

**Palm Beach County, FL
Fiscal Year 2011
BUDGET IN BRIEF**



Board of County Commissioners

Karen T. Marcus, Chair
Shelley Vana, Vice Chair
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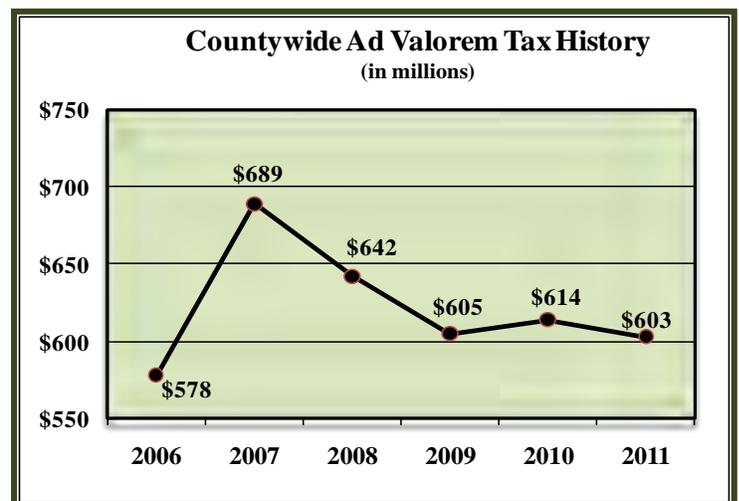
December 1, 2010

The Honorable Karen T. Marcus, Chair and
Members of the Board of County Commissioners

RE: Adopted Budget – FY 2011

On behalf of the County Departments and Constitutional Officers, I am pleased to present the adopted budget for FY 2011. The budget is balanced at 4.75 mills which is 1.5% below the roll back rate. This rate will generate \$603 million in taxes, \$10.3 million less than last year and only 4% more than five years ago. Balancing the budget was challenging and required difficult funding decisions. This was accomplished by a careful review of County operations and capital project requirements. Decreases in annual revenues are offset by cuts and one-time funding such as reducing reserves and using investment earnings on debt proceeds for annual debt service payments. This year's cuts include \$26 million to County Departments and Agencies, \$15 million to the Sheriff and \$3.5 million to reserves. Reducing the levels of service in many programs is necessary to maintain funding for nearly all of the services that the Board has traditionally supplied to County residents and visitors. Funding will be available to keep commitments to employees (union contracts) and to provide adequate supplies, materials and equipment so that they can perform their jobs safely and satisfactorily.

Undesignated reserves for the countywide, tax-equivalent funds for FY 2011 are 8% of the budget for those funds. The availability of reserves for use in a financial emergency is one indication that a government is financially strong. Reserves provide the flexibility to fund special opportunities and emergencies and are a key consideration when rating agencies evaluate future borrowings. The County – one of only 22 in the country – currently maintains AAA ratings from all three rating agencies.



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Budget, Millage, and Taxes:

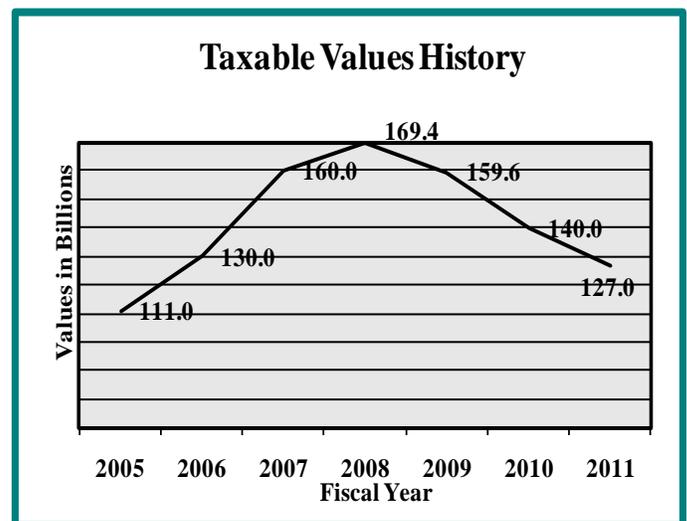
The FY 2011 adopted budget totals \$4.1 billion. The net budget, which excludes internal service charges, interdepartmental charges, and interfund transfers, is \$3.49 billion and is \$304 million (8%) less than the 2010 Modified Budget. Taxes in comparison to roll-back and the prior year are summarized in the following table.

<u>Taxing District</u>	<u>FY 2010</u>		<u>FY 2011 Rollback</u>		<u>FY 2011 Adopted</u>	
	<u>Millage</u>	<u>Amount</u>	<u>Millage</u>	<u>Amount</u>	<u>Millage</u>	<u>Amount</u>
Countywide	4.3440	613,607,557	4.8223	612,486,522	4.7500	603,303,606
Library	0.4970	37,474,834	0.5491	37,686,348	0.5491	37,686,348
Fire Rescue						
Main MSTU	3.4581	196,305,394	3.8456	199,098,977	3.4581	179,036,866
Jupiter MSTU	1.9501	15,098,789	2.1208	15,153,205	2.2489	16,068,485
Aggregate	6.1059	862,486,574	6.8059	864,425,052	6.5828	836,095,305

Property Values:

The taxable value as of January 1, 2010 (used in calculating millage rates for FY 2011) is \$127 billion, a decrease of \$13 billion, or 9.3% from the 2009 valuation, including new construction of \$1.2 billion and the revaluation of existing property. All property values and roll back calculations are based on the preliminary tax roll submitted by the Property Appraiser on July 1. For the third consecutive year, the rollback millage rate is greater than the prior year rate because of the decreased taxable value.

The \$13 billion decrease in taxable value was less than the \$20 billion (13%) decrease last year and less than the original projection of 12%. Following three years of decline, home prices have begun to stabilize. Buying opportunities in the condo market continues to attract domestic and foreign buyers.



Budget Preparation Guidelines:

The review and adoption of the annual budget is one of the most important policy-making responsibilities of the Board of County Commissioners. The budget establishes priorities among competing governmental services and establishes levels of service that are within the fiscal capabilities of the County. The budget development process began early with a workshop in October and one in December 2009. The Board reviewed all General Government services and their benefit to the community. Key assumptions were identified and budget forecasts were prepared. Instructions for the budget were set forth in the Budget Instruction Manual (BIM) which was distributed to County departments in February 2010. County departments were instructed to reduce their ad valorem budgets based on their pro-rata share of ad valorem funding and their capacity to do so.

One key element of the budget development process was the identification of budget strategies that achieved budget reductions while minimizing the impact on services to the residents. Administration reviewed these strategies that included relevant information about the effect(s) reduced funding or elimination of program(s) would have on a department's ability to achieve their goals and objectives. These strategies were the basis on which this year's difficult funding decisions were made. Departments were encouraged to give special consideration to:

- Programs that could be reduced, combined, or eliminated;
- Positions vacant for an extended period of time;
- Line-item analysis to maximize efficiency; and
- Procedural improvements that maximized efficiency of operations.

Budget priorities for FY 2011 were maintenance of service levels and public safety. A discussion of these issues and their budget implications can be found on page viii of this message in the **Issues/Priorities** section.

Requests for new funding in the capital budgets were carefully reviewed and prioritized by the Office of Financial Management and Budget and the Management Team. Detailed information including current financial status, recommended departmental funding changes and capital projects was presented to the Board during budget workshops held on June 16 and July 12, 2010. Citizen input – a key component of the budget development process – was a significant segment of each workshop and throughout the entire budget development process. After reviewing major assumptions and the impact of proposed budget cuts on the community, the Board voted to advertise the millage rate of 4.75 on Truth in Millage (TRIM) notifications.

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Major Changes in Countywide Tax Equivalent Funding: 2011 Compared to 2010

The following table provides a summary of changes in funding levels in FY 2011, followed by discussion of the major factors affecting those changes. For purposes of this schedule, countywide tax equivalent funds include the General Fund and the Sales Tax Fund.

Budget Factor	Impact on Ad Valorem Requirements (in millions of dollars)	
	Increase	Decrease
Decrease in Ad Valorem Taxes	\$10.3	
Net Decrease in Tax-Equivalent Revenue	4.5	
Net Impact of Decrease in One-time Funding Sources	16.6	
Decrease in Beginning Balances Brought Forward	16.6	
Appropriations:		
Decrease in Capital Projects		\$0.4
Decrease in Board Departments and Agencies		26.0
Decrease in Non-departmental Operations		2.6
Increase in Debt Service	7.4	
Decrease in Sheriff		19.2
Net Decrease in Other Constitutional Officers		2.1
Net Decrease in Reserves		3.5
Impact of Statutory Reserve Requirement		1.7

Ad Valorem Taxes: The millage rate of 4.75, which is 1.5% below the roll back rate of 4.8223 will generate \$10.3 million less ad valorem than last year.

Decrease in Net Tax-Equivalent Revenue: The decrease is mostly attributable to the decrease in interest and departmental charge-off revenues. More detailed information can be found on page vi of this message.

Decrease in Beginning Balance Brought Forward: The decrease is due to the planned use of fund balance to balance the FY 2010 budget.

Impact of One-time Funding Sources: This decrease reflects the difference in one-time funding from FY 2010 to FY 2011, \$26.7 million and \$10.1 million, respectively.

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Capital Projects: The FY 2011 budget includes \$11 million in new countywide ad valorem, or equivalent, funding for capital projects. This is down 4% from the prior year.

Board Departments and Agencies: This \$26 million decrease represents an 8.7% reduction in Board Departments and Agencies. Specific decreases for each Board Department and Agency are highlighted in the budget document under each Department/Division Summary section.

Non-Departmental Operations: The decrease is primarily attributable to reduced payments to Community Redevelopment Agencies (CRA) and an overall reduction in operating expenses required to balance the budget at the adopted millage rate.

Sheriff's Budget: The Sheriff's budget – representing nearly half of the tax equivalent budget – continues to be the major component in the budget development process. The \$19.2 million decrease in net ad valorem for operations is net of carryover funding, \$8 million into 2010 and \$5 million into 2011. The Sheriff returned excess fees of \$10 million in 2009 and projected a return of \$3 million in 2010.

Other Constitutional Officers/Judicial: Included in this category are the following offices:

- The **Property Appraiser's** net budget is \$20.2 million, of which \$18 million is the general fund portion. Although operating expenses are less, a \$1 million decrease in Commission Refunds will result in a net ad valorem increase of 5%.
- The **Supervisor of Elections'** operating budget is \$10.7 million, 10% higher than FY 2010. A significant portion of this increase is due to preparation for the November 2010 general election.
- The **Tax Collector's** budget is based on proposed taxes and fees determined by statute. The general fund portion, net of Commission Refunds, is estimated to be \$3.9 million.
- The **Clerk and Comptroller's** budget for BCC supported costs is \$12.9 million. Net of ISS charges, the budget decreased 4.2% from FY 2010. Four positions were deleted for FY 2011.
- **Judicial** has four components – Court Administration, Public Defender, State Attorney, and Court Related Information Technology (IT). The total Judicial budget decreased 22% or \$1.7 million, primarily due to reduced IT costs for the soon to be replaced County funded Criminal Justice Information System.

Net Decrease in Reserves: Undesignated reserves for the countywide, tax-equivalent funds are being maintained at 8% of the total budget for those funds. Rating agencies carefully monitor reserve levels and consider adequate reserve levels to be a sign of creditworthiness. Rating agencies have cited the County's prudent reserves as a significant factor in maintaining our AAA rating throughout the prolonged period of economic uncertainty.

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Revenues:

Other than Utility Taxes, FY 2011 projections are level with FY 2010 to reflect stabilization in our economy. The revenues represented in this summary include the countywide tax-equivalent funds (General Fund and Sales Tax).

Revenue Category	FY 2010 Budget	FY 2011 Budget	% Change Budget-to-Budget
Communications Services Tax	\$25,800,000	\$25,800,000	0%
Half Cent Sales Tax	62,000,000	62,000,000	0%
State Revenue Sharing	20,000,000	20,000,000	0%
Electric Franchise Fees	35,000,000	35,000,000	0%
Utility Taxes	29,100,000	33,100,000	13.7%
Total	\$171,900,000	\$175,900,000	2.3%

The Communications Services Tax (CST), a State administered revenue, is a tax on telecommunications and cable television. Although level with FY 2010, CST is down from FY 2009 due to three annual repayments of \$2.3 million to the State for redistribution to other local governments as a result of the State’s miscalculation of CST distribution in prior years. The final repayment will be in FY 2012.

The increase in Utility Taxes budget is not entirely due to an increase in usage. A portion of the increase is attributable to more accurate budget projections.

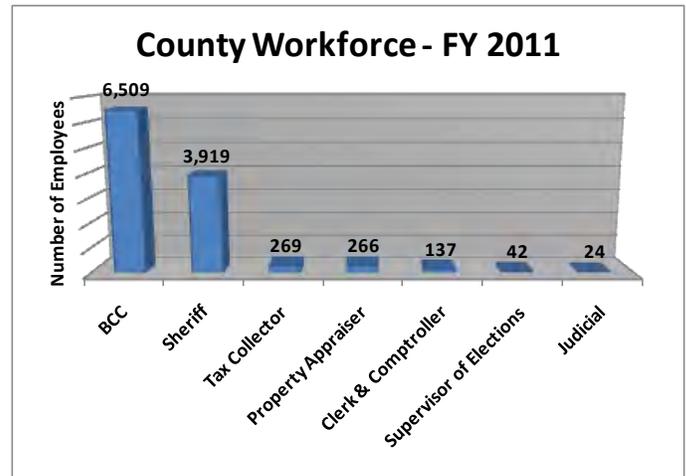
Size of the Workforce:

The FY 2011 budget provides for 11,166 positions, of which 6,509 are funded in departments controlled by the Board of County Commissioners. County departments have eliminated 180 positions, a 2.7% decrease from the FY 2010 complement. Since a majority of those positions were vacant, the cuts will not result in a significant reduction in service levels in the upcoming year. The largest cuts this year were in Fire Rescue where 31 positions were deleted, Parks and Recreation where 29 positions were deleted and Engineering and Public Works where 20 positions were deleted. Another 16 positions were cut from Facilities Development and Operations, with the remainder of the positions coming from 12 different departments.

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The Voluntary Separation Incentive Program (VSIP) – an early retirement program for eligible employees – was offered to employees again for this budget cycle. Ninety-two employees accepted the VSIP offer and nearly all of those positions will be eliminated.

The Constitutional Officers’ staff (including Judicial) totals 4,657, a total decrease of 93 from FY 2010. The changes were: 92 cut from the Sheriff’s Office; four cut from the Clerk; and three added to Judicial.



Capital Projects: The FY 2011 Capital Improvement Program, including interfund transfers and debt service, totals \$1.32 billion. Of this, \$977.8 million is funding carried over from previous years and approximately \$344.4 million is new funding, including ad valorem taxes, gas taxes and impact fees. New capital projects usually impact the County’s operating budget in future years. This impact is an important consideration in determining the approval of new projects; each department is required to provide estimated operating expenses when requesting capital projects during the budget development process. Further discussion of operating impact can be found in the Capital section of this document and in the Capital Improvement Program (CIP) document. Due to the current budgetary limitations, most general funded capital projects have been limited to repair & maintenance.

The other new capital projects are from other funding sources and include the following (stated in millions of dollars):

- \$ 140.2 Various Road Projects including Jog Road-Roebuck Road to South of 45th Street and Ocean Ave over Intracoastal Waterway
- \$ 21.7 Water Utilities’ projects including the East Central Region Wastewater Treatment Facility
- \$ 69.3 Various Airports’ projects including the Midfield Taxiway “L” EAST

Criteria for establishing the prioritization of capital project proposals are established in the Capital Improvement Element of the Comprehensive Plan (Comp Plan). These criteria address issues such as why the project is needed, what type of service the project will support and the physical location of the proposed project. The Comp Plan is based on an overall goal of maintaining a high quality of life in Palm

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Beach County. Further discussion of the Comp Plan can be found in the Introduction section of the Budget Document, under Long-Term Goals and Policies.

The County's five-year CIP is published in a separate document and includes capital and operating costs with funding sources for the current fiscal year plus four years into the future. County Administration, the Planning Division, and the Budget Office staff work together to review and revise the levels of service previously adopted in the Comp Plan. The Comp Plan is the basis for prioritizing capital projects and for determining if an amendment to the Capital Improvement Element of the Comp Plan is necessary.

Issues/Priorities:

Criminal Justice Issues: Criminal justice issues continue to be a driving force on the County budget. The Sheriff was asked to share in reducing the deficit by cutting \$28 million, or 5% from his budget. He cut \$15 million and was given credit for returning \$13 million in excess fees. To insure no reduction in patrol services, he eliminated three programs identified as not part of his core function: Eagle Academy, Drug Farm and Park Patrol. The County continues to fund the Park Ranger program in the Park's budget. Carryover of revenue bond funding for the Jail Expansion Program is included in the FY 2011 Capital budget.

Affordable Housing – Homelessness: The County's 10-year plan to end homelessness outlines the various strategies and timelines to target homelessness and the lack of affordable housing in the County. Significant strides have been made in this endeavor. The first of three Homeless Resource Centers – primarily grant funded – is scheduled to open in FY 2011. Also, in FY 2010 the County approved a new program whereby unspent interest earnings from Impact Fees can be used to offset Impact Fees for affordable housing projects.

Economic Development: The Palm Beach County Strategic Economic Development Plan shapes the County's policies and directions that will define its economic future. It provides a comprehensive overview of the economy, sets policy direction for economic growth and identifies strategies, programs and projects to improve the tax base and the economy. Elements of the plan include recommendations to County economic policy, realization of federal and state funding, and continued coordination with public/private partnerships. Current endeavors include the Ag Market Place System, Inland Port, and Glades Ecotourism.

Moreover, the County has made a significant investment in the biotechnology industry. Scripps and the Max Planck Society are two high-profile anchor organizations that are attracting many smaller biotech related companies that have either expanded operations or begun operating in the area; a clear indication of the positive economic impact of our investment in biotechnology.

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For the Future:

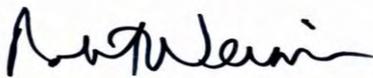
A projected 5% decrease in taxable value for FY 2012 could reduce ad valorem tax by \$30 million if the millage rate were to remain the same. Even at roll back, due to the one-time funding used to balance this year's budget, and without a significant improvement in revenues, we will be facing a deficit. It will be the fifth year of a multi-year challenge to balance the budget with declining revenues. Again this year, a critical factor is the Sheriff's budget and he must do his part in helping to eliminate the looming deficit. If not, we are faced with no other options but to increase taxes, significantly reduce levels of service or eliminate County programs.

Conclusion:

This budget achieves the Board's directive of a decrease in tax revenue. Sacrifices have been made and the quality and level of services that Palm Beach County residents expect and demand has been affected.

Budget preparation is truly a team effort. The work and support of the Management Team, the Office of Financial Management and Budget, and the individual departments are greatly appreciated. Special appreciation is directed to the Board of County Commissioners for their commitment to addressing the difficult policy decisions inherent in the budget process.

Sincerely,



Robert Weisman
County Administrator



PRINCIPAL OFFICIALS OF PALM BEACH COUNTY

Board of County Commissioners:

Karen T. Marcus, District 1

Paulette Burdick, District 2

Shelley Vana, District 3

Steven L. Abrams, District 4

Burt Aaronson, District 5

Jess R. Santamaria, District 6

Priscilla A. Taylor, District 7

Constitutional Officers:

*Sharon R. Bock,
Clerk & Comptroller*

*Gary R. Nikolits,
Property Appraiser*

*Ric L. Bradshaw,
Sheriff*

*Susan Bucher,
Supervisor of Elections*

*Anne M. Gannon,
Tax Collector*

Appointed Officials:

Robert Weisman, County Administrator

Denise Nieman, County Attorney

Joseph Bergeron, Internal Auditor

Office of Financial Management and Budget:

Elizabeth Bloeser, OFMB Director

Joseph Doucette, Budget Director

Marianela Diaz, Assistant Budget Director

ACKNOWLEDGEMENTS

Special recognition is given to the following individuals for their efforts in coordinating and preparing the FY 2011 Budget.

Office of Financial Management & Budget

Elizabeth Bloeser	OFMB Director
Joseph Doucette	Budget Director
Marianela Diaz	Assistant Budget Director
John Long	County Debt Manager
Susan Neary	Budget Manager
Jeremy Baker	Grant Budget Analyst
Aaron Maharaj	Budget Analyst II
Valerie Alleyne	Budget Analyst I
Maria Corona	Budget Analyst I
Jeannine Damato	Budget Analyst I
Angela Leach-Jayroe	Budget Analyst I
Lisa Pontius	Budget Analyst I
Deanna MacDonald	Special Projects Coordinator
Ann Wilson	Fiscal Specialist III
Jennifer Torres	Senior Secretary

Special thanks to:

County Commissioners for their early and continuous involvement in the budget process.

County Administrator, Deputy County Administrator and Assistant County Administrators for their expanded participation in this year's budget process.

Department Heads and Their Staff for their extraordinary effort in formulating the budget.

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Section A

Introduction



Located on the southeast coast, Palm Beach County is the largest of Florida's 67 counties. The County's 2,228 square miles include 1,977 square miles of land and 251 square miles of surface water, making it one of the largest counties east of the Mississippi River.

The surface water areas include the Intracoastal Waterway and approximately one-third of Lake Okeechobee. Lake Okeechobee is the largest freshwater lake in the state and the largest in the United States except for the Great Lakes. The County has 45 miles of shoreline and is 53 miles wide.

Palm Beach County's climate has enhanced its image as a location that provides a high quality of life to its residents. The average temperature is 75 degrees with an average of 82 degrees in the summer and 67 degrees in the winter. The wet season extends from June through October, with an average annual rainfall of 62 inches.

Close to several major Florida cities, central Palm Beach County is about one hour north of Fort Lauderdale, one and one-half hours north of Miami, and two and one-half hours south of Orlando.

History

The first settlers in what is now Palm Beach County were Indian tribes such as the Tequesta, Jeaga, Caloosa, and later the Seminoles. The next settlers arrived in 1860 when the Jupiter Lighthouse was built to aid sailors navigating the Atlantic Ocean.

Homesteading began in the late 1800's with the majority of the settlers coming to the area to farm. Early farmers found the soil to be highly productive and earned most of their income by growing vegetables for the northern winter market.

The late 1800's also marked the beginning of the tourism industry. Transportation improvements, particularly to the railroad system, provided easier access to the area. Hotels to serve tourists and the first winter homes for seasonal residents were constructed.

In 1892, Henry Flagler visited Palm Beach and decided to build a large resort hotel, the Royal Poinciana, and extend the Florida East Coast Railroad to West Palm Beach from Jacksonville. These developments made Palm Beach the nation's premier winter resort. Flagler considered the mainland area a perfect satellite location to service his resort and a good place for his workers to live. This area was incorporated as West Palm Beach in 1894.

