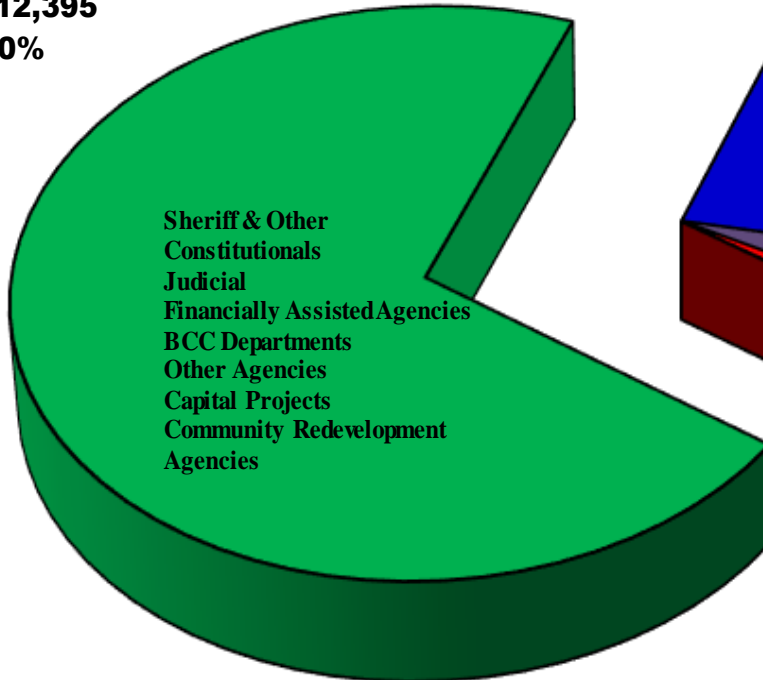


**FY 2018**  
**General Fund Sources of Funds by Category**  
**\$1,294,184,898**

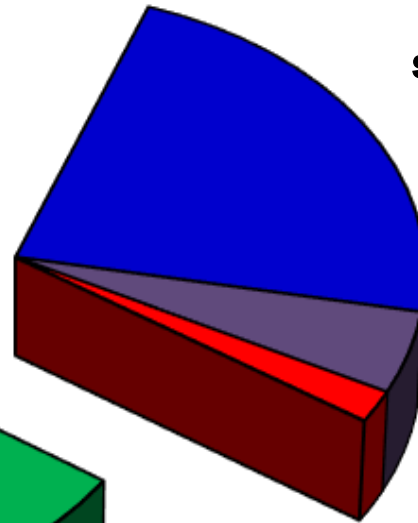


**FY 2018  
Proposed Property Taxes  
\$1,188,451,521**

**Countywide  
Operating Taxes  
\$843,712,395  
71.0%**