Other cities, such as Linton and Boynton Beach, were established soon after West Palm Beach. Linton was founded in 1894 by William S. Linton, the postmaster of Saginaw, Michigan. He and a friend purchased 160 acres of land and sold it in five-acre tracts through ads in Michigan newspapers. In 1901, they renamed the town Delray Beach, after a Detroit suburb. Boynton Beach was founded in 1895 when Civil War officer Major Nathan S. Boynton built a 50-room resort hotel on the beach. One year later the railroad came through on its way to Miami.

The State Legislature established Palm Beach County as Florida's 47th County on July 1, 1909. Prior to that time, the area was part of Dade County. Palm Beach County originally encompassed Lake Okeechobee and the areas that became Broward County in 1915, Okeechobee County in 1917, and Martin County in 1925. In 1963, the State of Florida partitioned Lake Okeechobee among all of the counties that border it.

The first County Commission meeting was held on July 6, 1909 and West Palm Beach was designated as the County Seat. By 1910, the County's population had grown to more than 5,500 residents. The entire County experienced tremendous growth and development following World War I. The building and population increase produced a great land boom in the early 1920's. Contributing to the land boom was the climate, as well as an increase in the use of the automobile along with a growing network of roads. The State encouraged the influx of new residents during this period by promising never to pass state income or inheritance taxes. The 1926 Florida Land Bust, the 1926 and 1928 hurricanes, and the 1929 stock market crash drastically affected the local economy, but these events did not stop growth entirely due to the prior establishment of major transportation facilities.

World War II brought many changes to the County, including air bases and new jobs. After the war, Grace Morrison Field was expanded and became Palm Beach International Airport. During the same time period, small specialized businesses, many electronic-oriented, joined industrial giants like Pratt-Whitney and IBM in establishing plants in Palm Beach County.

The County remained largely undeveloped through the 1950's as evidenced by a 1960 population of less than 250,000. Although some citizens felt that it had lost its natural, unspoiled quality, many leaders welcomed urbanization and actively promoted growth and development.

In the late 1960's and early 1970's, large numbers of middle and upper income retirees began to move to Florida, prompting developers to build new subdivisions and cities. During this same period, the advent of air conditioning greatly enhanced the living and working environment, further increasing the pace of development.

Throughout the 1980's, the economy and the construction industry thrived as the population grew by approximately 5% per year. The national recession that occurred in the early 1990's reduced the County's growth rate to an average of approximately 2% annually. The County's FY 2010 population is estimated to be 1,286,461, an increase from the previous year, and is expected to further increase in FY 2011 despite the current economy.

Form of Government

As a result of the November 6, 1984 general election, Palm Beach County became a Home Rule Charter County on January 1, 1985. This "Home Rule" allows residents, through their elected commissioners, greater independence in determining how their County government will function and what services it will provide. Major advantages resulting from changing to this form of government include

- allowing the County to pass its own ordinances and laws as long as they do not conflict with state and federal laws;
- providing initiative procedures that allow voters to create, modify and amend local laws;
- providing a process to modify or amend the Charter; and
- providing voters with a process to recall County Commissioners for cause.

The Board of County Commissioners, which is the legislative branch of County government, adopts ordinances and resolutions to establish programs that protect and maintain the health, safety, and welfare of County residents. In 1990, the Board changed from five at-large Commissioners to seven, each representing a single-member district. Each Commissioner is elected to a four-year term by voters in the district in which they reside. Commissioners elect a Chair to preside over meetings and serve as the ceremonial head of the County. A Vice Chair is also selected to assume these duties in the absence of the Chair; each term is for one year.

The County Commission considers major problems facing County government and guides the growth and development of the County consistent with the public interest. Major areas of public interest under the control of the Board include

- provision of fire protection and disaster relief services;
- construction and maintenance of County buildings, roads, and bridges;
- provision of programs of housing, community development, slum clearance, conservation, flood and beach erosion control, and air pollution control;
- adoption and enforcement of building and housing codes and regulations;
- preservation of natural resources;
- preparation, review and periodic amendment of the Comprehensive Land Use Plan for the development of the unincorporated portion of the County; and
- provision of cultural and recreational facilities and programs.

Additionally, the Board may enter into agreements with other governmental agencies for the joint performance of duties.

The Commission appoints the Chief Executive Officer, i.e., the County Administrator, who implements Board-approved programs and manages the day-to-day operations of County government. With Commission approval, the County Administrator appoints Assistant County Administrators and Department Directors.

The County's Departments under the County Administrator are organized into two groups: General Operations Departments, which provide direct services to residents, and Central Services Departments.

General Operations Departments include

- Airports
- Community Services
- County Cooperative Extension Services
- County Library
- Engineering & Public Works
- Environmental Resources Management
- Fire-Rescue
- Housing & Community Development
- Medical Examiner
- Palm Tran
- Parks & Recreation
- Planning, Zoning & Building
- Public Safety
- Tourist Development
- Water Utilities

Central Services Departments include

- County Administration
- County Attorney
- Facilities Development & Operations
- Financial Management & Budget
- Human Resources
- Information Systems Services
- Internal Audit
- Legislative Affairs
- Public Affairs
- Purchasing
- Risk Management

In addition to the County Administrator, the Board of County Commissioners appoints County residents to serve as volunteers on various citizens' boards, commissions, committees, and councils. These groups are established for advisory and/or regulatory purposes. State law creates some advisory boards, while others are formed by the County Commission to meet special needs and to help solve challenging issues facing County government.

Constitutional Officers and Judiciary are the County Officials other than the County Commissioners, who are elected by the voters. The Clerk and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, Public Defender, State Attorney, and Tax Collector are the Constitutional Officers elected to four-year terms in general elections.

Palm Beach County is not a consolidated or "metro" form of government. The Palm Beach County School System is governed by a non-partisan elected School Board and operates under the direction of a School Board-Appointed Superintendent. The County Commission has no jurisdiction over the School Board.

The South Florida Water Management District, Children's Services Council, Health Care District, Drainage Districts, Inlet Districts, and municipalities within the County are also not under the authority of the Board of County Commissioners.

Economic Trends

Palm Beach County is Florida's largest county in area and third in population. Growth has been the major influencing factor of the County in the last several years. Population has increased approximately 2% annually since 1990 and is estimated to continue increasing through FY 2011. Also, significant investment has been made to develop the Biotechnology industry in Palm Beach County. Tourism, construction and agriculture are the leading industries in the County.

Tourism - Palm Beach County government is making a concentrated and continuing effort to increase the number of visitors to our area each year, which is expected to generate a two percent increase in revenues in fiscal year 2011. This increase will accommodate the recent decline in non-ad valorem revenues in the tourism industry. There are more than 62,000 people employed in jobs related to the tourism industry representing a 1% increase from FY 2009, with tourists contributing \$1.3 billion annually to the County's economy.

Construction – During FY 2010, a significant increase in construction and permitting activity was realized over the previous year, in both major areas of residential and non-residential development. In residential, there were 834 single family permit starts and 52 multi-family permit starts compared to 506 and 81 in FY 2009. Total values of FY 2010 residential permit starts were \$238.5 million compared to \$150.8 million in FY 2009. Non-residential work also increased considerably, with the permitted value of new construction in FY 2010 being \$144.3 million compared to \$98 million in FY 2009. Overall, permitting values in FY 2010 increased to \$652 million from \$488 million, representing an increase of 33.6% from the previous year. Influential factors are the fee increases that took place in October 2009 and January 2010 for building permits. Further contributing factors that worked to increase construction include some stabilization in the economy, and a decrease in the inventory of vacant and foreclosed residences.

Agriculture - Palm Beach County's agricultural acreage has remained stable for the last four years. Palm Beach County still leads the state of Florida, and all counties east of the Mississippi River, in agricultural proceeds. Currently Palm Beach County ranks among the top counties in the US and first in the state of Florida for agricultural sales. Palm Beach County leads the nation in the production of sugarcane and fresh sweet corn. It leads the state in the production of rice, bell peppers, lettuce, radishes, Chinese vegetables, specialty leaf produce and celery.

The 468,000 acres dedicated to agriculture, represent 38% of the total land mass in the county. Palm Beach County is third in the state in nursery production with estimated sales at \$250 million, and leads the state in agricultural wages and salary with over \$347 million. The industry currently uses bagasse, a sugarcane by-product, in conjunction with other waste wood products as the fuel source for the largest agriculturally based biomass co-generation plant in the United States for electricity generation. Several crops are currently grown as potential sources for ethanol production. Equestrian acreage in Palm Beach County continues to expand, currently ranking as the 2nd largest equine county in the state, following Marion County.

Manufacturing - Primarily electronics and other high tech products, manufacturing plays an important role in the County's local economy. The arrival of the Scripps Research Institute continues to provide a boost to the area's technology industry.

Bio Science – Scripps Research Institute and Max Planck Florida Institute are anchors to an eight million square feet Bioscience Cluster in Northern Palm Beach County. A “cluster” of related bio-technology businesses will form a hub to strengthen the County’s position as leader in this industry. A number of smaller bio-related companies have either expanded or moved to the County.

The County's per capita personal income of \$58,358 is well above the national average and the highest in the State of Florida. The County's labor force employed is estimated at 547,295, with the largest employers displayed below:

Company	Product/Service	Employees*
School Board	Education	21,718
Palm Beach County	Government	11,166
Tenet HealthCare Corp.	Health Care	5,127
Hospital Corp. Of America	Health Care	4,150
Florida Power & Light	Utility	3,658
Wackenhut Corporation	Security Services	3,000
Florida Atlantic University	Education	2,776
Bethesda Memorial Hospital	Health Care	2,300
Veterans Health Administration	Health Care	2,205
Boca Raton Resort & Club	Hotel	2,200

***Rounded**

Property Taxes

Property taxes are a lien on all taxable property as of January 1st of each year. Taxes are due November 1st and are payable by April 1st of the following year. Each parcel of property is assessed to the last known owner as established from the latest recorded deed or tax return.

There are three types of property which are subject to an ad valorem tax (a tax based on the assessed value of real or personal property). The three types are:

Real Estate covers land and the improvements thereon;

Tangible Personal Property includes property such as business fixtures, equipment, and machinery; and

Intangible Personal Property includes stock, bonds (except those exempt), mortgages accounts receivable, mutual funds, notes, trusts, estates, etc. (This is a State tax handled directly by the State of Florida.)

All property owners who maintain their permanent home on the property are entitled to a "Homestead Exemption" which exempts the first 25,000 of assessed value of the property from ad valorem taxes. Effective January 1, 2008, a property with an assessed value of \$75,000 or more receives an additional \$25,000 exemption. Additional exemptions are also available to widows, widowers, disabled veterans, totally disabled non-veterans, and senior citizens.

The Board of County Commissioners levies a Countywide millage that applies to all property owners in the County on the net assessed value of property. (Millage is the rate used to determine the amount of tax. A mill is one-tenth of a cent, or \$1.00 of tax for every \$1,000 of net assessed value.) The FY 2011 Countywide millage rate is 4.75.

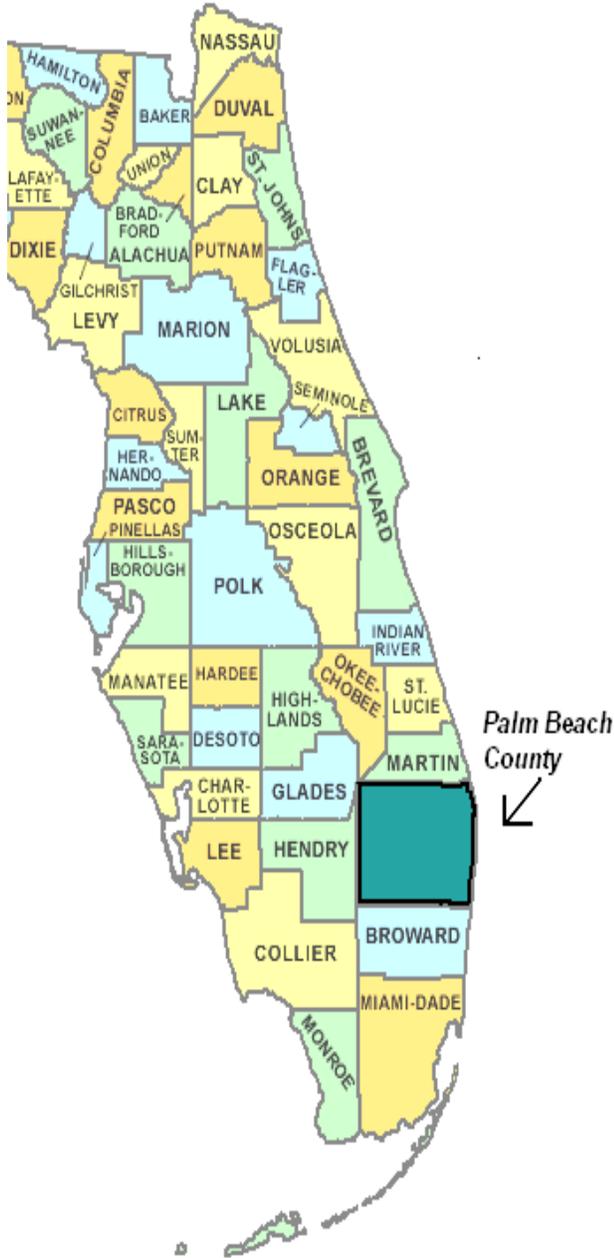
Palm Beach County Fire-Rescue and the County Library are dependent districts under the control of the Board of County Commissioners. They levy millages that apply to all property owners in the unincorporated portion of the County and residents of the municipalities that have elected to join the districts rather than provide the services themselves. The municipalities also levy millages to finance their local government's operating costs.

In addition to the Board of County Commissioners and municipalities, various other taxing districts levy millages that affect all property owners in the County or property owners in the particular districts. Some other entities in the County that levy property taxes are drainage districts. These taxes are not based on the value of the property, but on the number of acres in the parcel. Each district assesses an "Acreage Levy", a fixed amount for each acre or part thereof, to cover the maintenance and debt of the drainage facilities in the district. Additionally, some districts assess a "Parcel Levy", a fixed amount per parcel, to cover the cost of road maintenance and debt within the district.

Education

The Palm Beach County School District (School District) will serve more than 172,701 kindergarten through 12th grade students during the 2010-2011 school year. With 187 public schools, the Palm Beach County School District is the 5th largest in the state and the 11th largest in the nation. Additionally, vocational and occupational training is provided at three technical education centers and various community schools. The School District is governed by a separately-elected Board.





As part of Florida’s Gold Coast, Palm Beach County is located in Southeast Florida and is the largest County in area in the State of Florida. It is located just 50 miles north of Fort Lauderdale, 70 miles north of Miami and 150 miles south of Orlando.

The County is off the coast of the Atlantic Ocean.



Date Established
Form of Government
Area (Including water)
Total Adopted Fiscal Year 2011 Budget

July 1, 1909
Commission-County Manager
2228 square miles
\$4.078 Billion

County Demographics

Population	1,297,760
Median Age	43.4
Median Household Income	\$52,700
Average Household Size	2.47

Sheriff's Office

Law Enforcement Officers	1,492
Correction Officers	697



Palm Beach County Sheriff's Office Headquarters



Fire Rescue Headquarters

Fire Protection

Suppression units (including 19 brush trucks)	67
Advanced Life Support Units	83
Fire stations	49
Employees (Certified Firefighters)	1,331
Employees (Non-Certified)	180
FY10 Total Fire Runs	15,779
FY10 Total EMS Runs	97,353
FY10 Average Response Times For Fire/EMS	6:30

Palm Beach County Schools

There are 187 schools in Palm Beach County with 172,701 enrollment. See below for the number of schools

Elementary Schools	107
Middle Schools	33
High Schools	23
Alternative	17
Adult & Community Schools	2
Other Educational Schools	5

Illustrated below are the FCAT rating and the # of schools with the respective rating (High Schools results not available)

"A" Schools	88
"B" Schools	20
"C" Schools	25
"D" Schools	4
"F" Schools	3

2010 FCAT RESULTS

Elementary	Reading		Math	
	Grade	County % / State %	County % / State %	County % / State %
Elementary	Grade 3	68/72	79/78	
	Grade 4	72/72	75/74	
	Grade 5	70/69	65/63	
Middle	Grade 6	68/67	63/57	
	Grade 7	71/68	70/61	
	Grade 8	58/55	73/68	
High	Grade 9	51/48	71/67	
	Grade 10	45/39	77/73	

Source: Palm Beach County School Board website and www.fcata.fldoe.org

Major Employers

Palm Beach County School Board	21,718
Palm Beach County	11,166
Tenet Healthcare Corporation	5,127
Hospital Corp. of America (HCA)	4,150
Florida Power & Light	3,658

Land Usage (%)

Residential	13.9%
Commercial	1.1%
Recreational	2.5%
Agriculture	38.0%
Conservation	30.7%
Other	13.8%

Elections

Registered Voters	822,730
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Southern Regional Water Reclamation Facility

Utility System

Active accounts		
Water		171,527
Wastewater		154,874
Number of Units Served		
Water		223,745
Wastewater		205,909
Capacity per day (thousand gallons)		
Water (tgd) max.		114,380
Sewer (tgd) max.		58,500
Miles of Water and Sewer Mains		
Water		2,121
Sewer		1,676
Fire Hydrants:		
		16,235
Pump Stations		
		764

Parks and Recreation

The County offers over 8,000 acres of parkland, which are available to

<u>County Owned Amenities</u>	<u># of</u>
Golf Courses	5
Playgrounds	60
Play Structures	101
Parks	81
Water Parks	2
Splash Parks	3
Swimming Pools	6
Dog Parks	3
Community Centers	2
Recreation Centers	5
Nature Centers	3
Equestrian Parks	5
Beaches	15
Campgrounds	3
Amphitheaters	3



Coconut Cove Waterpark



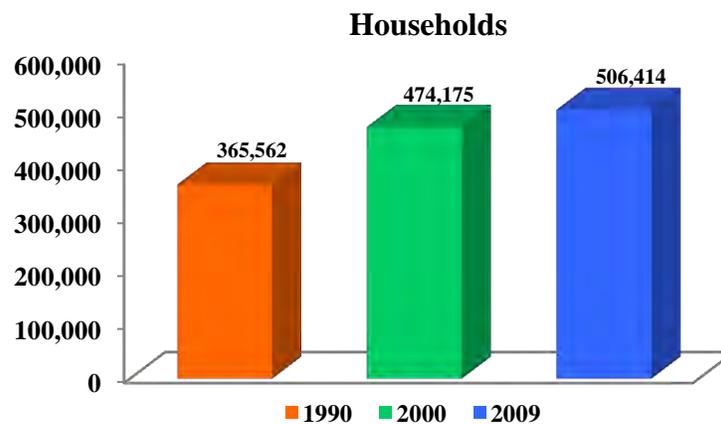
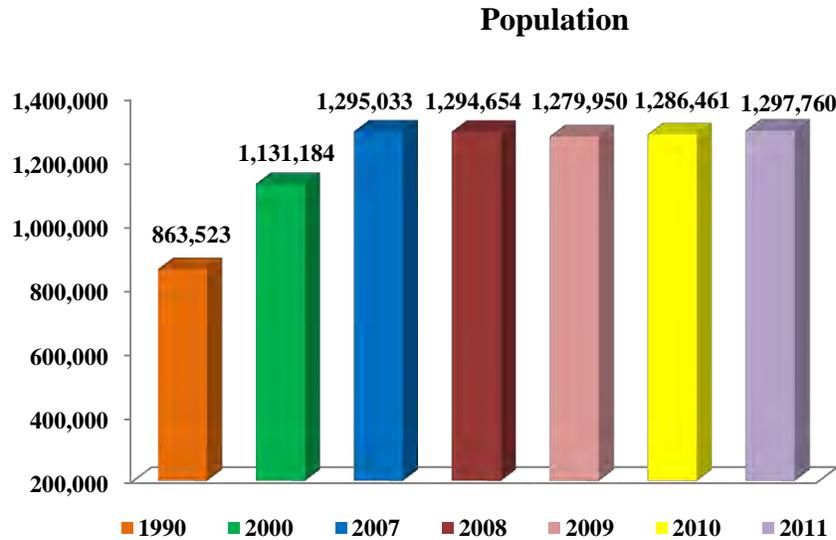
John Prince Park Playground



Riverbend Park

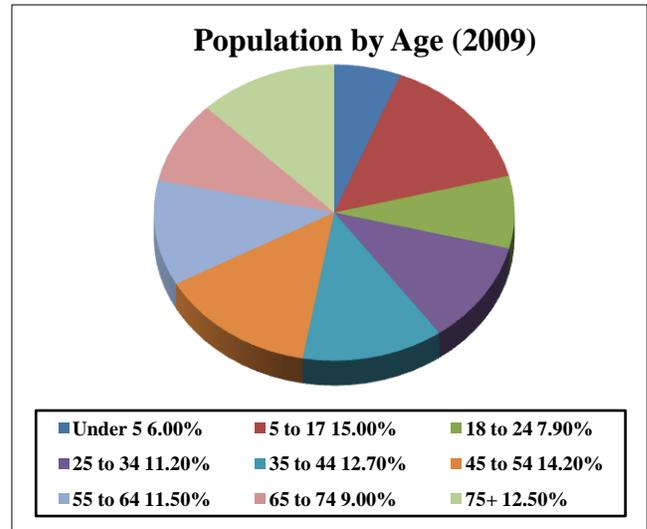
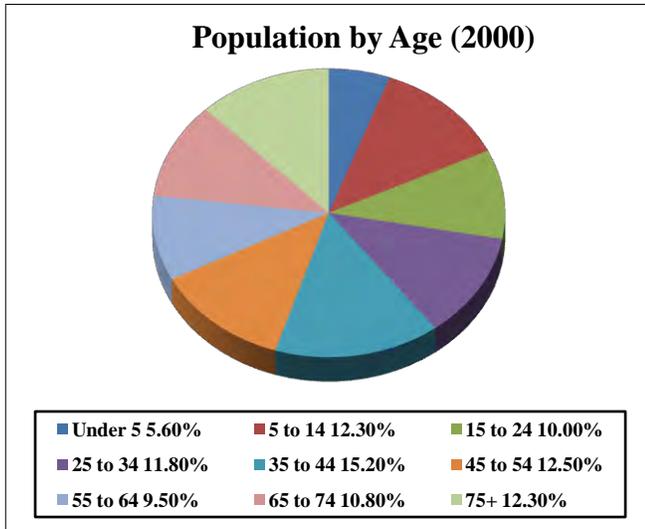
According to the U.S. Census Bureau, Palm Beach County has a total area of 2,228 square miles. Of which, 1,977 square miles is land and 251 square miles is water, much of it in the Atlantic Ocean and Lake Okeechobee. It is bounded on the north by Martin County, on its west by Hendry County, on its northwest by Okeechobee County and Glades County, on its south by Broward County and on its east by the Atlantic Ocean. Palm Beach County is the largest county by area and third largest county by population in the State of Florida.

Population/Household Demographics



The number of households in the County in 2009 was 506,414, which is an increase of 39% from 1990 and an increase of 7% from 2000. The household projection for 2011 is expected to experience a slight decline from 2009. The population in the County has experienced significant growth since 1990. In 2011, the population is 50% higher than in 1990 and 15% higher than in 2000. Population projections for 2011 is expected to experience a slight increase.

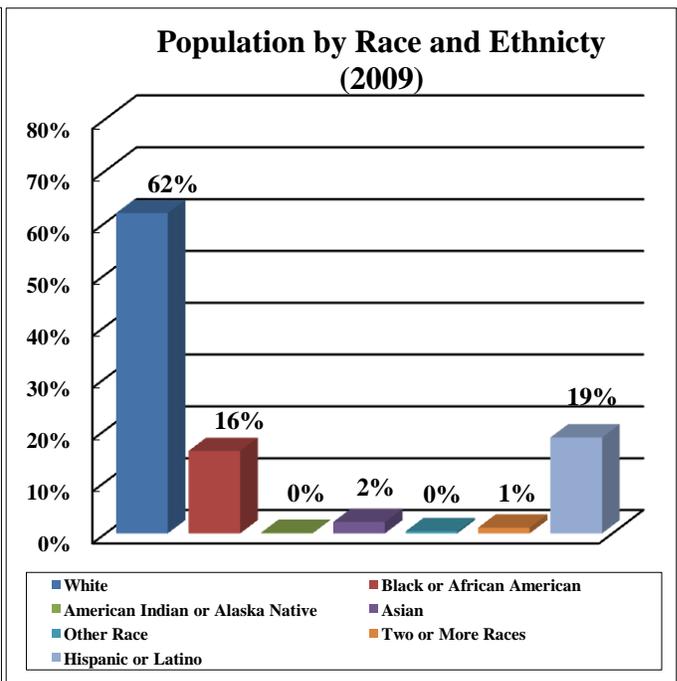
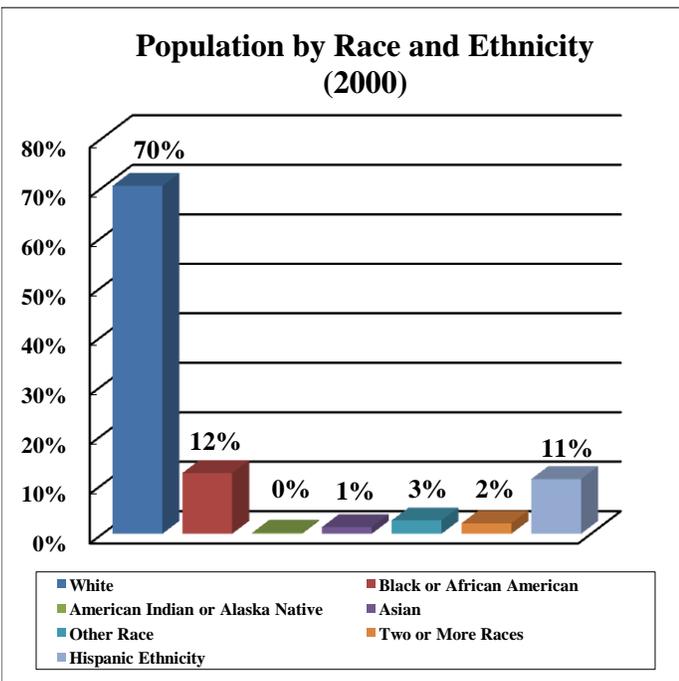
Population by Age



The median age of the total population in the County in 1990 was 39.8, in 2000 it was 41.8, and in 2009 it was 43. The overall population, coupled with Palm Beach County being a retirement destination, is aging. As such, the median age is anticipated to continue to increase.

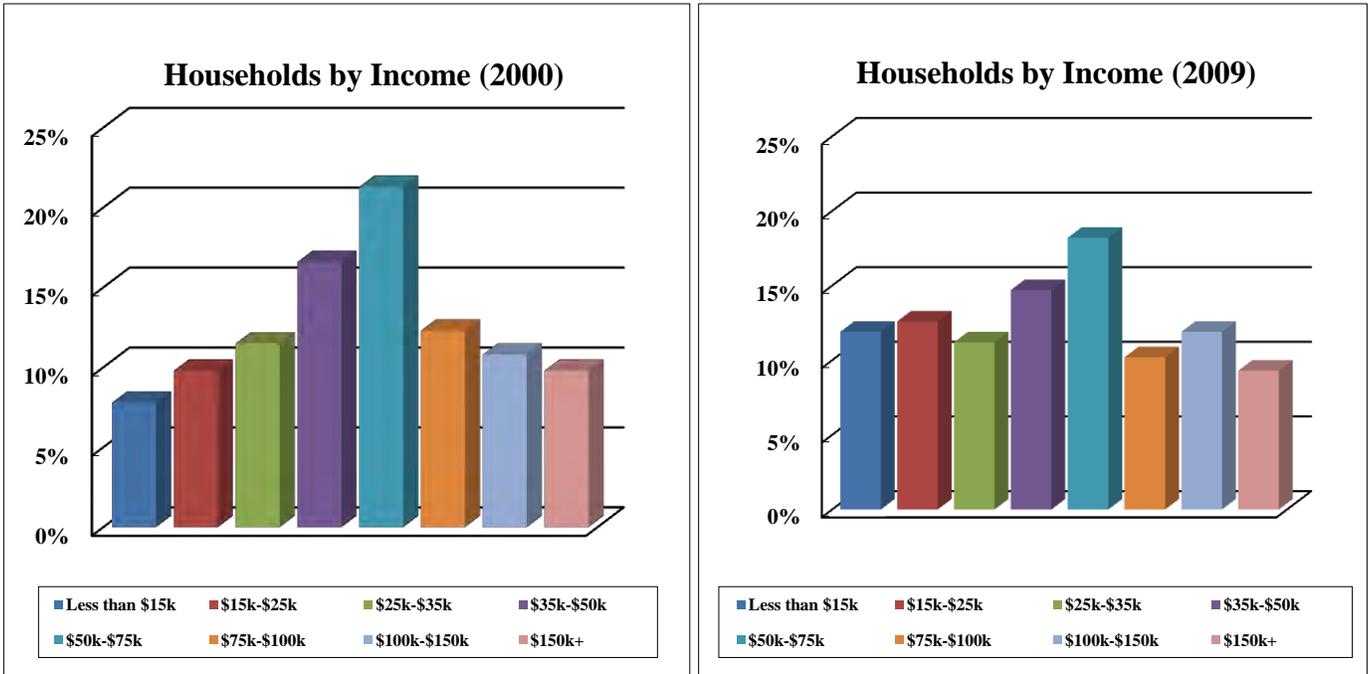
In 2009, females represented 51.1% of the population and males represented 48.9% of the population and the most prominent age group in this geography is 45 to 54 years. The group least represented in this geography is under 5 years.

Population by Race / Ethnicity



In 2009, the predominant race and ethnicity category in the County is White at 62%. The least represented race and ethnicity category in the County is American Indian or Alaskan Native and Other.

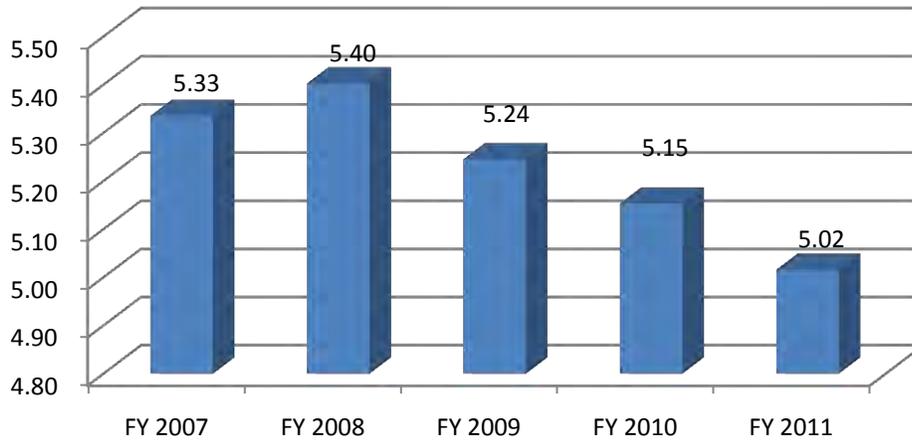
Households by Income



In 2009, The predominant household income category in Palm Beach County is \$50K-\$75K and the income group that is least represented is \$150K plus. As illustrated in the above graphs, the County has significant constituent base in all household income levels.

Source Data is from the U.S. Census Bureau and Palm Beach County's Planning & Zoning Department.

EMPLOYEES PER 1,000 POPULATION



	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Total Employees	6,909	6,994	6,713	6,629	6,509
County Population	1,295,033	1,294,654	1,279,950	1,286,461	1,297,760
Employees per 1,000 population	5.33	5.40	5.24	5.15	5.02

Palm Beach County Board of County Commissioners has a total of 6,509 full and part-time employees budgeted for FY 2011. The number of employees per 1,000 population is being presented in order to reflect the effects of growth. This chart shows the decrease in employees from FY 2007 through FY 2011. Despite eliminating over 650 positions since FY 2008, there has been an increase in positions in Fire Rescue, Library, and Water Utilities Department as a result of expansion of services and addition of new facilities.

Because personnel costs are a major portion of the County's operating budget, changes in the number of employees per 1,000 population have a direct relationship to the cost of providing services. A decrease in employees per 1,000 population indicates the County is either becoming more efficient and/or service levels are decreasing. In light of current economic conditions, the County has eliminated positions and has implemented more effective processes to maintain current service levels.

As indicated by the above graph and table, the Board's employees per 1,000 population has been showing only a slight increase through FY 2008 and then a decline since then. The decrease from FY 2010 to FY 2011 would have been more significant; however, there was an increase of 23 positions in Community Services. The decrease from FY 2008 to FY 2011 is 6.9%.

Palm Beach County is committed to providing quality service to its residents, at the lowest possible cost, in order to optimize taxpayer dollars. In developing the County's financial plan, or budget, attention is first given to assuring that the budget will be in balance, both on an overall basis and in each of the County's funds. Any potential imbalances are eliminated by the County Administrator before the Tentative Budget is presented to the Board of County Commissioners for consideration and adoption at Public Hearings.

Fiscal Year

Palm Beach County's Budget is based on a fiscal, rather than calendar year. The year begins on October 1st and ends on September 30th. Thus, FY 2011 is from October 1, 2010 through September 30, 2011.

Statutory Requirements

In the State of Florida, county budgets are governed by State Statutes. Chapter 129 of the Florida Statutes, entitled "County Annual Budget" specifically directs that (among other requirements) a budget be prepared annually and it must be balanced. It further provides for amendment of the budget in limited circumstances and prohibits expenditures in excess of budgeted amounts.

Funds Included

The County's budget is consolidated and presents the planned disposition of all available resources in all funds. The total budget is appropriated by the Board of County Commissioners as the adopted financial plan for the County for the ensuing fiscal year.

Basis of Accounting

The County's accounting records for general governmental operations are maintained on the modified accrual basis; i.e., revenues are recorded when available and measurable and expenditures are recorded when the services or goods are received and the related liabilities are incurred. The County's proprietary operations are maintained on the full accrual basis; i.e., revenues are recognized when earned and expenses are recognized when incurred. For budgetary purposes, the modified-accrual method is utilized for all funds.

Budget Development Process

The first Board Budget Workshops were held in October and December to review each departments goals, objectives, operations and budgets. Budget development training was held on February 17th. The FY 2011 budget was developed based on department and countywide strategies mandated by Administration. Departments did not make across the board cuts. Instead, specific departments were directed to reduce their net Ad Valorem budgets first by eliminating vacant positions and then by targeting cuts that resulted in the least impact to the community.

All Department requests were due April 5th, with Constitutional Officers' proposed budgets due May 1st or as specified by State Statute.

A Workshop was held with the Management Team in May. Workshops with the Board of County Commissioners were held on June 16th and July 12th and included input from the public. Based on Board direction at these workshops, changes were made and a tentative budget was finalized.

Public Hearings were held on September 14th and 28th to receive final public comments on the Tentative Budget and to adopt a final FY 2011 budget. The Board of County Commissioners adopted a millage rate of 4.75 mills for FY 2011, which is 1.5% below the rolled-back rate. The rolled-back rate is the millage which, exclusive of new construction, provides the same ad valorem tax revenue as was levied during the prior year. The Adopted budget became effective on October 1, 2010.

Amendments After Adoption

Florida Statutes specifically direct that, upon the final adoption of the budgets, the budgets shall regulate the expenditures of the County and the itemized estimates of expenditures shall have the effect of fixed appropriations and shall not be amended or altered or exceeded except as provided by the Statutes.

The Board of County Commissioners at any time within a fiscal year may amend a budget as follows:

- Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased with the approval of the Board provided that the total appropriations of the fund are not changed.
- Appropriations from the reserve for contingencies may be made to increase the appropriation for any particular expense in the same fund for any lawful purpose. Expenditures can not be charged directly to the reserve for contingencies.
- The reserve for future construction and improvements may be appropriated by the Board for the purpose(s) for which the reserve was established.
- A receipt from a source not anticipated in the budget and received for a particular purpose, including but not limited to grants, donations, gifts, or reimbursement for damages, may, upon approval by the Board, be appropriated and expended for that purpose. Such receipts and appropriations shall be added to the budget of the proper fund.
- Increased receipts for enterprise or proprietary funds received for a particular purpose may, upon approval by the Board, be appropriated and expended for that purpose.

Florida Statutes provide for the delegation of authority to approve certain types of budget transfers. The Board of County Commissioners has established procedures by which the Director of the Office of Financial Management and Budget may authorize certain transfers which are intra-departmental in nature, such as appropriations from one line item to another within a department, transfers from designated capital reserves to establish budgets for projects previously approved, transfers between school impact fee reserves and appropriation units within the same fund, and transfers from reserves for donations for a specific purpose.

Departmental Performance

Annually, the Departments include a mission statement, program/service descriptions, highlights and accomplishments, the budget year's goals (objectives), and performance measures in the Budget Document. These functions help Administration and the County Commission evaluate the performance of each Department. The Office of Financial Management and Budget has helped to establish more effective performance measures and objectives.

The over-all objective is to verify that Palm Beach County performance measures are:

- A positive tool in gauging organizational achievements;
- Increase the meaningfulness (value) to all;
- An important management tool to aid decision making;
- An accurate source of justification for resource requests; and
- A way to connect staff level activities to higher level organizational missions and objectives.

<u>Date</u>	<u>Activity</u>	<u>Participants</u>
<u>2009</u>		
October 27	Budget Workshop	Board County Administrator Departments/Divisions
October 28	Budget Workshop	Board County Administrator Departments/Divisions
December 9	Budget Workshop	Board County Administrator Departments/Divisions
<u>2010</u>		
January 5 - February 12	Development of Non Departmental revenue estimates for current year and projections for subsequent year	Budget Division
January 11	SWA Disposal Fee budget estimates due	Budget Division Solid Waste Authority
January 22	Offer Voluntary Separation Incentive Program (VSIP)	Human Resources
January 27	Identify vacant positions for elimination	Management Team Budget Division
February 5	Request employee suggestions for budget cuts	Budget Division Department/Divisions
February 17	FY 2011 Budget Kickoff	Budget Division
March 1	Budget Central - forms and instructions for FY 2011 budget process available online	Budget Division
March 1 - March 8	BRASS budget data input training available to Departments, as needed	Budget Division Departments/Divisions
March 1 - April 5	Department Budget Strategy Discussion with County Administrator (as needed)	Budget Division Departments/Divisions
March 1 - April 5	Development of Departmental estimates for current year and budget requests for subsequent year (revenues and operating expenditures)	Departments/Divisions

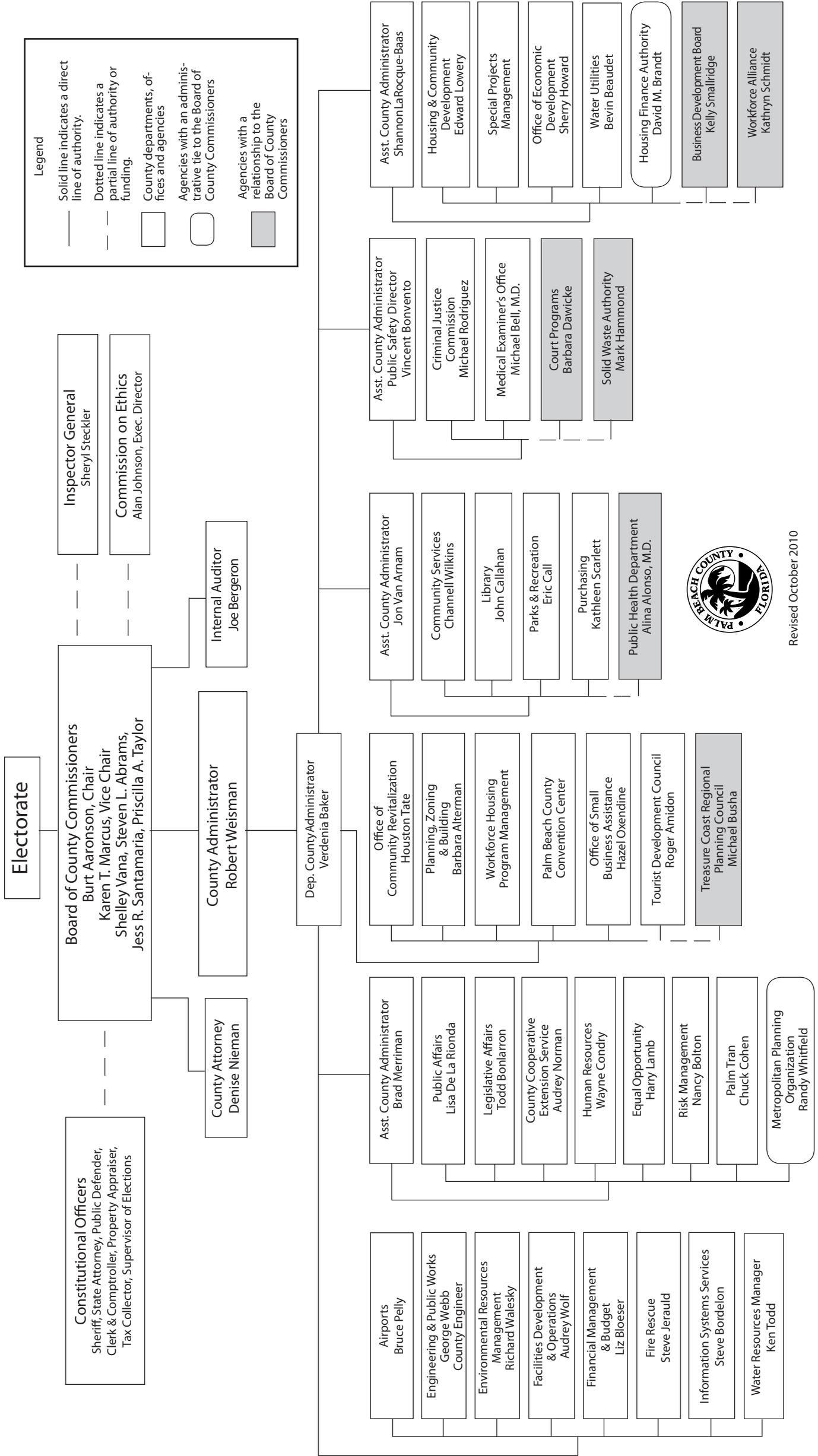
<u>Date</u>	<u>Activity</u>	<u>Participants</u>
March 5 - April 5	Forwarding of specific requests to proper Departments for technical review: <ul style="list-style-type: none"> - data processing requests to ISS - facility improvement requests to Facility Mgmt. - communication and electronic system requests to Communications Division (Airports excepted) - new vehicle requests to Fleet Management 	Budget Division
March 8	Capital Project proposals due	Departments/Divisions
April 5	Submission of Departmental operating budget request to Budget Division	Departments/Divisions
April 6 - April 19	Review and analysis of budget requests and recommendation of funding levels	Budget Division
April 19	Calculation of tax requirements & gross budget and completion of overall budget review	Budget Division
May 1	Submission of Constitutional Officers' Budget requests	Sheriff Clerk & Comptroller Supervisor of Elections
May 20	Meeting with Management Team to discuss and finalize budget strategies	County Administrator Management Team Budget Division
June 1	Estimate of assessed property value provided to the Board (F.S. 200.065 (7))	Property Appraiser
June 1	Submission of Property Appraiser's budget request: <ul style="list-style-type: none"> - to State Department of Revenue - to Board (F.S. 195.087 (1)(a)) 	Property Appraiser
June 16	BOARD WORKSHOP - Discussion of budget strategies	Board County Administrator Departments/Divisions Budget Division Constitutional Officers
July 1	Certification of taxable property values to Board (F.S. 193.023 (1); 200.065 (11))	Property Appraiser

<u>Date</u>	<u>Activity</u>	<u>Participants</u>
July 9	Offer Voluntary Separation Incentive Program (VSIP)	Human Resources
July 12	BOARD WORKSHOP - Recommended Tentative budget and tentative millage, including the Proposed Five Year Capital Improvements Program	Board County Administrator Departments-Divisions Budget Division Constitutional Officers
July 20	BOARD MEETING - Setting of Tentative Millage for Certification to Property Appraiser	Board Budget Division
July 24	Tentative budget amendments to Property Appraiser's budget from Department of Revenue: -to Property Appraiser -to Board (F.S. 195.087 (1)(a))	Dept. of Revenue
July 27	Notification to Property Appraiser of proposed millage rate, rolled back rate, and date, time and place of First Public Hearing (form DR-420) (F.S. 200.065 (2)(b))	Budget Division
August 1	Submission of Tax Collector's budget request: - to State Department of Revenue - to BCC (F.S. 195.087 (2))	Tax Collector
August 13	Property Appraiser's budget: - Board comment period ends - Final budget amendments from Department of Revenue (F.S. 195.087 (1)(a))	Board Budget Division Property Appraiser Dept. of Revenue
August 17	Board Meeting - Approve request of Tax Collector to order tax roll to be extended prior to completion of Value Adjustment Board hearings	Budget Division
August 24	Mailing of Notices of Proposed Property Taxes and First Public Hearing Date (i.e. TRIM@ Notice) (F.S. 200.065 (2)(b))	Property Appraiser
September 14 (6:00 p.m.)	FIRST PUBLIC HEARING - Adopt proposed millage and amended tentative budget (F.S.200.065 (2)(c))	Board County Administrator Budget Division

<u>Date</u>	<u>Activity</u>	<u>Participants</u>
September 22	Submission of advertisements to newspaper of Second Public Hearing and Budget Summary Statement	Budget Division
September 25	Publication of newspaper advertisements of Second Public Hearing and Budget Summary Statement (F.S. 129.03 (3)(b); 200.065 (2)(d) and (3)(1))	Budget Division
September 28 (6:00 p.m.)	SECOND PUBLIC HEARING - Adopt final millage and budget (F.S. 200.065 (2)(d))	Board County Administrator Budget Division
September 30	Submission of approved millage levy resolution and budget to Property Appraiser, Tax Collector, and Department of Revenue (F.S. 200.065 (4))	Budget Division
October 1	Beginning of new fiscal year	
October 1 - November 15	Update and print adopted Budget Documents	Budget Division
October 6	Certification of Compliance submitted to Department of Revenue (F.S. 200.068 DR-487)	Budget Division
December 3	Submission of Budget Documents to GFOA Awards Program	Budget Division
December 10*	Completion of Value Adjustment Board Hearings	VAB
December 17*	Certification of final taxable values (form DR-422) (F.S. 200.065 (5))	Property Appraiser
December 22*	Return Certification of final taxable values (form DR-422) to the Property Appraiser	Budget Division
<u>2011</u>		
January 4*	Forward proof of publication and full page ad from VAB hearings to DOR	Budget Division

*Dates may vary due to Value Adjustment Board Hearings

Palm Beach County Board of County Commissioners Organizational Structure



Revised October 2010



Section B

Budget Summary Information



FY 2010 Adopted to FY 2011 Adopted Budget

What is the Budget?