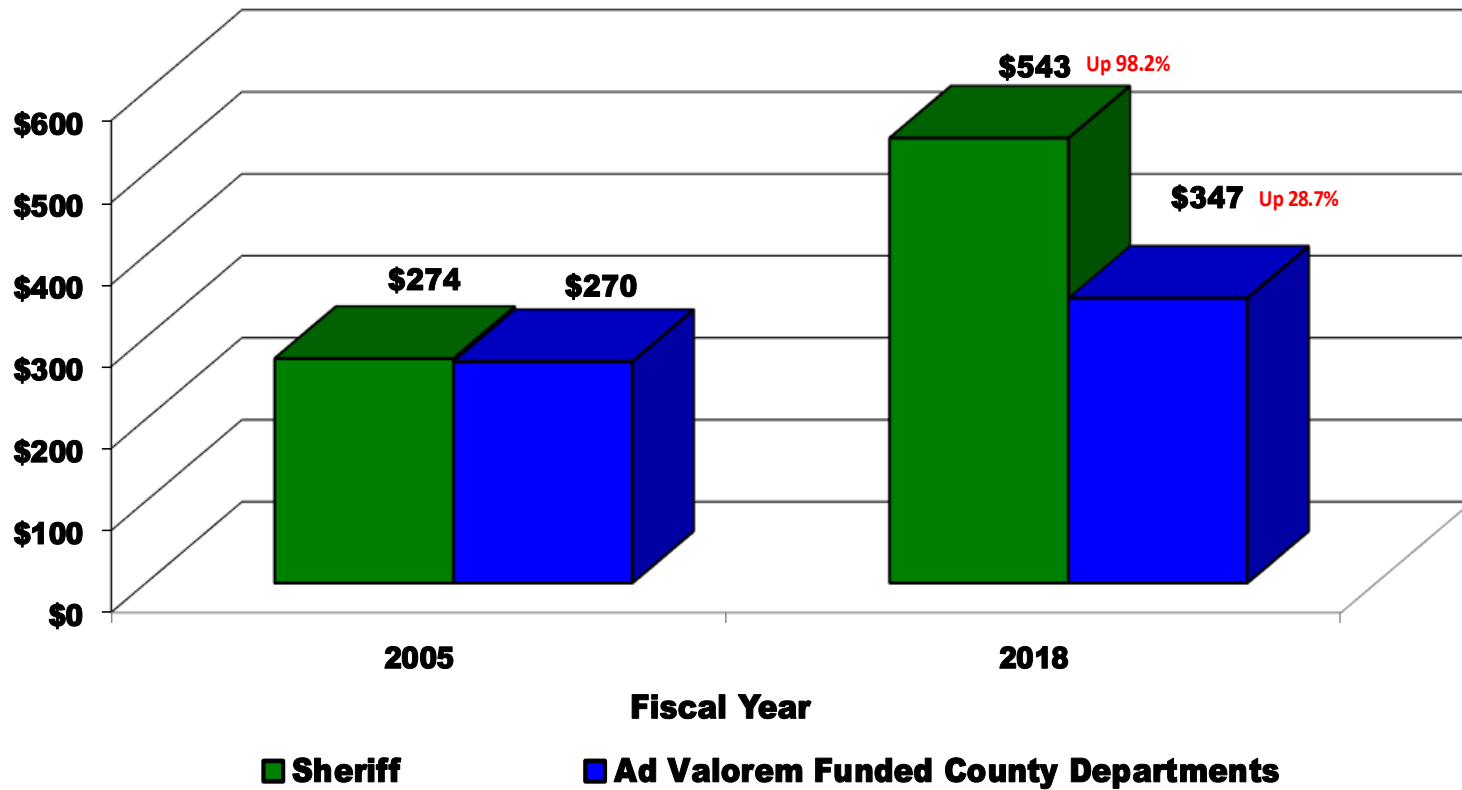
**Fire Rescue Taxes  
Operating and  
Capital  
\$267,989,011  
22.5%**



**Library Operating &  
Voted Debt Taxes  
\$55,367,172  
4.7%**

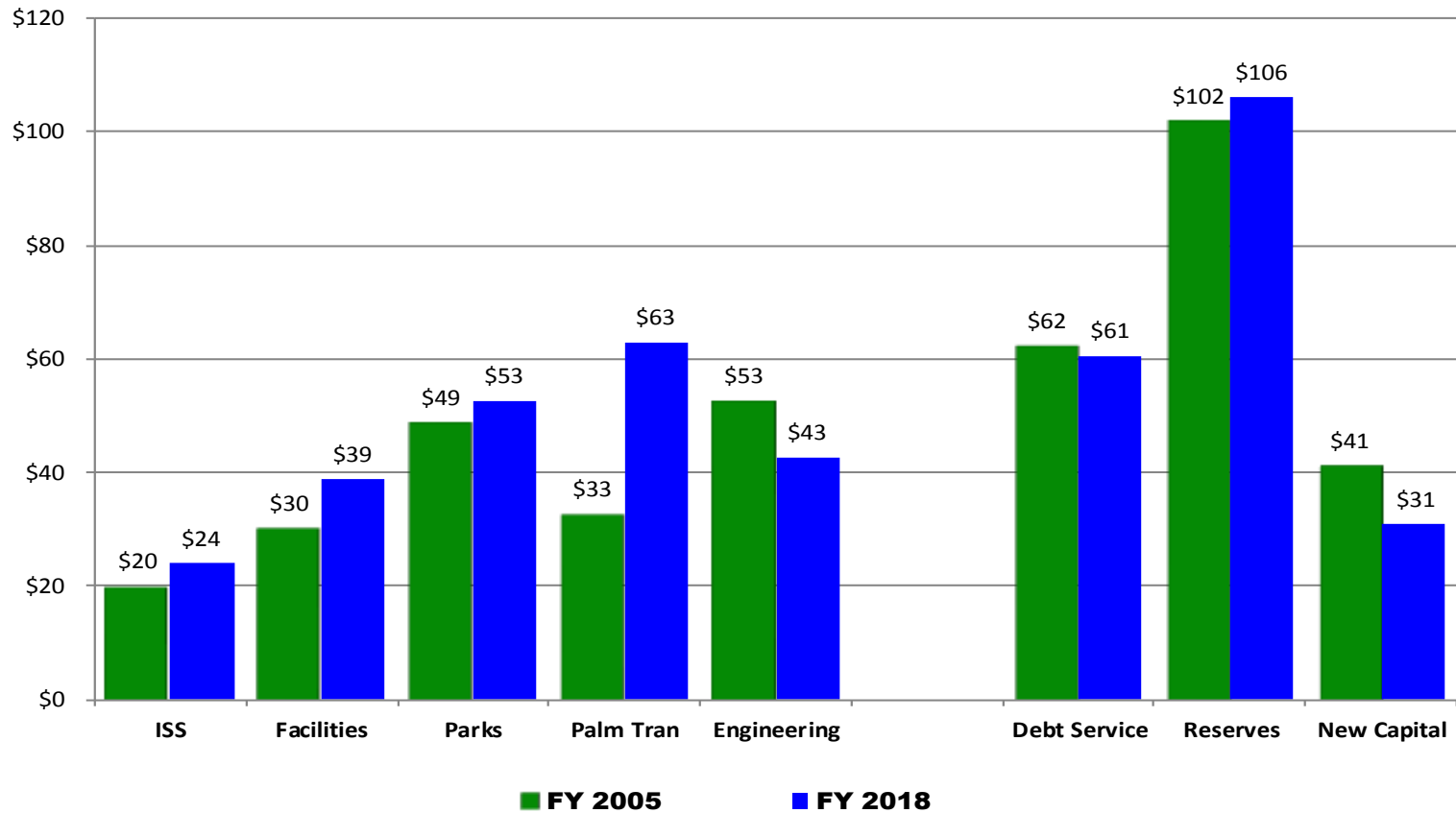
**Countywide Voted  
Debt Taxes  
\$21,382,943  
1.8%**