The **budget** is a plan for the accomplishment of goals and objectives within programs identified as being necessary to the purpose of Palm Beach County government. Included in the format are the estimates of the appropriations of the resources required, the tax and non-tax revenues available to support implementation and the number of positions estimated to fulfill the level of service represented by workload measures. In practice, the "budget" may be the plan presented to the appropriating body for adoption, labeled adopted, or the adopted budget, which is the legal authorization to expend County funds during the fiscal year. The budget may be amended during the fiscal year by the governing body in accordance with procedures specified by law and/or administrative order.

Total Budget

The **Total Budget** includes budget transfers from one fund to another and payments from one County department to another for services received.

Net Budget

The **Net Budget** subtracts Internal Service Charges, transfers of money from one fund to another (Interfund Transfers), and payments from one department to another for services rendered, from the total Gross Budget. These reductions from the total Gross Budget are considered double-counted because they do not represent money coming into the County budget as revenue or leaving the County budget as expense. Interfund transfers are necessary to reflect movement of revenues within the legal budget from the fund where received to the fund where the expenditure is to be recorded.

	<u>FY 2010 Adopted Budget</u>	<u>FY 2010 Modified Budget</u>	<u>FY 2011 Adopted Budget</u>
Total Budget	\$4,101,803,250	\$4,469,299,051	\$4,078,260,913
Less: Internal Service Charges	(\$122,194,096)	(\$122,194,096)	(\$125,145,342)
Interfund Transfers	(\$471,572,668)	(\$537,490,497)	(\$446,767,912)
Interdepartmental Charges	(\$18,718,251)	(\$17,238,251)	(\$17,925,724)
Net Budget	<u>\$3,489,318,235</u>	<u>\$3,792,376,207</u>	<u>\$3,488,421,935</u>
Budgeted Reserves	\$738,387,376	\$801,331,485	\$830,554,057
Budgeted Expenditures	\$2,750,930,859	\$2,991,044,722	\$2,657,867,878
Net Budget	<u>\$3,489,318,235</u>	<u>\$3,792,376,207</u>	<u>\$3,488,421,935</u>

BUDGET SUMMARY

	General Fund	Special Revenue Funds
Estimated Revenues:		
Current Property Taxes	\$603,303,606	\$232,791,699
Licenses, Permits, & Other Taxes	99,235,500	66,391,583
Intergovernmental Revenues	23,187,240	339,842,360
Charges For Services	96,421,991	61,236,670
Interest Earnings & Other Misc.	(12,243,018)	(490,652)
Interfund Transfers	7,921,355	105,216,542
Total Revenue	\$817,826,674	\$804,988,202
Other Financing Sources	0	17,938,200
Total Revenue & Other Financing Sources	\$817,826,674	\$822,926,402
Balances Beginning of Year	141,414,006	234,926,422
Total Estimated Revenues, Sources and Balances	\$959,240,680	\$1,057,852,824

Debt Service Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Total
\$35,238,302	\$0	\$0	\$0	\$871,333,607
0	41,583,502	2,155,000	0	209,365,585
0	123,787,368	34,696,250	0	521,513,218
0	3,518,271	228,324,896	115,842,123	505,343,951
583,940	37,488,050	22,017,600	5,608,250	52,964,170
100,171,650	21,232,048	212,226,317	0	446,767,912
\$135,993,892	\$227,609,239	\$499,420,063	\$121,450,373	\$2,607,288,443
0	0	0	0	17,938,200
\$135,993,892	\$227,609,239	\$499,420,063	\$121,450,373	2,625,226,643
24,026,173	841,036,097	169,476,307	42,155,265	1,453,034,270
\$160,020,065	\$1,068,645,336	\$668,896,370	\$163,605,638	\$4,078,260,913

BUDGET SUMMARY

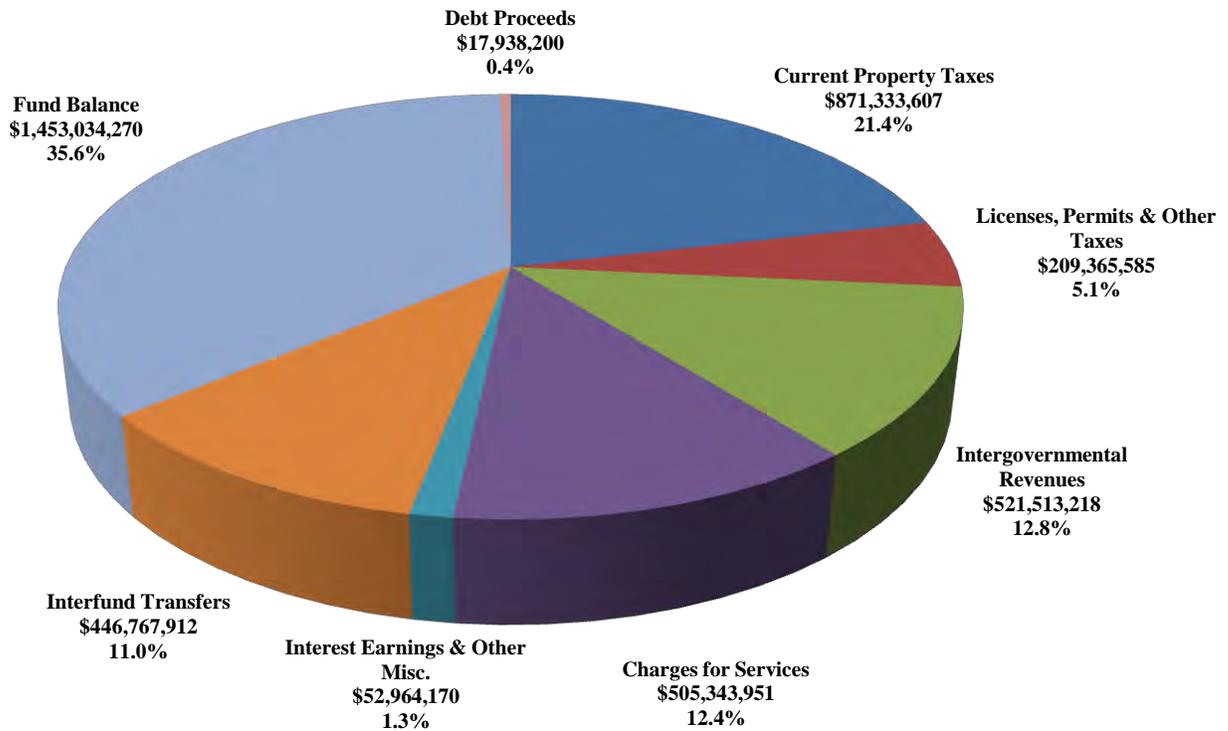
	General Fund	Special Revenue Funds
Expenditures, Uses & Reserves:		
General Governmental Services	\$132,743,024	\$5,434,746
Public Safety	501,371,254	307,989,597
Physical Environment	12,590,455	13,241,688
Transportation	6,076,000	184,055,697
Economic Environment	23,532,616	174,341,532
Human Services	49,487,045	56,462,508
Culture and Recreation	55,433,248	50,393,909
Interfund Transfers	74,607,006	133,118,325
Reserves	82,000,000	143,208,074
Internal Services	0	0
Non-Departmental	21,400,032	(10,393,252)
Total Expenditures	\$959,240,680	\$1,057,852,824

Debt Service Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Total
\$0	\$203,219,767	\$0	\$311,867	\$341,709,404
0	34,835,968	0	0	844,196,819
0	67,687,484	202,438,355	0	295,957,982
0	176,555,350	114,794,231	0	481,481,278
0	13,621,870	0	0	211,496,018
0	376,457	0	0	106,326,010
0	83,684,737	0	0	189,511,894
2,073,789	24,841,274	212,119,518	8,000	446,767,912
20,372,977	441,534,683	111,567,896	31,870,427	830,554,057
0	0	0	131,727,211	131,727,211
137,573,299	22,287,746	27,976,370	(311,867)	198,532,328
\$160,020,065	\$1,068,645,336	\$668,896,370	\$163,605,638	\$4,078,260,913

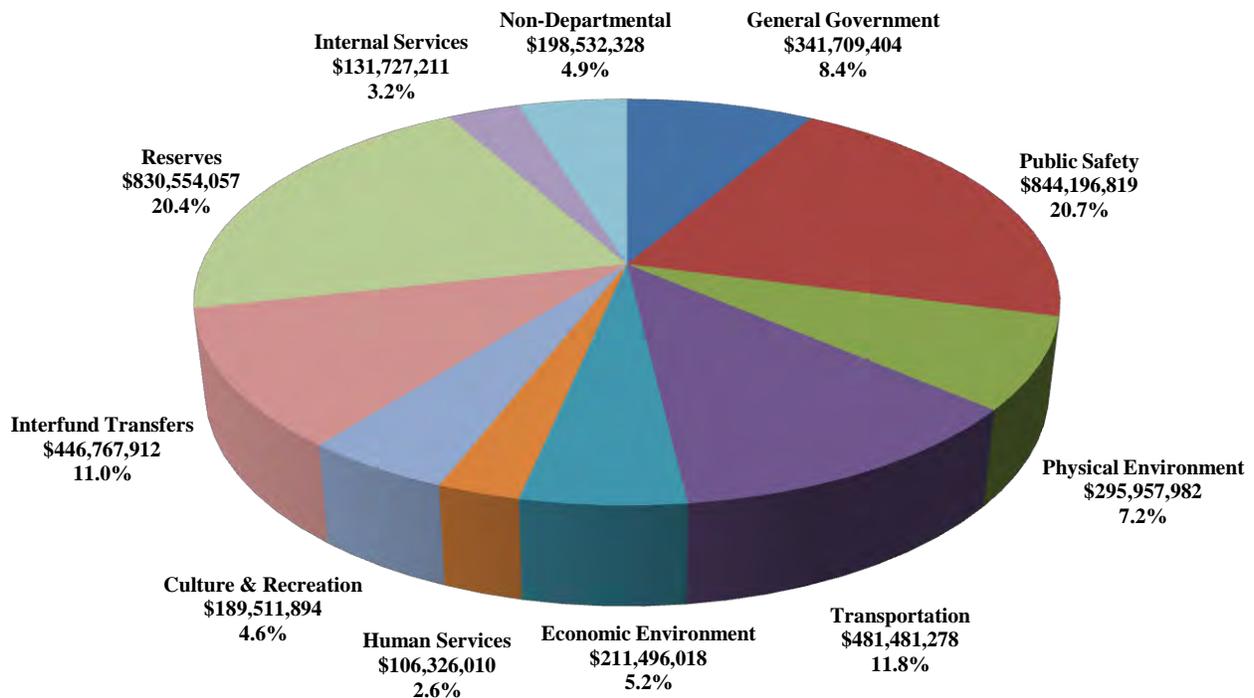
BUDGET SUMMARY

\$4,078,260,913

Revenues by Source



Expenditures by Function



FISCAL YEAR 2007-2011

<u>Revenue Source</u>	<u>Actual FY2007</u>	<u>Actual FY2008</u>	<u>Actual FY2009</u>	<u>Estimated FY2010</u>	<u>Budget FY2011</u>
Current Property Taxes	\$ 938,520,585	\$ 896,209,694	\$ 850,038,301	\$ 854,973,631	\$ 871,333,607
Licenses, Permits & Other Taxes	249,745,351	223,895,353	202,751,347	211,736,999	209,365,585
Intergovernmental Revenues	231,954,221	245,041,733	233,089,376	253,979,519	521,513,218
Charges for Services	513,246,012	463,941,582	707,815,133	482,638,938	505,343,951
Interest Earnings & Other Miscellaneous	232,296,906	165,274,353	237,563,743	128,010,527	52,964,170
Interfund Transfers	585,863,967	549,416,224	575,431,862	474,927,608	446,767,912
Debt Proceeds	62,955,271	365,124,572	113,544,382	11,881,999	17,938,200
Fund Balance	1,785,407,032	1,568,205,240	1,648,546,338	1,641,643,585	1,453,034,270
Total	\$ 4,599,989,345	\$ 4,477,108,751	\$ 4,568,780,482	\$ 4,059,792,806	\$ 4,078,260,913
<u>Uses of Funds</u>					
General Government	\$ 430,163,895	\$ 348,890,542	\$ 365,966,145	\$ 226,903,743	\$ 341,709,404
Public Safety	693,598,071	726,641,327	751,252,332	805,141,437	844,196,819
Physical Environment	254,069,414	187,363,345	318,541,980	223,387,584	295,957,982
Transportation	346,504,853	297,194,005	295,498,353	255,868,013	481,481,278
Economic Environment	86,516,050	88,427,979	101,369,915	83,621,062	211,496,018
Human Services	104,139,550	100,275,662	101,590,906	109,429,707	106,326,010
Culture/ Recreation	161,667,168	153,000,543	139,956,248	128,433,488	189,511,894
Interfund Transfers	585,863,967	549,416,224	642,852,987	470,652,743	446,767,912
Reserves	0	0	0	0	830,554,057
Internal Services	153,287,625	143,144,647	151,870,092	114,587,537	131,727,211
Non-Departmental & Debt Service	154,116,024	172,138,472	128,067,553	190,044,407	198,532,328
Total	\$ 2,969,926,617	\$ 2,766,492,746	\$ 2,996,966,511	\$ 2,608,069,721	\$ 4,078,260,913

PERCENT INCREASE (DECREASE) IN MILLAGE OVER ROLLED-BACK RATE ⁽¹⁾

	FY 2011 Rolled-Back Rate		FY 2011 Adopted Taxes		Adopted Increase or Decrease		
	Millage	Taxes	Millage	Taxes	Millage	Taxes	% Increase Or % (Decrease) From Rolled-Back Rate
Countywide ⁽²⁾	4.8223	\$612,486,522	4.7500	\$603,303,606	(0.0723)	(\$9,182,916)	(1.50) %
County Library District ⁽²⁾	0.5491	37,686,348	0.5491	37,686,348	0.0000	0	0.00 %
Fire-Rescue MSTU	3.8456	199,098,977	3.4581	179,036,866	(0.3875)	(20,062,111)	(10.08) %
Jupiter Fire-Rescue MSTU	2.1208	15,153,205	2.2489	16,068,485	0.1281	915,280	6.04 %
Aggregate Millage Rate ⁽³⁾	6.8059		6.5828		(0.2230)		<u>(3.28) %</u>
Total Taxes		<u>\$864,425,052</u>		<u>\$836,095,305</u>		<u>(\$28,329,747)</u>	<u>(3.28) %</u>

(1) Rolled-Back Rate is the millage rate which, exclusive of new construction, will provide the same ad valorem tax revenue as was levied during the prior year.

(2) Exclusive of voted debt millages 0.2460 mills Countywide and 0.0578 County Library.

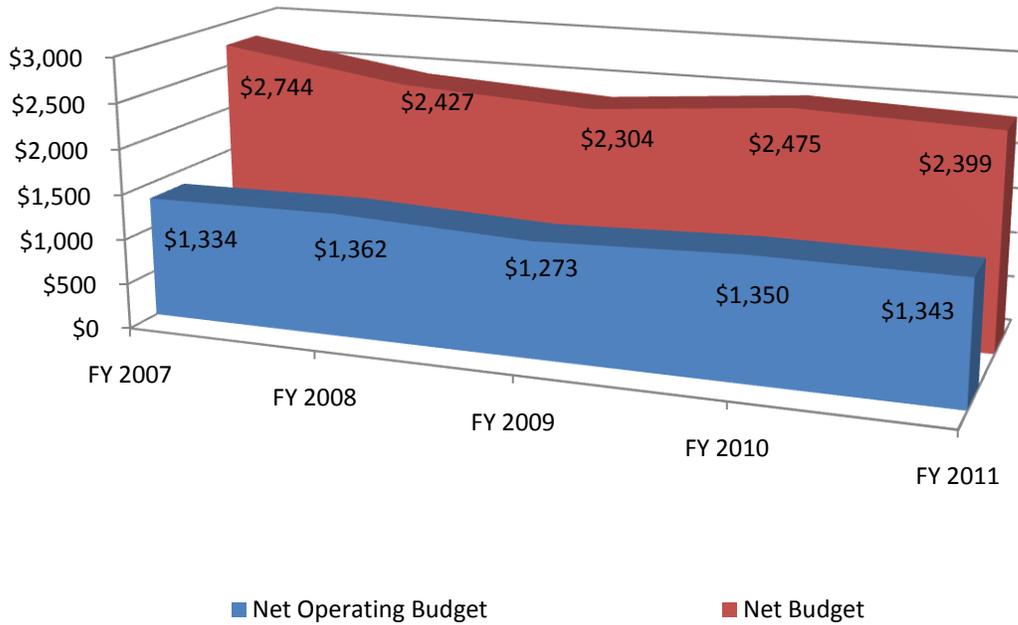
(3) Aggregate Millage Rate is the sum of all ad valorem taxes levied by the governing body of a county for countywide purposes, plus ad valorem taxes levied for any district dependent to the governing body, divided by the total taxable value of the county, converted to a millage rate. The aggregate millage rate is not the sum of the individual millage rates levied for countywide and dependent districts.

CHANGES IN PROPERTY (AD VALOREM) TAXES

Palm Beach County, FL

	FY 2010 Budget		FY 2011 Budget		Increase (Decrease) Amount	Percent
	Millage	Amount	Millage	Amount		
General Fund	4.3440	\$613,607,557	4.7500	\$603,303,606	(\$10,303,951)	-1.68%
Voted Debt Service	0.2174	30,732,418	0.2460	31,271,318	538,900	1.75%
Sub-Total Countywide	4.5614	\$644,339,975	4.9960	\$634,574,924	(\$9,765,051)	-1.52%
<u>Dependent Districts</u>						
County Library	0.5518	\$41,606,868	0.6069	\$41,653,332	\$46,464	0.11%
Fire-Rescue Countywide MSTU	3.4581	196,305,394	3.4581	179,036,866	(17,268,528)	-8.80%
Jupiter Fire MSTU	1.9501	15,098,789	2.2489	16,068,485	969,696	6.42%
Sub-Total Dependent Districts		\$253,011,051		\$236,758,683	(\$16,252,368)	-6.42%
Total Property Taxes		\$897,351,026		\$871,333,607	(\$26,017,419)	-2.90%

	FY 2010 Budget	FY 2011 Budget	Increase (Decrease) Amount	Percent
Use of Property Taxes				
County Commission - Countywide	\$200,885,976	\$215,525,548	\$14,639,572	7.29%
County Commission - Voted Debt Service	30,732,418	31,271,318	538,900	1.75%
County Library	41,606,868	41,653,332	46,464	0.11%
Fire - Rescue	211,404,183	195,105,351	(16,298,832)	-7.71%
Sheriff	363,318,406	340,699,811	(22,618,595)	-6.23%
Property Appraiser	17,162,672	17,976,815	814,143	4.74%
Judicial System	5,588,711	2,168,845	(3,419,866)	-61.19%
Clerk & Comptroller	12,428,606	12,361,632	(66,974)	-0.54%
Supervisor of Elections	9,710,270	10,664,400	954,130	9.83%
Tax Collector	4,512,916	3,906,555	(606,361)	-13.44%
Total	\$897,351,026	\$871,333,607		

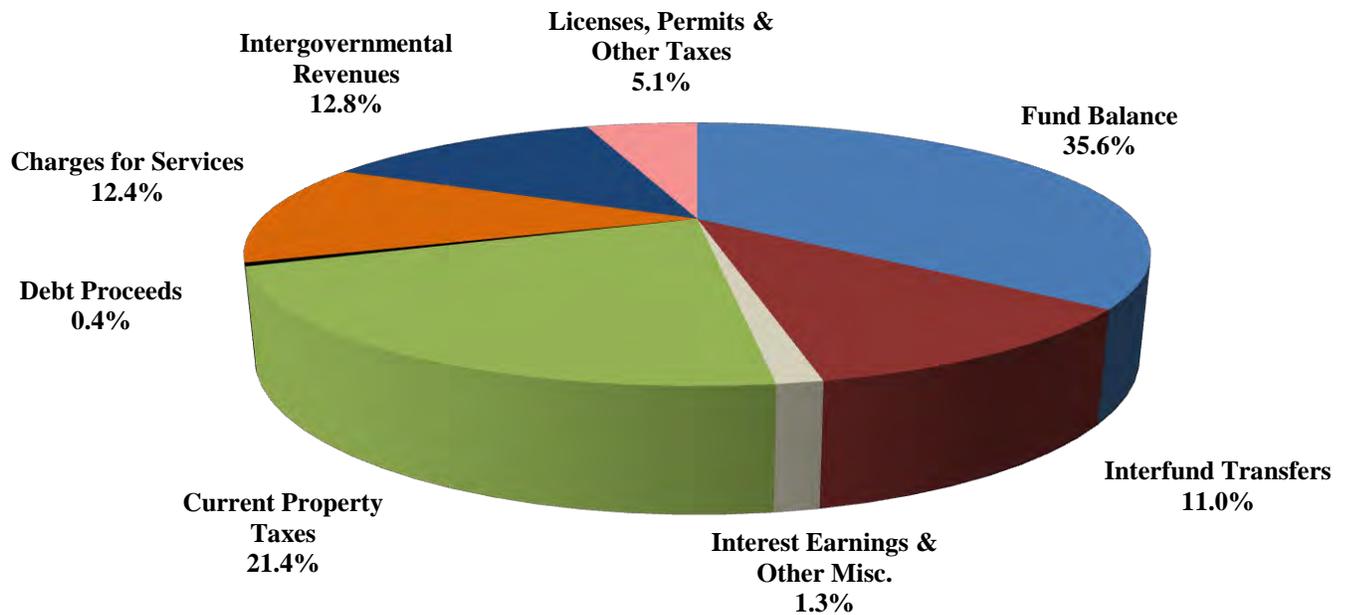


	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Net Budget	\$2,744	\$2,427	\$2,304	\$2,475	\$2,399
Percent Change from Prior Year	N/A	-11.6%	-5.1%	7.4%	-3.1%
Net Operating Budget	\$1,334	\$1,362	\$1,273	\$1,350	\$1,343
Percent Change from Prior Year	N/A	2.1%	-6.5%	6.0%	-0.5%

Palm Beach County’s net budget and net operating budget for the fiscal years ending September 30, 2007 through 2011 are presented in constant dollars per capita, using FY 2007 as the base year, to counter the effects of inflation and growth.