**FY 2005 vs. FY 2018  
Net Ad Valorem Equivalent Budget  
(in millions)**



During this period, inflation was up 31% and population was up 12.6%

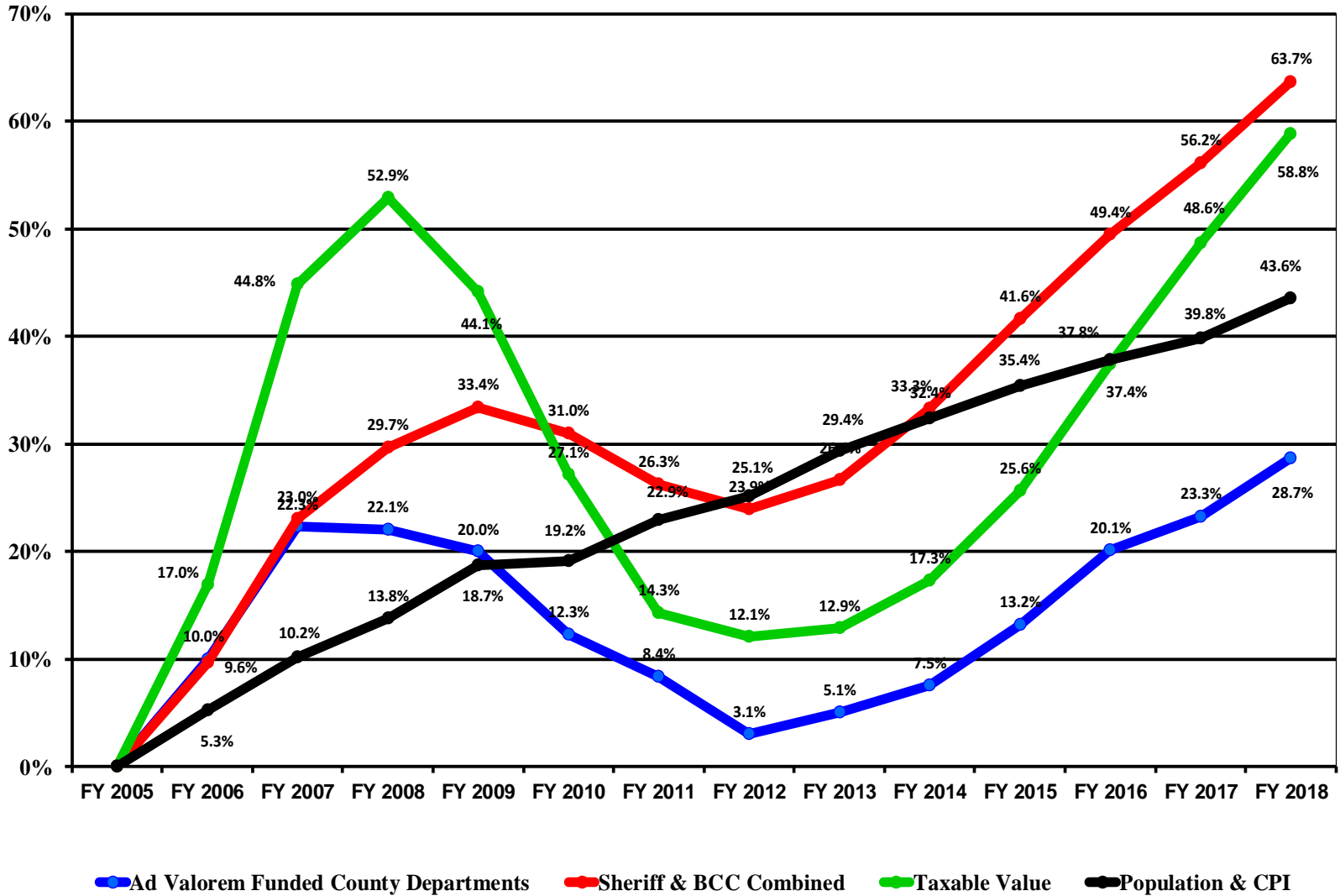
## FY 2005 vs. FY 2018 Major BCC Departments and Other Funding Net Operating Budget (in millions)