TRENDS AND FORECASTS

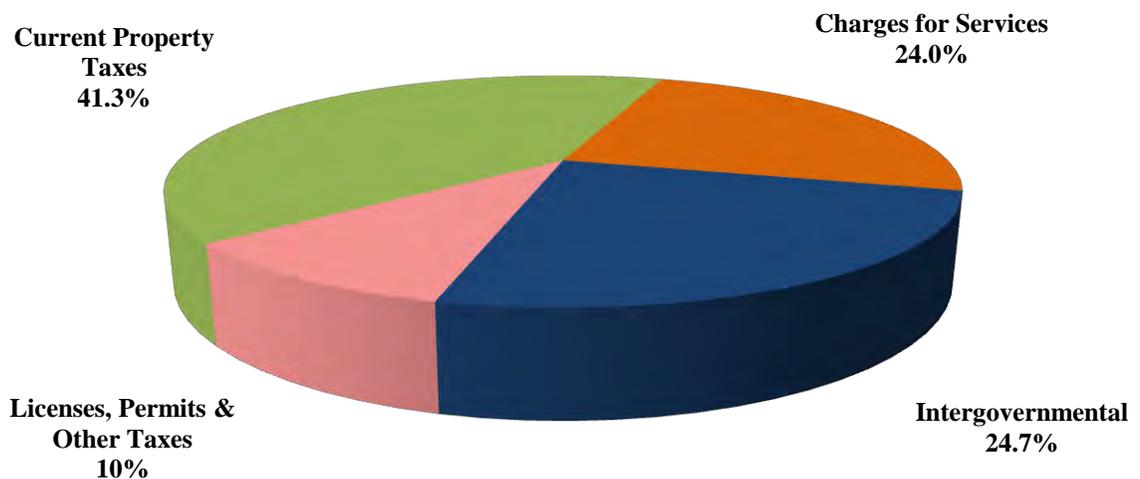
The graph below represents FY 2011 budgeted revenues totaling \$4,078,260,913:



The use of fund balances and interfund transfers comprise 47% of total budgeted revenues in Palm Beach County. When you exclude these two categories, the major revenue sources for Palm Beach County are property taxes, charges for services, intergovernmental revenues, and licenses, permits and other taxes. These major current revenue sources account for 52% of overall FY 2011 budgeted revenue, or 97% of FY 2011 budgeted revenues not including fund balance and interfund transfers.

The graph below illustrates the percentage of each major revenue source against the total of all major revenues (\$2,178,458,731).

FY 2011 Major Revenue Sources



The following pages will discuss each major revenue source, the underlying assumptions for each revenue estimate, and significant revenue trends.

TRENDS AND FORECASTS

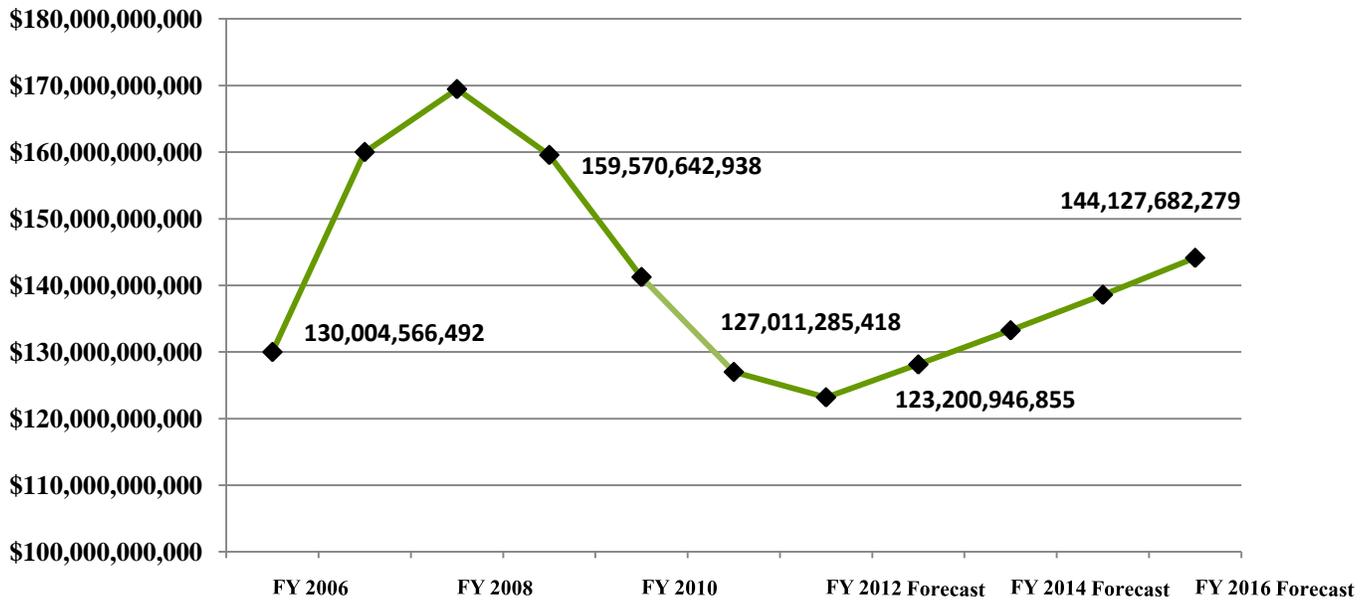
Current Property Taxes

The major revenue source funding Palm Beach County's general operations continues to be the property tax. The following graphs present the history of the taxable property values and the operating property tax revenues for the County, the Fire district, and the Library district. The projections are based on the County experiencing a decrease in taxable property values of \$14 billion (10.2%) offset by the addition of new construction of approximately \$1 billion. Thereafter, the County anticipates the taxable property values to recover slightly starting in FY 2013 (2.0%), with a modest addition of new construction valuing approximately \$2 billion. The County is projecting the property taxes based on a roll-back rate for the future years.

In FY 2011, current property taxes total \$871.3 million. Of this amount, \$603.3 million or 69% is attributable to the Countywide millage rate. The Fire Rescue millage comprises \$195.1 million or 23% of the total. The remaining property tax revenue is related to millages for the County Library (\$37.7 million or 4%) and the general obligation debt (\$35.2 million or 4%).

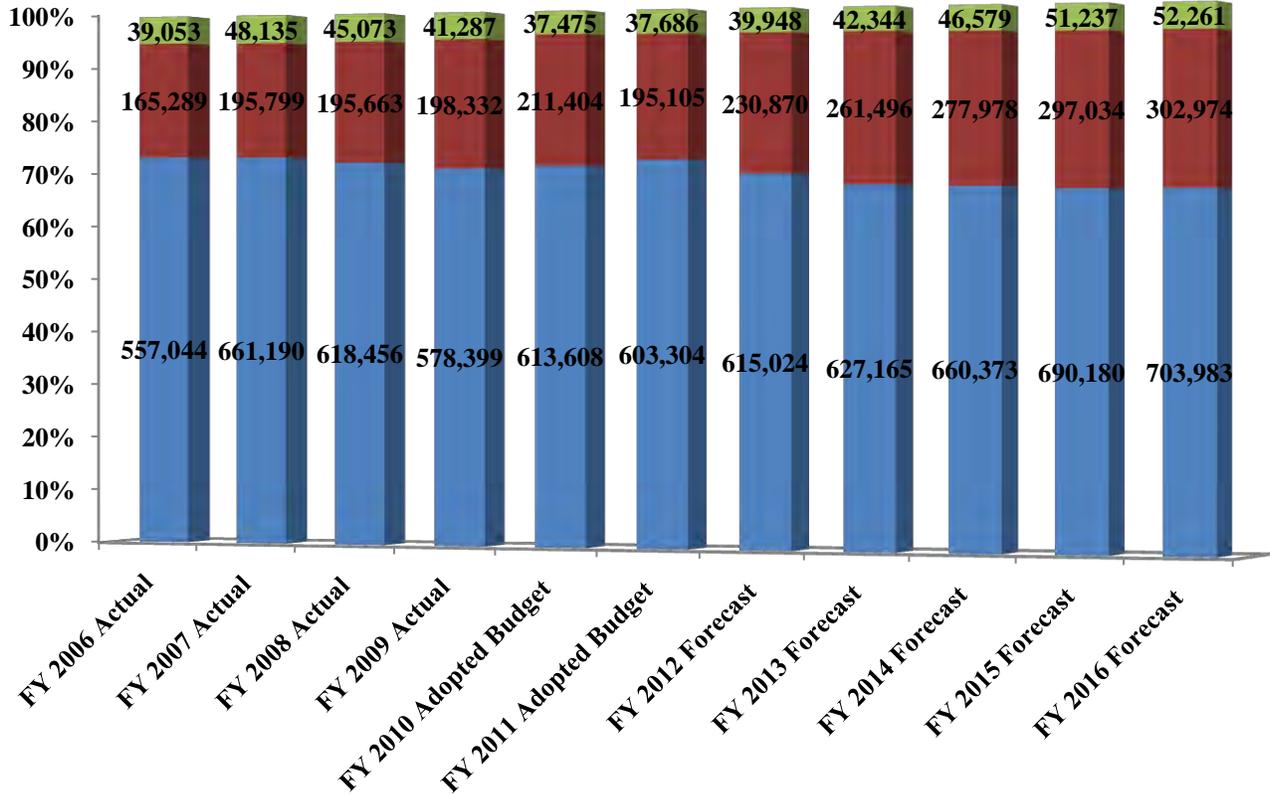
The Countywide operating tax rate was increased from 4.3440 to a below rollback rate of 4.7500. The rollback rate is the millage rate that generates the same tax revenue from the same assessed properties. Therefore, new construction is not calculated in the roll-back rate. FY 2011's new construction is valued at approximately \$1.2 billion, which equates to Countywide property tax revenue of approximately \$5.7 million.

Taxable Property Values



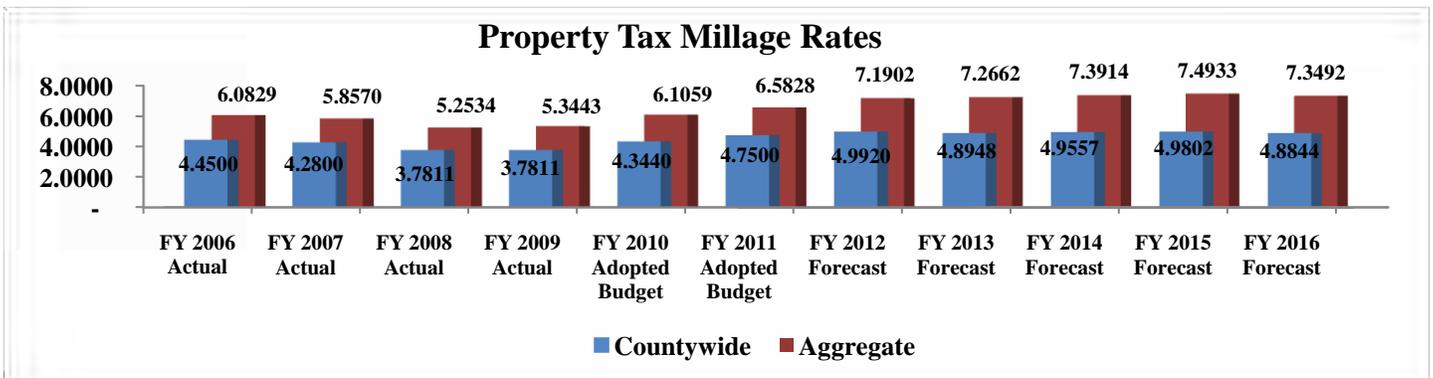
TRENDS AND FORECASTS

Property Tax (Operating) Revenues (\$000)



	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Adopted Budget	FY 2011 Adopted Budget	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast
Library	39,053	48,135	45,073	41,287	37,475	37,686	39,948	42,344	46,579	51,237	52,261
Fire	165,289	195,799	195,663	198,332	211,404	195,105	230,870	261,496	277,978	297,034	302,974
Countywide	557,044	661,190	618,456	578,399	613,608	603,304	615,024	627,165	660,373	690,180	703,983

The graph below illustrates the history of the countywide operating millage rate and the aggregate millage rate.



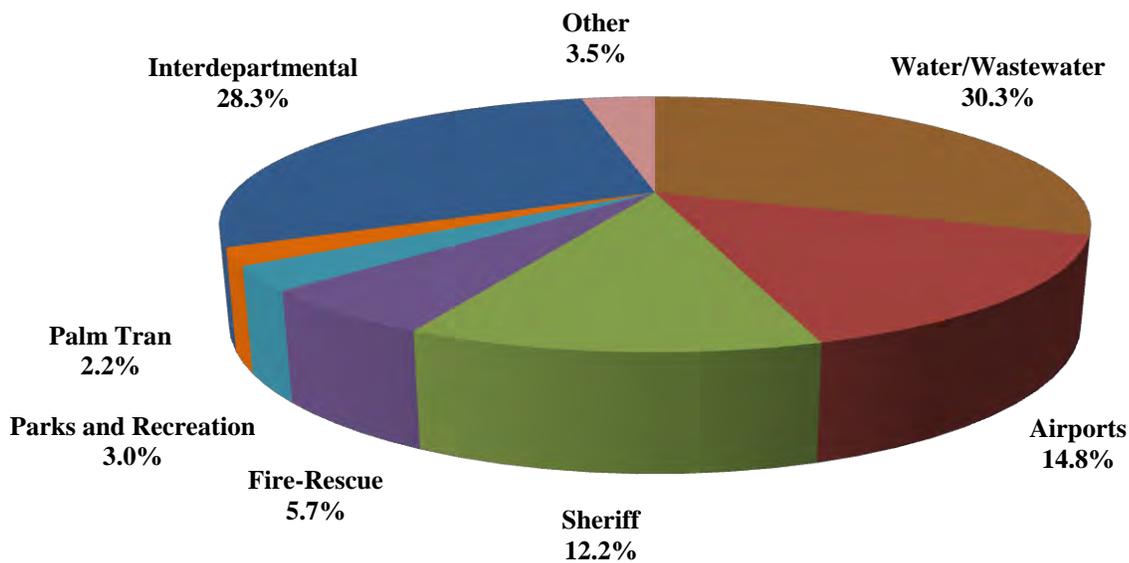
TRENDS AND FORECASTS

Charges for Services

Charges for Services represents fee charges as a result of direct benefit or in lieu of other charges. As shown in the graph below, Interdepartmental Charges and Water/Wastewater Utilities Charges account for a majority of the revenues in the charges for services category. The other major revenues in this category include Airport, Sheriff, and Fire Rescue charges. The remaining balance in charges for services include Parks and Recreation fees, Palm Tran fares, and other miscellaneous fees.

The graph below illustrates the percentage of each charge for services type against the total of all charges for services (\$505,343,951).

FY 2011 Charges for Services

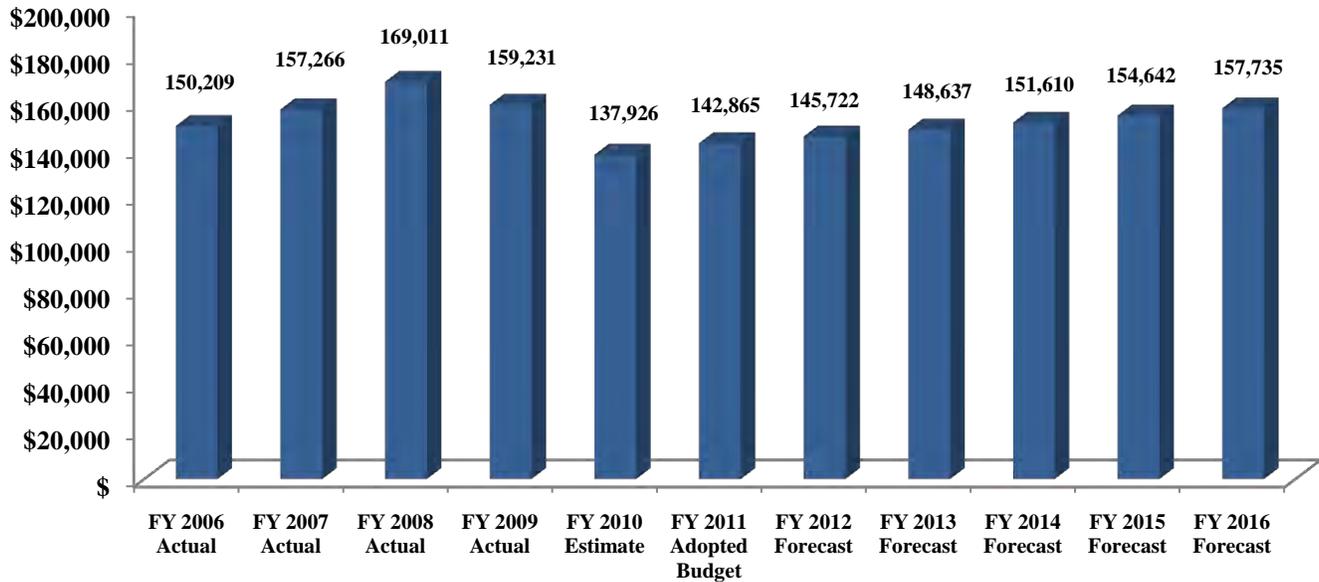


Charges for Services - Interdepartmental Charges

Interdepartmental Charges total \$142,865,066 in FY 2011, or 28% of the FY 2011 Charges for Services Category. Interdepartmental Charges represent charges for goods and services exchanged between County departments. The majority of revenues in this category are related to Risk Management charges for insurance, including health, property and casualty, and workers compensation, which amounts to \$79.2 million or 55% of the total. The other major sources of revenue include Fleet Management charges (\$36 million) and Information Systems Services fees (\$9.5 million) to non-General funded Departments. Combined, Risk Management, Fleet Management and Information Systems Services charges comprise over 87% of the Interdepartmental Charges category. These revenues are based on a cost allocation method supported to recover costs to support the operations. In FY 2010, Information Systems Service Department was moved from an Internal Service Fund to the General Fund. As a result, charges have decreased since the department will no longer be billing General Funded Departments. Projections were estimated to be calculated at an increase of 2%. This is determined based on potential increase in the service departments budgets related to personnel retirement cost increases, maintenance contract increases, and property and health insurance increases.

TRENDS AND FORECASTS

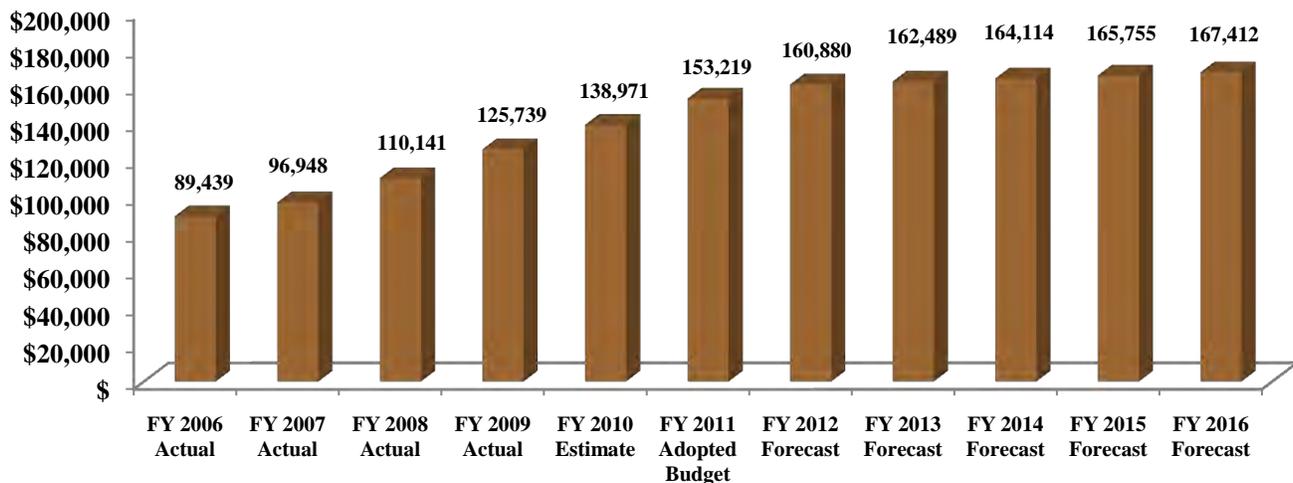
Interdepartmental Charges (\$000)



Charges for Services - Water/Wastewater Utilities Charges

Water/Wastewater Utilities charges total \$153,219,000 in FY 2011, or 30% of the FY 2011 Charges for Services Category. These revenues represent fees paid to the Water Utilities Department for providing potable water, reclaimed water, and wastewater service to approximately 514,000 residents in the central and south-central unincorporated areas of the County and the western communities. Effective October 1, 2010, fees for potable water, wastewater, and reclaimed water were increased by 5.68% as part of the annual Consumer Price Index adjustment for water and sewer maintenance. The revenue increase in FY 2011 is also attributable to the contractual reclaimed water revenues from Florida Power & Light; a new revenue source in FY 2011.

Water/Wastewater Utilities Charges (\$000)

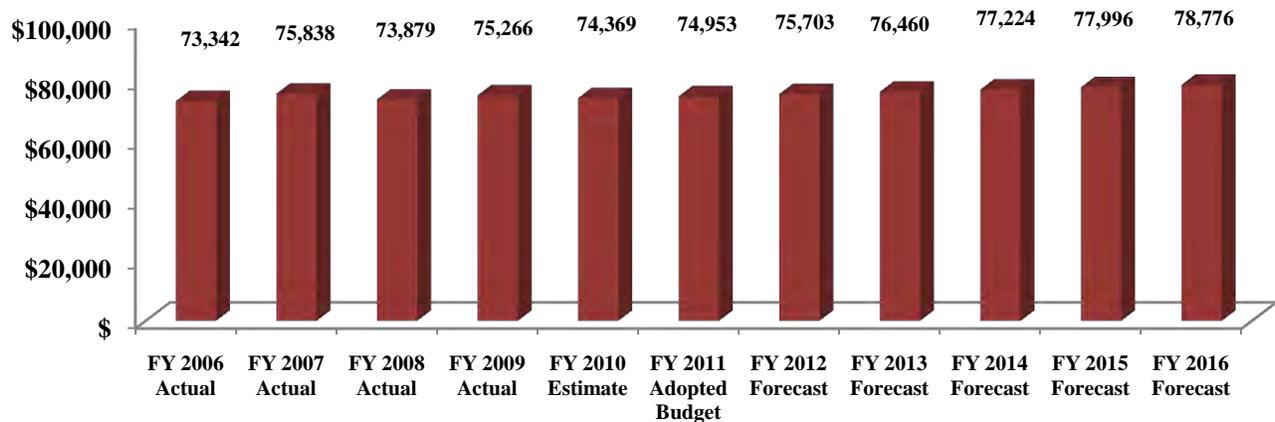


TRENDS AND FORECASTS

Charges for Services - Airport Charges

Airport charges total \$74,953,000 in FY 2011, or 15% of the FY 2011 Charges for Services Category. This category includes revenues associated with the operation of Palm Beach International Airport, as well as three general aviation airports. Approximately 68% of total revenue is attributable to fees for parking and rental cars, rental space for airlines, and passenger facility charges. The remaining balance of revenue includes items such as landing fees, concession charges, and other rental charges. Future estimates are based on historical trend analysis and current and projected economic conditions.

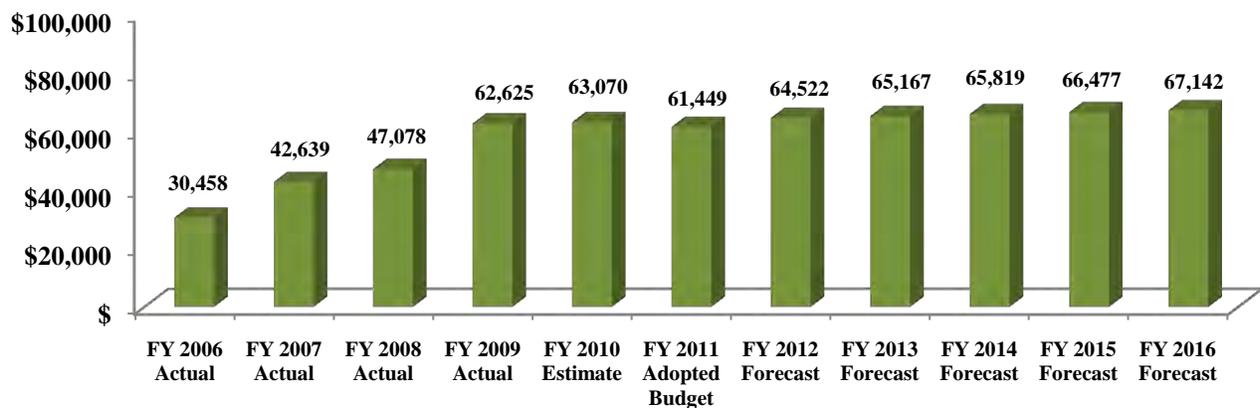
Airport Charges (\$000)



Charges for Services - Sheriff Charges

Fees charged by the Palm Beach County Sheriff's Office total \$61,449,483 in FY 2011, or 12% of the FY 2011 Charges for Services Category. The majority of this amount are charges for police services provided to specific fee-for-service areas, which comprise \$52 million or 85% of total Sheriff charges. Currently, the Sheriff's department provides police services to nine cities. The other major fee collected by the Sheriff's Office is for room and board charges at correctional and detention facilities paid by the Federal government. This charge totals \$5.9 million or 9.6% of total Sheriff charges. The significant growth in this revenue category over the past five years is entirely attributable to charges for Police Services, which includes the most recent addition, the City of Lake Worth in FY 2009. Future estimates are based on contractual annual increases with the cities.

Sheriff Charges (\$000)

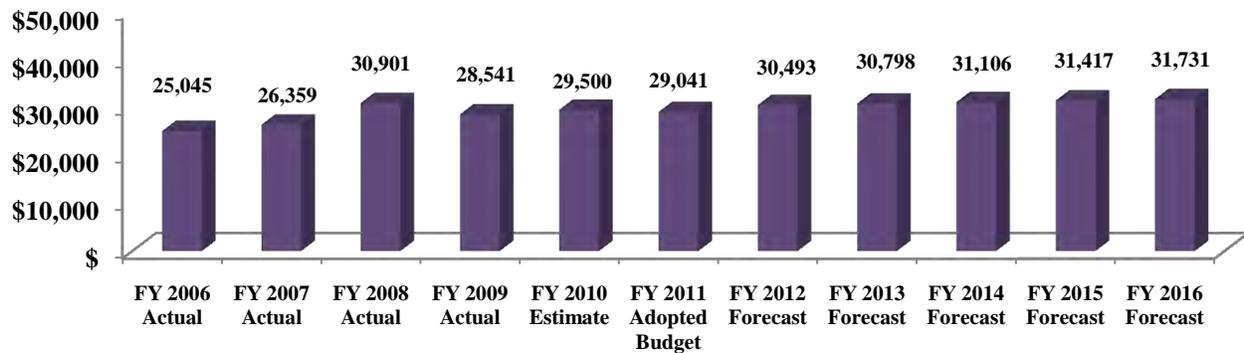


TRENDS AND FORECASTS

Charges for Services - Fire Rescue Charges

Fire Rescue charges total \$29,040,748 in FY 2011, or 6% of the FY 2011 Charges for Services Category. This category includes fees charged by Palm Beach Fire Rescue. The largest source of revenue in this category is for Ambulance Transport Fees, which represent \$13.6 million or 47% of total Fire Rescue Charges. The other major revenue source is charges for fire protection services provided to specific fee-for-service areas, which totals \$9 million or 31% of total Fire Rescue Charges. Future estimates are based on annual increases with the cities and a projected increase in ambulance trips. During FY 2009, the County entered into agreements with two cities, Palm Springs and Lake Worth to provide fire protection services. In FY 2010 they began full service to the City of Riviera Beach and medical dispatch serve to the Town of Palm Beach Shores.

Fire Rescue Charges (\$000)



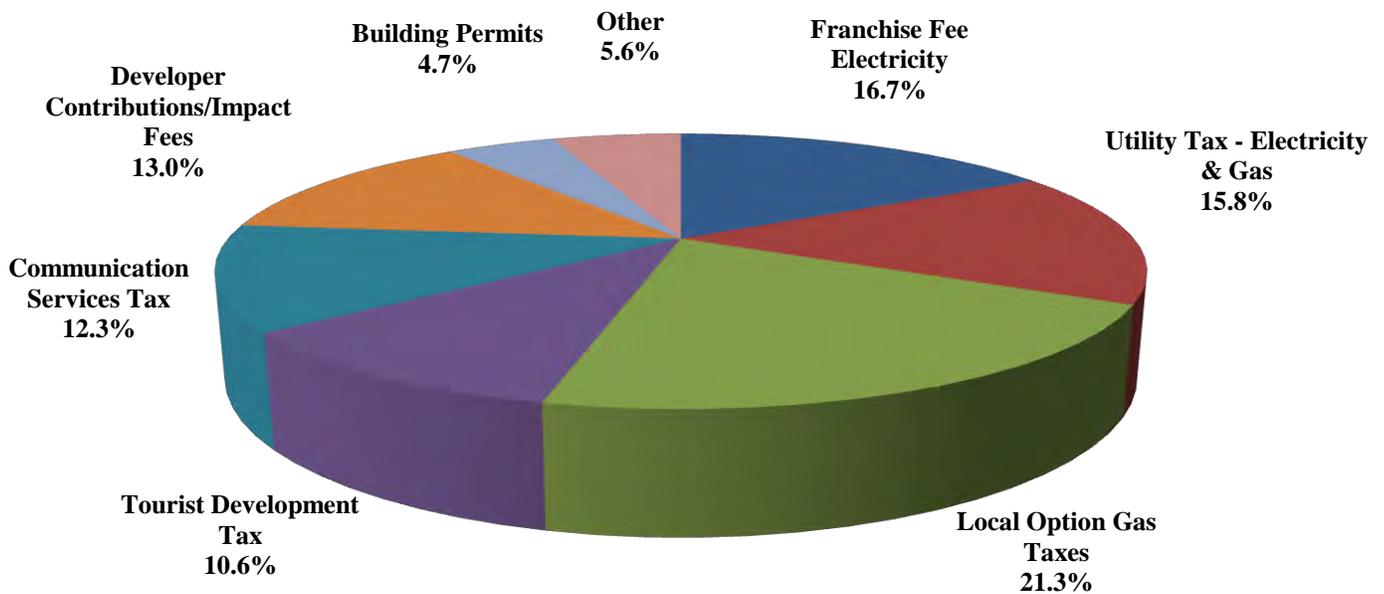
TRENDS AND FORECASTS

Licenses, Permits, and Other Taxes

This category reflects multiple revenue types, the largest of which are local option gas taxes totaling \$44.5 million or 21% of revenue in this category. The next largest revenue type includes fees and taxes on public utilities, including the electricity franchise fee (\$35 million or 17%), electricity and natural gas utility taxes (\$33.1 million or 16%), and the communications services tax (\$25.8 million or 12%). Other revenue types in this category include the Tourist Development Tax, Developer Contributions and Impact Fees, Building Permits, and fees paid for professional and occupational licenses.

The graph below illustrates the percentage of each charges for services type against the total of all licenses, permits, and other taxes (\$209,365,585).

FY 2011 Licenses, Permits, and Other Taxes

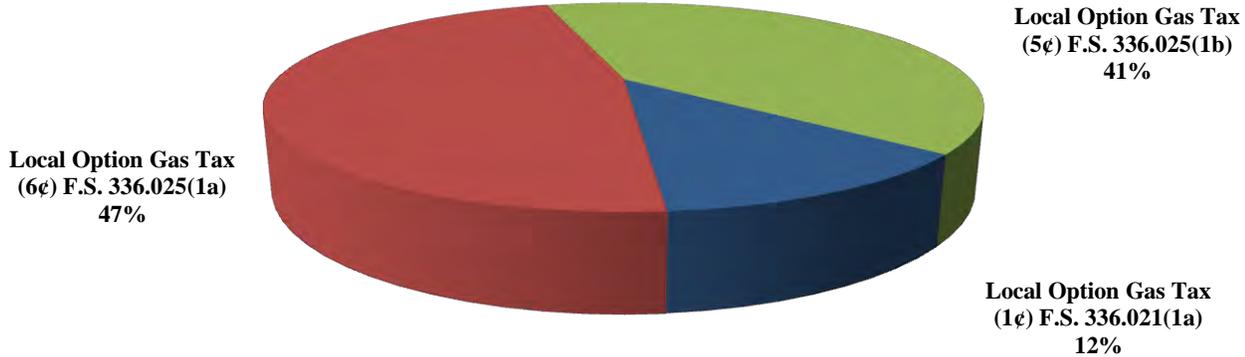


TRENDS AND FORECASTS

Licenses, Permits, and Other Taxes - Local Option Gas Taxes

Palm Beach County levies three local option gas taxes totaling \$44,513,000 in FY 2011. The graph below illustrates the percentage of each local option gas tax against the total of all local option gas taxes.

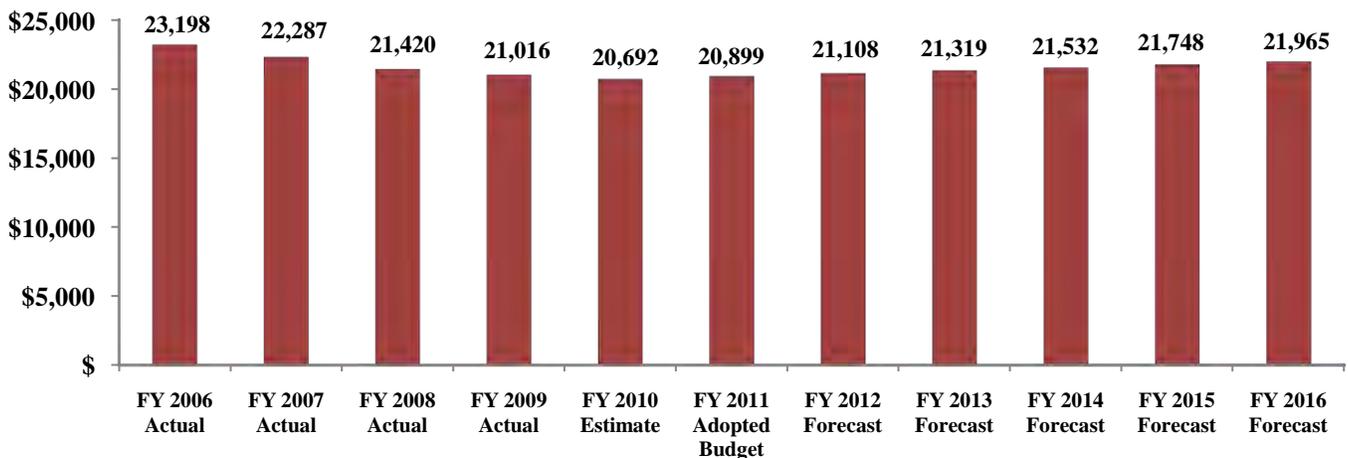
FY 2011 Local Option Gas Taxes



The County receives estimates each year for the local option gas taxes. Revenue forecasts are based on historical trend analysis of fuel prices. Typically, when fuel prices increase, there is an overall decrease in discretionary driving, thus less gallons of fuel purchased, which negatively impacts the County's revenue. Although, recent fuel prices have not significantly fluctuated and has overall averaged under \$3/gallon, there is a nationwide emphasis on utilizing fuel economical cars.

A **6-Cent Gas Tax** is levied by the County per F.S. Section 336.025(1)(a) on each gallon of motor and diesel fuel sold. This tax, originally adopted in 1983 by the Board of County Commissioners, was due to expire in 1995 and was extended for an additional thirty years. Use of the proceeds is restricted to transportation expenditures. The proceeds of the tax are distributed by the Department of Revenue and the County receives approximately two-thirds of the allocation.

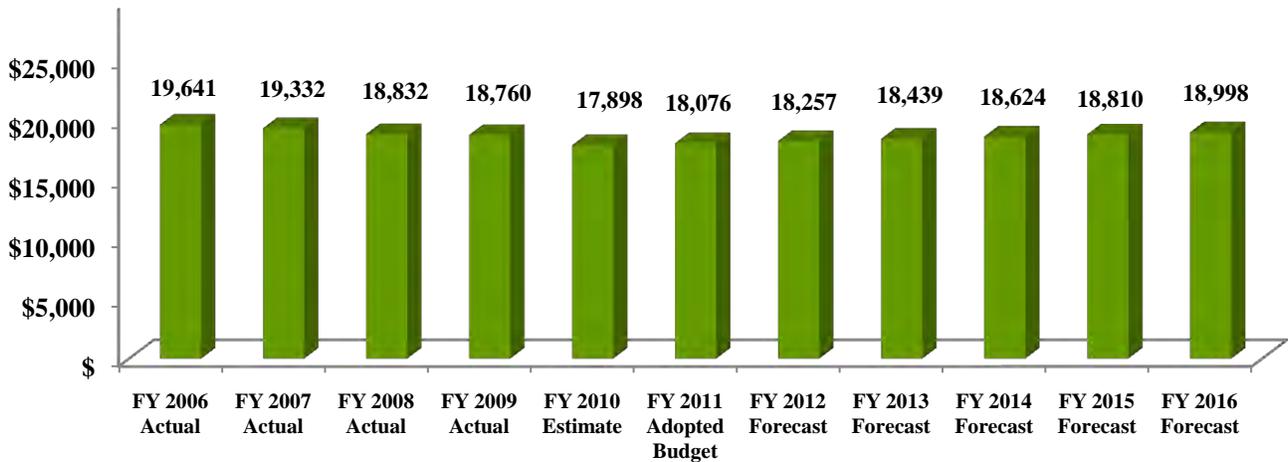
Local Option 6-Cent Gas Tax (\$000)



TRENDS AND FORECASTS

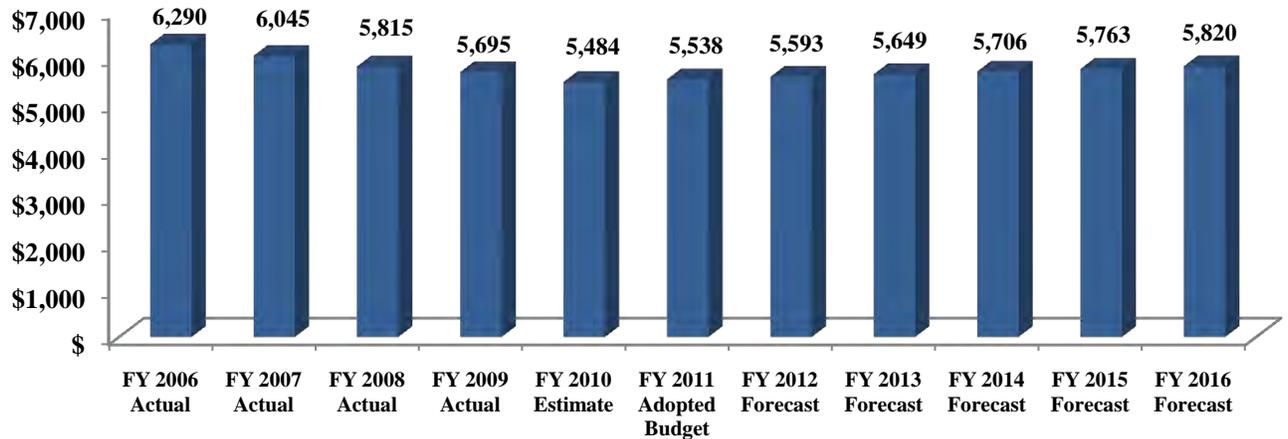
A **5-Cent Gas Tax** is levied by the County per F.S. Section 336.025(1)(b) on motor fuel only. This tax was adopted by the Board of County Commissioners in 1993, and use of the proceeds is restricted to transportation expenditures needed to meet the requirements of the capital improvement element of the adopted comprehensive plan. Current board policy allocates 50% of this revenue to mass transit and 50% to road improvements. The County shares proceeds of this tax with local municipalities through interlocal agreements. The proceeds of the tax are distributed by the Department of Revenue and the County receives 78.92% of the allocation.

Local Option 5-Cent Gas Tax (\$000)



A **1-Cent Gas Tax (Ninth Cent)** is levied by the County per F.S. Section 336.021 on each gallon of motor and diesel fuel sold. This tax was adopted by the Board of County Commissioners in 1993, and use of the proceeds is restricted to transportation expenditures. Current board policy allocates 50% of this revenue to mass transit and 50% to road improvements. The proceeds of the tax are distributed by the Department of Revenue to the County and this tax is not shared with municipalities.

Local Option 1-Cent (Ninth Cent) Gas Tax (\$000)



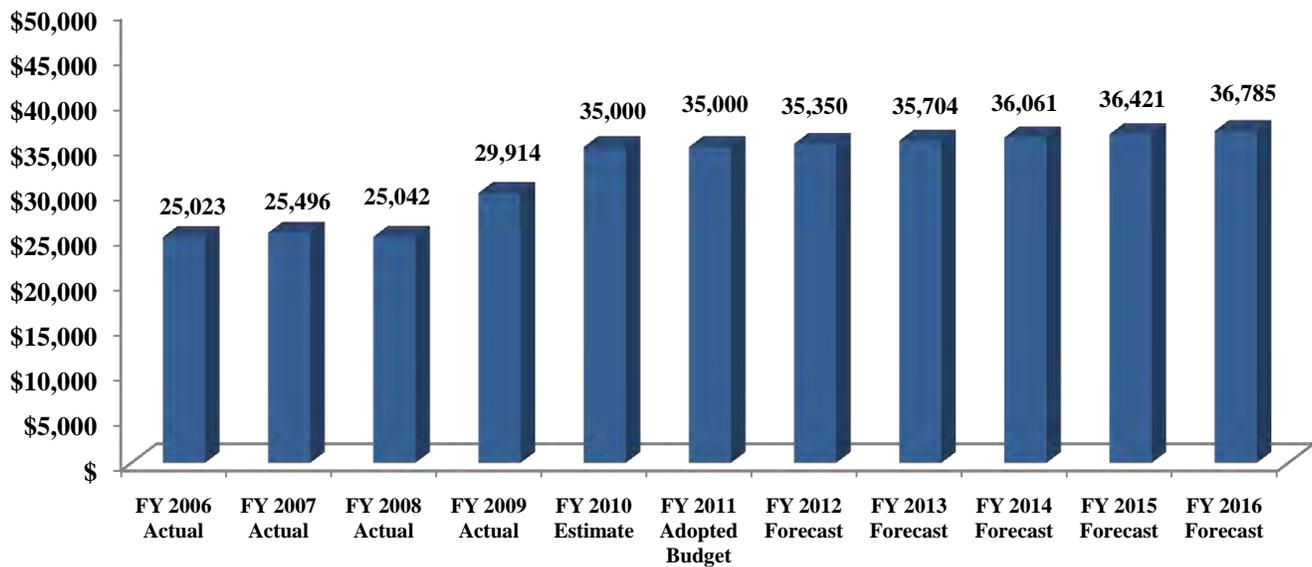
TRENDS AND FORECASTS

Licenses, Permits, and Other Taxes - Franchise Fee - Electricity

The County's largest franchise agreement is for electricity. The franchise fee is imposed on the sale of electricity to customers within unincorporated areas of Palm Beach County. This fee is charged for the privilege, granted to Florida Power and Light (FPL), to use the right-of-way in the unincorporated area of Palm Beach County.

In FY 2009, the County entered into a new franchise agreement with FPL where the franchise fee decreased from 6% to 5.9% while changing the method of calculation by eliminating the consideration given for taxes FPL pays to the County and other taxing authorities. Under the prior agreement's method of calculation, the effective rate was 4.2%. Future estimates are based on trend analysis considering a slight upturn in population, a flat FPL rate, and conservative consumption.