For the peak year (FY 2007), reserves were at \$125 million.



# Cumulative Percentage Increase in Ad Valorem Support



**Office of Financial Management & Budget**  
**Budget Summary**

	FY 2007 Budget	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2017 Estimate	FY 2018 Proposed Budget	2017-2018 Proposed Change to Budget		2007-2018 Proposed Change to Budget	
								Amount	%	Amount	%
<b>Revenues</b>											
Charges for Services	\$ 450,000	\$ 302,047	\$ 329,990	\$ 351,003	\$ 243,507	\$ 308,557	\$ 257,068	\$ 13,561		\$ (192,932)	
Other	340,000	158,037	197,979	190,233	180,000	180,000	180,000	-		(160,000)	
Sub-total	<u>\$ 790,000</u>	<u>\$ 460,084</u>	<u>\$ 527,969</u>	<u>\$ 541,236</u>	<u>\$ 423,507</u>	<u>\$ 488,557</u>	<u>\$ 437,068</u>	<u>\$ 13,561</u>	3.2%	<u>\$ (352,932)</u>	-44.7%
<b>Appropriations</b>											
Personal Services	\$ 3,578,691	\$ 2,858,607	\$ 2,909,638	\$ 3,039,518	\$ 3,235,050	\$ 3,193,595	\$ 3,484,252	\$ 249,202		\$ (94,439)	
Operating Expenses	608,102	219,006	241,659	228,448	304,817	269,960	320,879	16,062		(287,223)	
Capital Outlay	67,300	-	-	1,170	-	-	150,000	150,000		82,700	
Sub-total	<u>\$ 4,254,093</u>	<u>\$ 3,077,613</u>	<u>\$ 3,151,297</u>	<u>\$ 3,269,136</u>	<u>\$ 3,539,867</u>	<u>\$ 3,463,555</u>	<u>\$ 3,955,131</u>	<u>\$ 415,264</u>	11.7%	<u>\$ (298,962)</u>	-7.0%
<b>Ad Valorem Funding</b>	<u>\$ 3,464,093</u>	<u>\$ 2,617,529</u>	<u>\$ 2,623,328</u>	<u>\$ 2,727,900</u>	<u>\$ 3,116,360</u>	<u>\$ 2,974,998</u>	<u>\$ 3,518,063</u>	<u>\$ 401,703</u>	12.9%	<u>\$ 53,970</u>	1.6%
<b>Positions</b>	47	31	31	31	32	32	32	-	0.0%	(15)	-31.9%

## Ad Valorem Taxes

	2007	2017	2018	2007-2018	
				Amount	%
<b>Countywide - Operating</b>	<b>\$688,623,243</b>	<b>\$789,564,716</b>	<b>\$843,712,395</b>	<b>\$155,089,152</b>	<b>22.5%</b>
Countywide - Voted Debt	31,793,080	21,928,020	21,382,943	(10,410,137)	(32.7%)
Total Countywide	\$720,416,323	\$811,492,736	\$865,095,338	\$144,679,015	20.1%
<b>Dependent Districts:</b>					
Palm Beach County Library	\$53,088,448	\$52,345,689	\$55,367,172	\$2,278,724	4.3%
Fire Rescue MSTU	189,205,947	231,718,738	247,308,902	58,102,955 (1)	30.7% (1)
Glades Regional Fire MSTU	1,428,525	-	-	(1,428,525)	(100.0%)
Jupiter Fire MSTU	13,009,290	19,414,286	20,680,109	7,670,819	59.0%
Gross: Total Dependent Districts	256,732,210	303,478,713	323,356,183	\$66,623,973	26.0%
<b>Total Countywide Funds &amp; Dependent Districts</b>	<b>\$977,148,533</b>	<b>\$1,114,971,449</b>	<b>\$1,188,451,521</b>	<b>\$211,302,988</b>	<b>21.6% (2)</b>