Franchise Fee - Electricity (\$000)



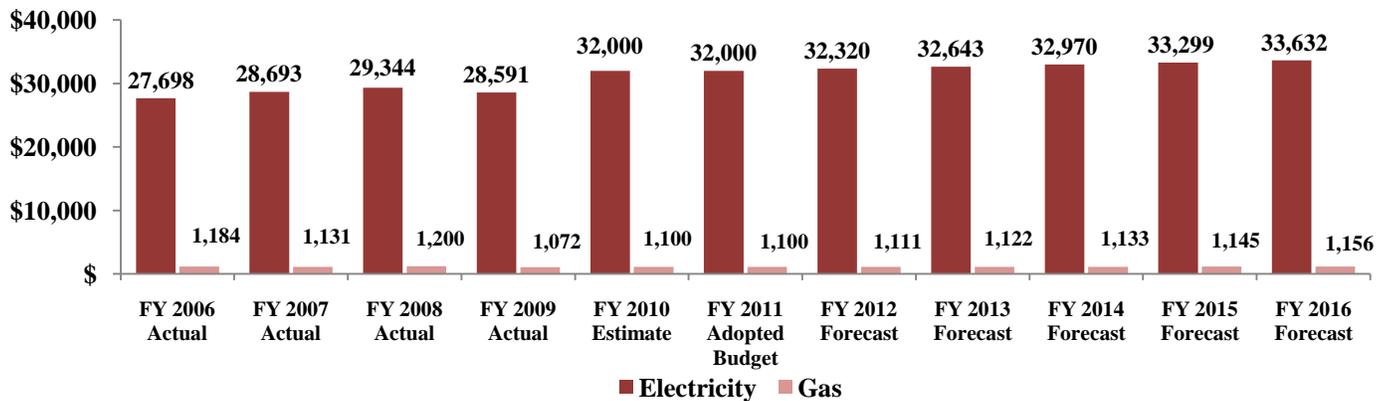
TRENDS AND FORECASTS

Licenses, Permits, and Other Taxes - Utility Taxes - Electricity and Gas

The County imposes Utility Taxes on the purchase of both electricity and metered or bottled gas within the unincorporated areas of Palm Beach County. These taxes are authorized under the Palm Beach County Public Service Tax Ordinance, which requires sellers of these utilities to collect the tax from its customers and remit to the County. For FY 2011, Electricity Utility Taxes total \$32 million, while Gas Utility Taxes total \$1.1 million.

Utility taxes are assessed at 10% of the first \$4,000 purchased in a monthly period, 2% of the next \$2,000 purchased, and 1% of any amount in excess of \$6,000. For billings other than monthly, the tax rate is 10%. Future estimates are based on trend analysis considering a slight upturn in population, flat utilities rates, and conservative consumption.

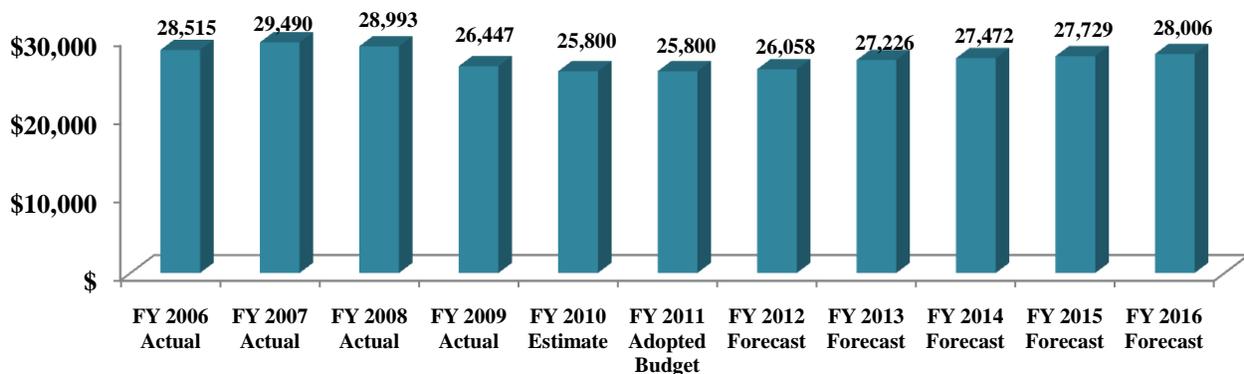
Utility Taxes - Electricity and Gas (\$000)



Licenses, Permits, and Other Taxes - Communications Services Tax

As of 2001, the Communications Services Tax (CST) replaced the Telecommunications Service Utility Tax, Telecommunication Franchise Fees, and the Cable TV Franchise Fees with a single levy. The CST is collected and distributed by the State. Palm Beach County's rate is 5.62% and FY 2011 revenue totals \$25.8 million. Revenue estimates are projected by the State to be used by local agencies during budget preparations and projections are based on historical trend analysis. The decrease in fiscal years 2010-2012 is attributable to the State reducing the County's distribution by \$2.2 million/year to redistribute Statewide. The repayment in to correct the State's prior years' distribution formulas.

Communications Services Tax (\$000)



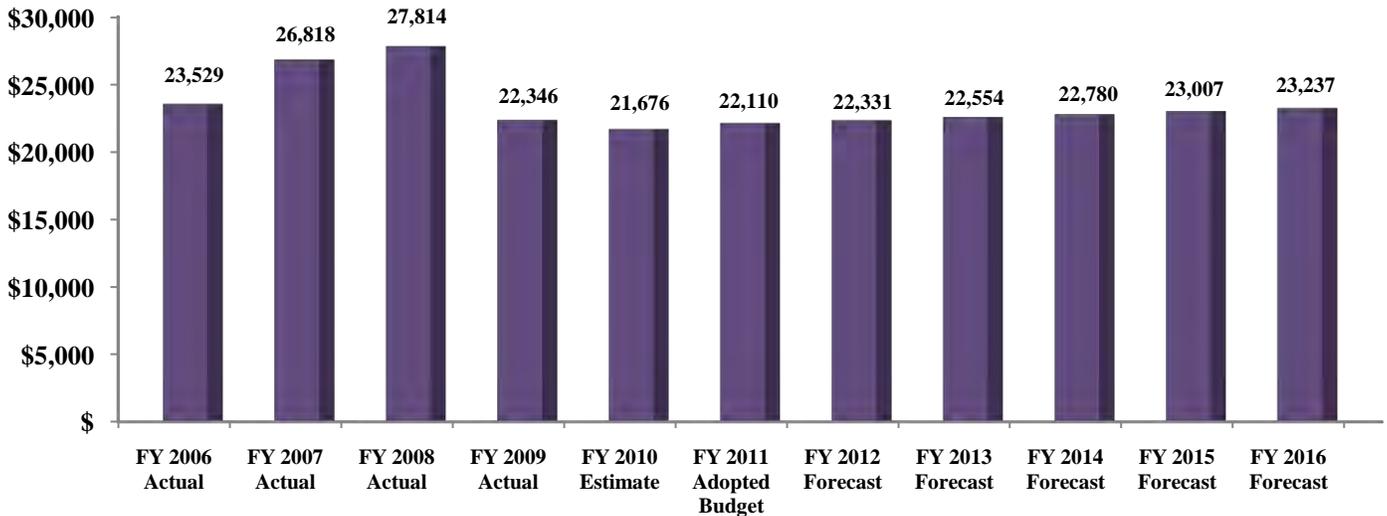
TRENDS AND FORECASTS

Licenses, Permits, and Other Taxes - Tourist Development Tax

Tourist Development Taxes are derived from a 5% tax on the renting of any living accommodation for a term of six months or less. Each year, the first cent is reserved for convention center improvements. The first \$250,000 of the 2nd, 3rd, and 5th cents is reserved for the operation and maintenance costs of the convention center, and the next \$150,000 is reserved for special major projects. The remaining balance of the 2nd, 3rd, and 5th cents of this tax are distributed as follows: 52.47% for tourism promotion, 22.51% for cultural and fine arts, 14.1% for beach restoration, 3.92% for promotion of film/television production, and 7% for promotion of sporting events/activities. The 4th cent was adopted by the Board of County Commissioners in 1994 for debt service on bonds issued to finance the construction of a professional sports franchise facility (Roger Dean Stadium) and the convention center.

Due to the current economic climate, the County has experienced a significant decline in tourism. As such, FY 2011 revenue is significantly down from FY 2008, but slowly recovering from FY 2010 due to tourism marketing efforts. Future estimates are based on historical trend analysis hedged with current economic conditions.

Tourist Development Tax (\$000)



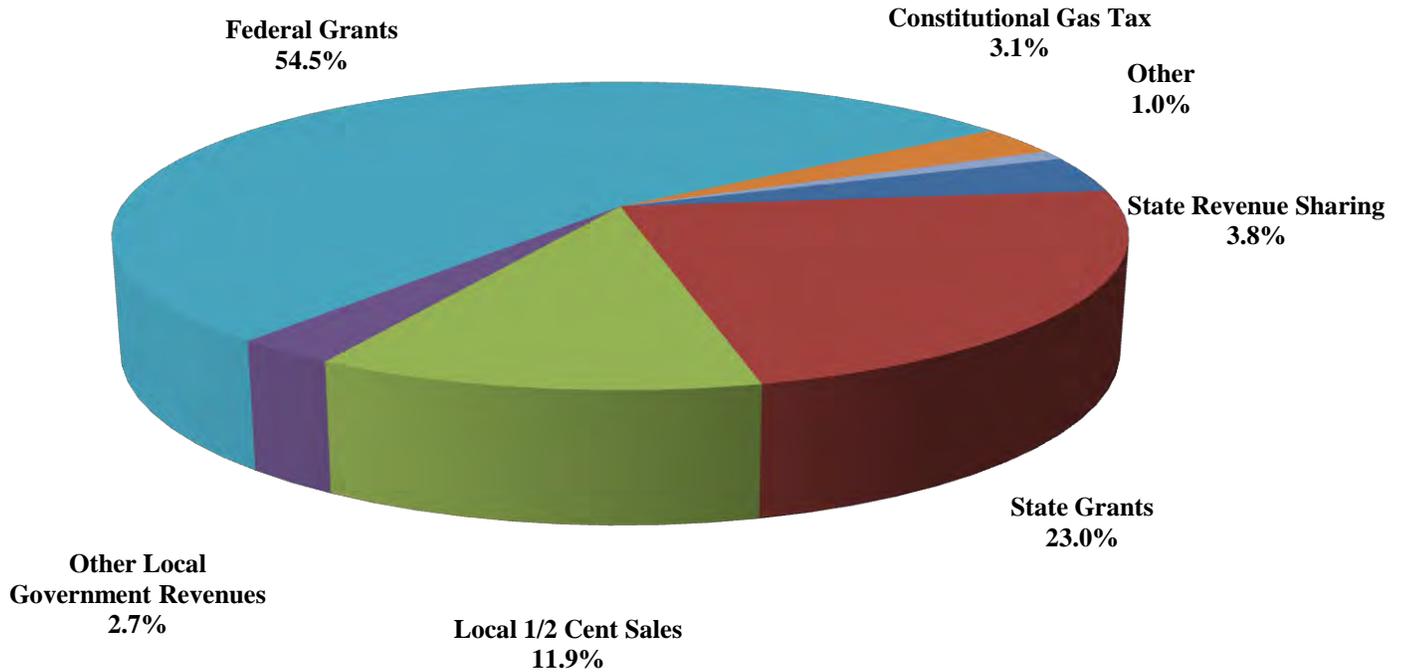
TRENDS AND FORECASTS

Intergovernmental Revenues

Intergovernmental revenue consists of revenues that are received from other government agencies. The majority of these revenues consist of Federal Grants, State Grants, and the local share of the State Sales Tax, which when combined represent 89% of Intergovernmental Revenues. Other revenues in this category consist of Constitutional Gas Taxes, Local Grants, and State Revenue sharing.

The graph below illustrates the percentage of each intergovernmental revenue type against the total of all intergovernmental revenues (\$521,513,218).

FY 2011 Intergovernmental Revenues



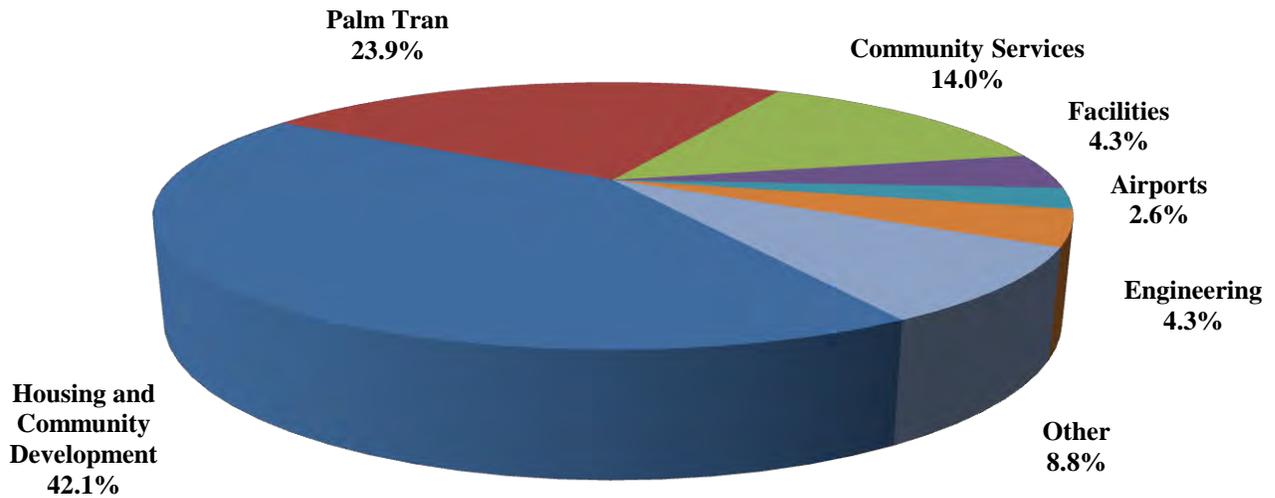
TRENDS AND FORECASTS

Intergovernmental Revenues - Federal Grants

Grant funding from the Federal Government includes formula grants, block grants, and competitive allocations. FY 2011 federal grants total \$284.1 million, of which 80% is attributable to funds awarded to Housing and Community Development, Palm Tran, and Community Services.

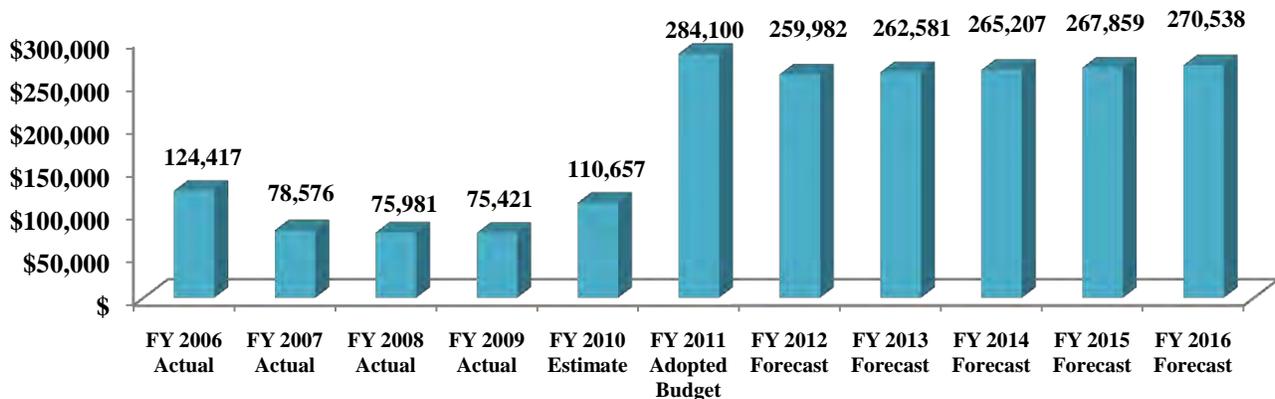
The graph below illustrates the percentage of total FY 2011 Federal Grant revenue by department:

FY 2011 Federal Grants by Department



The County budgets grant awards in total; however, they are usually received for multiple fiscal years. Due to this methodology, grants show a higher amount budgeted in the current fiscal year than in prior years. Additionally, the FY 2011 adopted budget also includes \$26.7 million in American Recovery and Reinvestment Act (ARRA) awarded to the County and \$50 million in Neighborhood Stabilization awarded to the Housing and Community Development Department. Future estimates are based on historical trends of budgeted amounts, adjusted to exclude one-time ARRA stimulus funds from FY 2011. These estimates can vary significantly due to the nature of the Federal appropriations process.

Federal Grants (\$000)



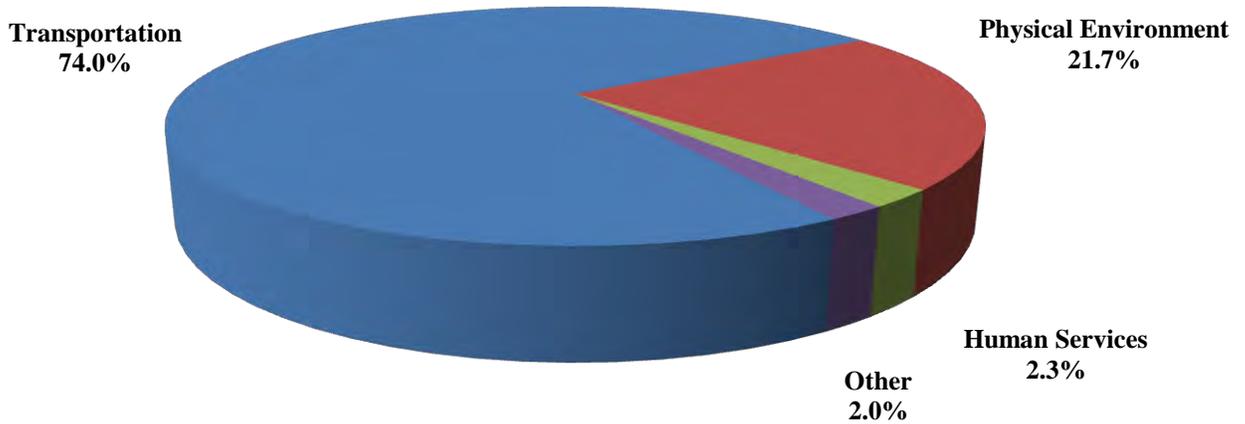
TRENDS AND FORECASTS

Intergovernmental Revenues - State Grants

Grant funding from the State Government include formula grants, block grants, and competitive allocations. The majority of FY 2011 state grants is attributable to funding for transportation related activities, including capital funding for Engineering, Palm Tran, and Airports. The next largest category is funding for the physical environment, primarily for Environmental Resource Management.

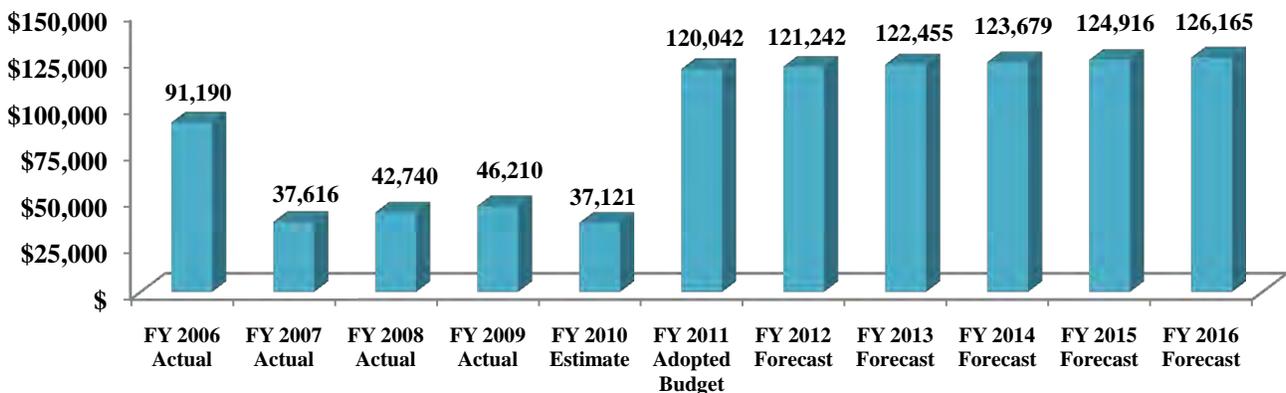
The graph below illustrates the percentage of total FY 2011 State Grant revenue by department:

FY 2011 State Grants by Department



The County budgets grant awards in total; however, they are usually received for multiple fiscal years. Due to this methodology, grants show a higher amount budgeted in the current fiscal year than in prior years. Future estimates are based on historical trends of budgeted amounts, but may vary significantly since funding is dependent upon the State appropriations process. The FY 2006 State grants were significantly higher due to the disaster recovery grant reimbursement costs for Hurricane Wilma, which struck in October 2005.

State Grants (\$000)

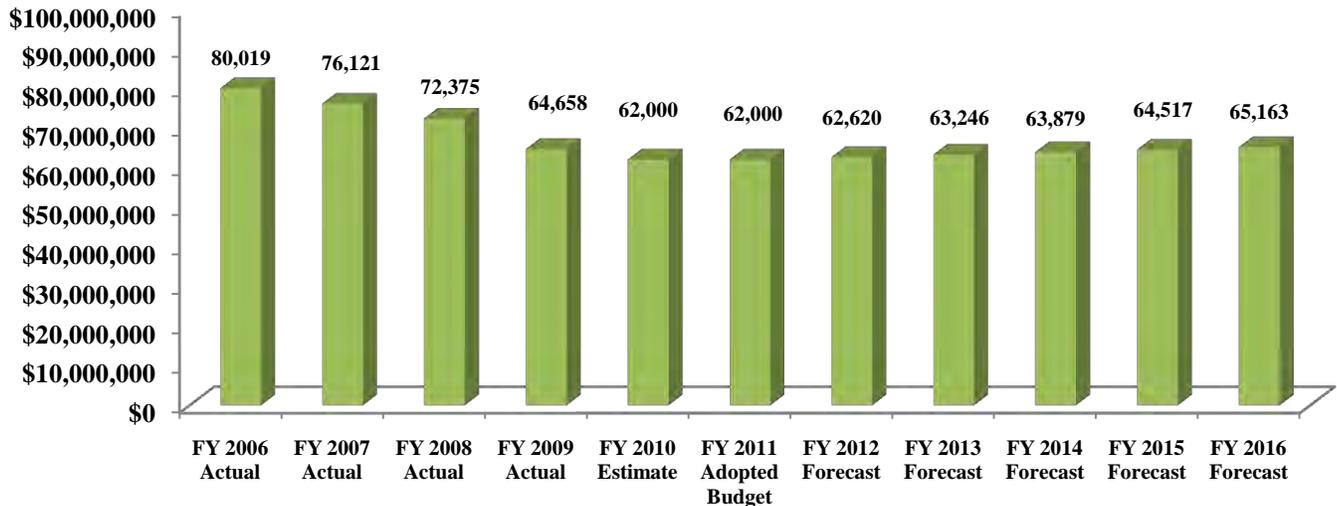


TRENDS AND FORECASTS

Intergovernmental Revenues - Local Government Half-Cent Tax

The State of Florida collects and distributes net sales tax to eligible county and municipal governments. The County and its municipalities share the total Palm Beach County distribution in accordance with a statutorily determined formula. The County's share includes both a countywide component (based on two-thirds of the County's incorporated population), and an unincorporated component (based on the unincorporated population). In total, the County receives approximately 59% of the proceeds and the municipalities share the remaining 41%. Revenue estimates are provided by the State each year. Revenue forecasts are based on a historical trend analysis hedged against current economic conditions.