Notes: (1) Net of cities that have opted into Fire Rescue MSTU since FY 2007, the increase was \$42 million, or 22.2%.

(2) The CPI increased 22.7%, and population 8.8%, (Total of 31.5%) for the period FY 2007 - FY 2018

## Millage Rate Impact on Homestead Property

	FY 2017	Proposed FY 2018	FY 2017 - FY 2018	
			Amount	%
<b>Property Values</b>				
Assessed Value	\$ 250,000	\$ 255,250	\$ 5,250	2.1%
Homestead Exemptions	(50,000)	(50,000)	-	0.0%
Taxable Value	\$ 200,000	\$ 205,250	\$ 5,250	2.6%
<b>Countywide Millage Rates</b>				
Operating	4.7815	4.7815	-	0.0%
Voted Debt Service	0.1327	0.1211	(0.0116)	(8.7%)
Total	4.9142	4.9026	(0.0116)	(0.2%)
<b>Property Taxes</b>				
Operating	\$ 956.30	\$ 981.40	\$ 25.10	
Voted Debt Service	26.54	24.86	(1.68)	
Total	\$ 982.84	\$ 1,006.26	\$ 23.42	2.4%

## Historical Trends

	<u>2007</u>	<u>2017</u>	<u>2018</u>	<u>Increase/(Decrease) 2007-2018</u>	
				<u>Amount</u>	<u>%</u>
<b>Countywide Millage Rate</b>	4.2800	4.7815	4.7815	0.5015	11.7%
			<u>In Billions</u>		
<b>Taxable Property Values</b>	\$ 160.9	\$ 165.1	\$ 176.5	\$ 15.6	9.7%
			<u>In Millions</u>		
<b>Countywide Property Taxes</b>	\$688.6	\$789.6	\$843.7	\$155.1	22.5%
<b>Total Property Taxes Including Debt</b>	\$977.1	\$1,115.0	\$1,188.4	\$211.3	21.6%
<b>BCC Funded Positions</b>					
BCC Countywide Ad Valorem Funded	4,156	3,370	3,405	(751)	-18.1%
Other Departments & Agencies *	2,753	2,904	2,934	181	6.6%
<b>Total</b>	<b>6,909</b>	<b>6,274</b>	<b>6,339</b>	<b>(570)</b>	<b>-8.3%</b>
* Airports, Building Division, Library, Fire-Rescue, Fleet, TDC, Water Utilities, Ethics, OIG					
			<u>In Millions</u>		
<b>General Fund Appropriated Reserves</b>	\$ 125	\$ 100	\$ 106	\$ (19)	-15.1%
CPI	196.800	236.525	241.432	44.632	22.7%
Population	1,291,426	1,391,741	1,405,658	114,232	8.8%

# Future Funding/Budget Issues

## Maximum Millage Rate

Based on projected property values increases, by FY 2020 the current millage rate will likely exceed the maximum millage rate with a simple majority vote. A super-majority vote would be required to maintain the millage rate.

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Roll-Back Rate	4.4441	4.4806	4.5500	4.5320	4.5323
Adopted Millage Rate	4.7815	4.7815	4.7815	4.7815	<b>4.7815</b>

## Maximum Millage (MM) Rate

Prior Year	5.4599	5.1993	5.0718	4.9891	4.8855
Roll-Back MM	5.0994	4.8885	4.8386	4.7381	4.6357
Per Capita Florida Income	1.96%	3.75%	3.11%	3.11%	3.11%
Majority Vote MM	5.1993	5.0718	4.9891	4.8855	<b>4.7799</b>
2/3 MM (up to 10% above) *	5.7192	5.5790	5.4880	5.3741	5.2579

\* Unanimous vote above this amount

## Additional Homestead Exemption

If approved by the voters, the additional homestead exemption will result in an estimated loss of \$25 million in FY 2020 (Countywide Operating Only).

To prepare, it is recommended we increase our reserves above the 8% policy threshold in FY 2018 and FY 2019. This will help offset the impact and help preserve services.