Local Government Half-Cent Tax (\$000)



FORECAST OF REVENUES & EXPENDITURES

Palm Beach County, FL

	Adopted		Forecast		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenues					
Property Taxes - Current	\$ 871,333,607	\$ 915,508,081	\$ 960,673,080	\$ 1,014,495,470	\$1,067,999,780
Licenses, Permits and Other Taxes					
Franchise Fees	\$ 35,000,000	\$ 35,350,000	\$ 35,703,500	\$ 36,060,535	\$ 36,421,140
Utility Service Tax	33,100,000	33,431,000	33,765,310	34,102,963	34,443,993
Local Option Gas Taxes	44,513,000	44,958,130	45,407,711	45,861,788	46,320,406
Tourist Development Tax	22,109,617	22,330,713	22,554,020	22,779,561	23,007,356
Communication Service Taxes	25,800,000	26,058,000	27,226,000	27,472,000	27,729,000
Developer Contributions& Impact F	27,166,866	27,438,535	27,712,920	27,990,049	28,269,950
Building Permits	9,905,805	10,004,863	10,104,912	10,205,961	10,308,020
Other Licenses, Permits and Taxes	11,770,297	11,888,000	12,006,880	12,126,949	12,248,218
Licenses, Permits and Other Taxes	\$ 209,365,585	\$ 211,459,241	\$ 214,481,253	\$ 216,599,806	\$ 218,748,084
Intergovernmental Revenue					
State Shared Revenues	\$ 20,000,000	\$ 20,200,000	\$ 20,402,000	\$ 20,606,020	\$ 20,812,080
State Grants	120,041,669	121,242,086	122,454,507	123,679,052	124,915,842
One-Half Cent Sales Tax	62,000,000	62,620,000	63,246,200	63,878,662	64,517,449
Other Local Government Revenue	14,373,894	14,517,633	14,662,809	14,809,437	14,957,532
Federal Grants	284,099,695	259,981,618	262,581,434	265,207,249	267,859,321
Constitutional Gas Tax	15,941,000	16,100,410	16,261,414	16,424,028	16,588,269
Other Intergovernmental Revenue	5,056,960	5,107,530	5,158,605	5,210,191	5,262,293
Intergovernmental Revenue	\$ 521,513,218	\$ 499,769,276	\$ 504,766,969	\$ 509,814,639	\$ 514,912,785
Charges for Services					
Water and Wastewater	\$ 153,219,000	\$ 160,879,950	\$ 162,488,750	\$ 164,113,637	\$ 165,754,773
Airport	74,953,000	75,702,530	76,459,555	77,224,151	77,996,392
Sheriff	61,449,483	64,521,957	65,167,177	65,818,848	66,477,037
Fire Rescue	29,040,748	30,492,785	30,797,713	31,105,690	31,416,747
Parks and Recreation	15,156,184	15,913,993	16,073,133	16,233,864	16,396,203
Palm Tran	11,005,401	11,555,671	11,671,228	11,787,940	11,905,819
Interdepartmental	142,865,066	145,722,367	148,636,815	151,609,551	154,641,742
Other Charges for Services	17,655,069	18,537,822	18,723,201	18,910,433	19,099,537
Charges for Services	\$ 505,343,951	\$ 523,327,077	\$ 530,017,571	\$ 536,804,115	\$ 543,688,252

FORECAST OF REVENUES & EXPENDITURES

Palm Beach County, FL

	Adopted		Forecast		
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<u>Revenues</u>					
Miscellaneous	\$ 62,798,259	\$ 63,426,242	\$ 64,060,504	\$ 64,701,109	\$ 65,348,120
Interest	57,702,712	58,279,739	58,862,537	59,451,162	60,045,673
Debt Proceeds	17,938,200	18,117,582	18,298,758	18,481,745	18,666,563
Statutory Reserves	(67,536,801)	(68,212,169)	(68,894,291)	(69,583,234)	(70,279,066)
Balance Brought Forward	1,453,034,270	1,380,382,557	1,338,971,080	1,312,191,658	1,318,752,616
Interfund Transfers	446,767,912	451,235,591	455,747,947	460,305,427	464,908,481
Total	\$4,078,260,913	\$4,053,293,216	\$4,076,985,408	\$ 4,123,261,897	\$4,202,791,288
<u>Expenditures</u>					
Personal Services	\$1,004,824,870	\$1,014,873,119	\$1,025,021,850	\$ 1,035,272,068	\$1,061,153,870
Operating Expenses	705,084,868	690,983,171	704,802,834	711,850,862	729,647,134
Equipment & Capital	609,232,393	601,957,021	632,831,415	651,829,070	657,982,740
Debt Service	184,681,951	186,528,771	179,067,620	173,695,591	175,432,547
Grants and Aids	297,119,362	282,263,394	270,972,858	273,682,587	276,419,413
Reserves	830,554,057	838,859,598	822,082,406	830,303,230	851,060,810
Transfers	446,763,412	437,828,144	442,206,425	446,628,489	451,094,774
Total	\$4,078,260,913	\$4,053,293,216	\$4,076,985,408	\$ 4,123,261,897	\$4,202,791,288

The change in fund balance is projected for the major funds; General Fund and the Fire Rescue Fund; and all other (non-major) governmental funds.

	General Fund	Fire Rescue Fund	Non-Major Funds (Aggregate)
FY11 Budgeted Revenue and Other Sources	\$817,826,674	\$222,318,710	\$964,210,823
FY11 Budgeted Expenditures and Other Uses	877,240,680	263,240,717	1,418,161,774
Adjustment to FY 11 Expenditures	-35,089,627	0	0
Net Change in Fund Balance	-24,324,379	-40,922,007	-453,950,951
FY 10 Projected Ending Fund Balance	141,414,006	95,641,323	1,002,824,342
Adjustment to FY 10 Projected Fund Balance	15,000,000	0	0
FY11 Projected Ending Fund Balance	\$132,089,627	\$54,719,316	\$548,873,391

Changes in Fund Balances

Palm Beach County has adhered to a Fund Balance Policy that establishes an acceptable minimum range (15%-20%), which General Fund's fund balance (including statutory reserve) should fall. The purpose of the Fund Balance Policy is to provide financial stability, by ensuring the County maintains a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unexpected one-time expenditures.

In light of the economy, the County has utilized some of its fund balance to get through these recent years. As a result, the fund balance in the General Fund reflects a decrease of 15.6% from the prior year. At 16% of budgeted expenditures, the General Fund's fund balance falls within the 15%-20% range.

	General Fund	Fire Rescue Fund	Non-Major Funds (Aggregate)
FY11 Ending Fund Balance	\$132,089,627	\$54,719,316	\$548,873,391
% Change in Adjusted Fund Balance	-15.6%	-42.8%	-45.3%
% of Budgeted Expenditures	16%	21%	39%

The General Fund balance has decreased by \$24.3 million. The FY 11 total projected expenditures have been adjusted due to position vacancies, cost savings, and expected residual dollars left in each department. In addition, the FY 10 projected fund balance has been adjusted to reflect revenues in excess of the original projection.

Detailed projections for each major fund and the aggregate of the non-major governmental funds are shown on the following pages.

Department	Adopted FY 2010	Modified FY 2010	Additions	Deletions	Transfers	Budget FY 2011
Board of County Commissioners						
Airports	158	158				158
Community Services	461	484		13		471
County Administration	11	11				11
County Attorney	46	46				46
County Commission	27	27				27
County Cooperative Extension Service	32	32		4		28
County Library	452	452				452
Engineering & Public Works	470	470		20		450
Environmental Resources Management	145	145		6		139
Facilities Development & Operations	394	394		16		378
Financial Management & Budget	36	36		2		34
Fire-Rescue	1,542	1,542		31		1,511
Housing & Community Development	43	51				51
Human Resources	35	35		2		33
Information Systems Services	204	204		15		189
Internal Auditor	10	10				10
Legislative Affairs	4	4		1		3
Medical Examiner	20	20				20
Metropolitan Planning Organization	10	10				10
Palm Tran	548	549				549
Parks & Recreation	624	624		29		595
Planning, Zoning & Building	278	278		15		263
Public Affairs	51	51		6		45
Public Safety	341	344		13		331
Purchasing	43	43				43
Risk Management	32	32		2		30
Tourist Development	4	4				4
Water Utilities	559	558				558
Non-Departmental:						
Criminal Justice Commission	17	17		5		12
Commission on Ethics	N/A	4				4
Economic Development	7	10	1			11
Office of Community Revitalization	6	6				6
Office of Equal Opportunity	12	12				12
Office of Inspector General	N/A	18				18
Office of Small Business Assistance	7	7				7
Total BCC	6,629	6,688	1	180	0	6,509
Constitutional Officers						
Clerk & Comptroller	141			4		137
15th Judicial Circuit	21	24				24
Property Appraiser	266	266				266
Sheriff	4,011	4,021		102		3,919
Supervisor of Elections	42	42				42
Tax Collector	269	269				269
Total Constitutional Officers	4,750	4,622	0	106	0	4,657
Grand Total	11,379	11,310	1	286	0	11,166

Comparison of Gross Budget, Tax Equivalent Funding, and Positions by Department

FY 2010 Adopted Budget and FY 2011 Adopted Budget

Department	Adopted Budget		Change	
	FY 2010	FY 2011	Amount	%

BCC Countywide Departments and Agencies

Community Services

Gross	62,422,284	64,208,726	1,786,442	2.9%
Ad Valorem Equivalent	20,643,246	19,985,541	(657,705)	-3.2%
Positions	461	471	10	2.2%

There was a net increase in positions for FY 2011 of ten positions. This comprises twenty-three positions added to the staff complement during FY 2010 and thirteen positions which were eliminated for FY 2011.

County Administration

Gross	1,862,124	1,935,371	73,247	3.9%
Ad Valorem Equivalent	1,547,426	1,548,656	1,230	0.1%
Positions	11	11	0	0.0%

The increase in revenues is due to an increase in charges for interdepartmental services. The increase in expenses is due to increased costs for health insurance and the increase in the retirement rate.

County Attorney

Gross	5,829,768	5,979,428	149,660	2.6%
Ad Valorem Equivalent	4,041,768	4,102,828	61,060	1.5%
Positions	46	46	0	0.0%

The increase in revenue is due to an increase in billable hours. The increase in expenses is due to the elimination of the attrition assumption and increased Health Insurance.

County Commission

Gross	2,742,561	2,790,816	48,255	1.8%
Ad Valorem Equivalent	2,742,561	2,790,816	48,255	1.8%
Positions	27	27	0	0.0%

The increase is due to higher retirement rate expenses.

County Cooperative Extension Service

Gross	2,705,343	2,645,476	(59,867)	-2.2%
Ad Valorem Equivalent	2,565,660	2,297,714	(267,946)	-10.4%
Positions	32	28	(4)	-12.5%

Four positions were eliminated to meet budget reductions.

Comparison of Gross Budget, Tax Equivalent Funding, and Positions by Department

FY 2010 Adopted Budget and FY 2011 Adopted Budget

Department	Adopted Budget		Change	
	FY 2010	FY 2011	Amount	%

BCC Countywide Departments and Agencies

Engineering and Public Works

Gross	64,978,641	57,422,006	(7,556,635)	-11.6%
Ad Valorem Equivalent	16,604,306	9,299,196	(7,305,110)	-44.0%
Positions	470	450	(20)	-4.3%

Personnel services decreased by \$2.8million as a result of the elimination of twenty vacant positions in FY 2011 and the reclassification of personnel service costs for Construction Coordination and Roadway Production from revenue to charge-off. The Hurricane Wilma Signal Interconnect project was completed; therefore the grant revenue and expenditures of \$2.7 million were eliminated. In addition various expense accounts such as neighborhood resurfacing (\$875,000) and major thoroughfare resurfacing (\$525,000) were reduced as part of the budget reduction strategies.

Environmental Resource Management

Gross	51,091,374	58,610,249	7,518,875	14.7%
Ad Valorem Equivalent	10,037,444	9,241,250	(796,194)	-7.9%
Positions	145	139	(6)	-4.1%

The reduction in ad valorem is a result of an increase in revenues from additional non-recurring contractual agreements providing reimbursement for project related staff services and decreases in ad-valorem supported positions and operating expenses. The increase in the gross budget is primarily due to grants and agreements initiated in prior fiscal years and continuing in FY2011.

Facilities Development and Operations

Gross	90,129,954	87,421,705	(2,708,249)	-3.0%
Ad Valorem Equivalent	36,063,904	35,193,067	(870,837)	-2.4%
Positions	394	378	(16)	-4.1%

Sixteen positions were deleted as part of the budget process.

Financial Management and Budget

Gross	3,595,911	3,364,211	(231,700)	-6.4%
Ad Valorem Equivalent	3,088,911	3,146,711	57,800	1.9%
Positions	36	34	(2)	-5.6%

Two vacant Fixed Assets positions were eliminated. Surplus asset revenues were reduced based on prior year actuals that increased the Ad Valorem Equivalent.

Comparison of Gross Budget, Tax Equivalent Funding, and Positions by Department

FY 2010 Adopted Budget and FY 2011 Adopted Budget

Department	Adopted Budget		Change	
	FY 2010	FY 2011	Amount	%

BCC Countywide Departments and Agencies

Housing and Community Development

Gross	80,092,267	128,786,691	48,694,424	60.8%
Ad Valorem Equivalent	0	141,520	141,520	100.0%
Positions	43	51	8	18.6%

The increase in gross budget is a result of the Neighborhood Stabilization Program (NSP) 2 grant. Eight positions were added to operate the NSP-2 program. The increase in ad valorem support is to fund 2 positions to meet continuing obligations for grant programs.

Human Resources

Gross	3,283,336	3,077,856	(205,480)	-6.3%
Ad Valorem Equivalent	3,274,836	3,069,356	(205,480)	-6.3%
Positions	35	33	(2)	-5.7%

Two positions were eliminated for FY 2011.

Information Systems Services

Gross	31,088,060	28,338,874	(2,749,186)	-8.8%
Ad Valorem Equivalent	25,606,162	23,187,671	(2,418,491)	-9.4%
Positions	204	189	(15)	-7.4%

The decrease is due to fifteen vacant positions that were eliminated in FY 2011. The decrease in appropriations also includes a reduction in contractual services with IBM, OCE, and Tech Support Group. due to savings from the decommissioned mainframe.

Internal Auditor

Gross	1,189,731	1,190,414	683	0.1%
Ad Valorem Equivalent	1,054,731	1,122,914	68,183	6.5%
Positions	10	10	0	0.0%

The increase in Ad Valorem funding is due to a reduction from six to three major audits charged directly to the departments.

Legislative Affairs

Gross	583,313	516,314	(66,999)	-11.5%
Ad Valorem Equivalent	583,313	516,314	(66,999)	-11.5%
Positions	4	3	(1)	-25.0%

The decrease is due to the elimination the Legislative Coordinator position, offset by upgrading the Secretary to a Legislative/Delegation Aide position.

Comparison of Gross Budget, Tax Equivalent Funding, and Positions by Department

FY 2010 Adopted Budget and FY 2011 Adopted Budget

Department	Adopted Budget		Change	
	FY 2010	FY 2011	Amount	%

BCC Countywide Departments and Agencies

Medical Examiner

Gross	2,622,606	2,646,404	23,798	0.9%
Ad Valorem Equivalent	2,310,606	2,310,904	298	0.0%
Positions	20	20	0	0.0%

The increase in the Gross Budget is due to the Urban Area Security Initiative (U.A.S.I.) Grant received to prepare for a mass fatality.

Metropolitan Planning Organization

Gross	3,073,675	3,225,930	152,255	5.0%
Ad Valorem Equivalent	60,873	58,438	(2,435)	-4.0%
Positions	10	10	0	0.0%

Palm Tran

Gross	120,589,145	130,734,894	10,145,749	8.4%
Ad Valorem Equivalent	21,895,872	15,514,940	(6,380,932)	-29.1%
Positions	548	549	1	0.2%

One grant funded position was added in FY 2010. The increase in the Gross Budget is due to an increase in Federal grant awards. Various budget reduction strategies were implemented including a \$1.8 million reduction to Palm Tran Connection Transportation Disadvantage (TD) budget to only fund TD services outside the ADA boundaries.

Parks and Recreation

Gross	65,061,833	63,409,397	(1,652,436)	-2.5%
Ad Valorem Equivalent	49,901,579	47,123,272	(2,778,307)	-5.6%
Positions	624	595	(29)	-4.6%

Twenty-nine vacant positions were eliminated in FY 2011. In addition, various budget reduction strategies were implemented, including the elimination of beach raking, and significant reductions in the repair/renovation and capital equipment budgets.

Comparison of Gross Budget, Tax Equivalent Funding, and Positions by Department

FY 2010 Adopted Budget and FY 2011 Adopted Budget

Department	Adopted Budget		Change	
	FY 2010	FY 2011	Amount	%

BCC Countywide Departments and Agencies

Planning, Zoning and Building

Gross	25,849,397	25,115,564	(733,833)	-2.8%
Ad Valorem Equivalent	12,421,722	11,443,134	(978,588)	-7.9%
Positions	278	263	(15)	-5.4%

Fifteen vacant positions were eliminated in FY 2011 due to current market conditions in the construction industry.

Public Affairs

Gross	6,355,118	6,319,402	(35,716)	-0.6%
Ad Valorem Equivalent	4,403,219	4,099,133	(304,086)	-6.9%
Positions	51	45	(6)	-11.8%

Five vacant positions and one filled position were eliminated in FY 2011. The Cable TV Section was also eliminated as part of the budget reduction strategies.

Public Safety

Gross	54,316,387	51,115,447	(3,200,940)	-5.9%
Ad Valorem Equivalent	19,402,873	18,958,744	(444,129)	-2.3%
Positions	341	331	(10)	-2.9%

Three grant funded positions were added in FY 2010, and nine vacant and four filled positions were eliminated in FY 2011. The decrease in gross budget and ad valorem requirement is primarily due to the 2010 implementation of various components and the project management of the Next Generation E-911 project, which were not included in FY 2011.

Purchasing

Gross	3,597,898	3,574,615	(23,283)	-0.6%
Ad Valorem Equivalent	3,584,698	3,561,415	(23,283)	-0.6%
Positions	43	43	0	0.0%

The decrease in the gross budget is primarily due to various operating expenses such as lower Casualty Self Insurance premiums and gasoline.

Comparison of Gross Budget, Tax Equivalent Funding, and Positions by Department

FY 2010 Adopted Budget and FY 2011 Adopted Budget

Department	Adopted Budget		Change	
	FY 2010	FY 2011	Amount	%

Non-Departmental

Commission on Ethics

Gross	0	475,626	475,626	100.0%
Ad Valorem Equivalent	0	475,626	475,626	100.0%
Positions	0	4	4	100.0%

Community Revitalization

Gross	2,041,083	1,798,603	(242,480)	-11.9%
Ad Valorem Equivalent	602,203	591,630	(10,573)	-1.8%
Positions	6	6	0	0.0%

The decrease is due to capital improvement project funding being discontinued.

Criminal Justice Commission

Gross	2,646,956	2,619,778	(27,178)	-1.0%
Ad Valorem Equivalent	1,372,865	831,622	(541,243)	-39.4%
Positions	17	12	(5)	-29.4%

Four filled grant funded positions and one vacant Ad Valorem funded position was eliminated in FY 2011. The significant decrease in ad valorem dollars is due to the carry forward of grant funding from the American Recovery & Reinvestment Act Grant and the annual Justice Assistance Grant, and the reduction of annual funding for the Criminal Justice Reserve Fund.

Economic Development

Gross	21,311,034	30,547,090	9,236,056	43.3%
Ad Valorem Equivalent	1,584,482	1,606,114	21,632	1.4%
Positions	7	11	4	57.1%

The significant increase from FY 2010 to FY 2011 is due to \$6.6 million in Energy Efficiency and Conservation Block Grant, \$2.8 million in Section 108 Loan Program funds for the Pahokee revitalization, and \$1.1 million in Brownfields Economic Development Initiative Grant funds. The Ad Valorem requirement includes funding for Office Depot \$650,000, Business Development Board \$834,701 (10% reduction) and Film Industries \$36,500 (50% reduction).

Comparison of Gross Budget, Tax Equivalent Funding, and Positions by Department

FY 2010 Adopted Budget and FY 2011 Adopted Budget

Department	Adopted Budget		Change	
	FY 2010	FY 2011	Amount	%

Non-Departmental

Equal Opportunity

Gross	2,322,709	2,030,188	(292,521)	-12.6%
Ad Valorem Equivalent	0	229,478	229,478	100.0%
Positions	12	12	0	0.0%

Ad Valorem funding is required for personal services and operating costs due to the depletion of one-time grant funding for the Fair Housing Program.

Office of Inspector General

Gross	0	1,474,825	1,474,825	100.0%
Ad Valorem Equivalent	0	0	0	0.0%
Positions	0	18	18	100.0%

Public Health Unit

Gross	2,160,459	2,160,459	0	0.0%
Ad Valorem Equivalent	2,160,459	2,160,459	0	0.0%

Small Business Assistance

Gross	873,234	844,492	(28,742)	-3.3%
Ad Valorem Equivalent	828,234	797,692	(30,542)	-3.7%
Positions	7	7	0	0.0%

The decrease in gross budget is primarily due to a decrease in various operating expenses such as video production and outside training.

Value Adjustment Board

Gross	583,750	838,549	254,799	43.6%
Ad Valorem Equivalent	224,250	326,249	101,999	45.5%

Total BCC Countywide Departments/Agencies

Gross	714,999,951	775,219,400	60,219,449	8.4%
Ad Valorem Equivalent	248,608,203	225,732,404	(22,875,799)	-9.2%
Positions	3,882	3,796	(86)	-2.2%

Comparison of Gross Budget, Tax Equivalent Funding, and Positions by Department

FY 2010 Adopted Budget and FY 2011 Adopted Budget

Department	Adopted Budget		Change	
	FY 2010	FY 2011	Amount	%

BCC Dependent Taxing District Departments

County Library

Gross	48,029,812	47,150,028	(879,784)	-1.8%
Ad Valorem Equivalent: Library	37,474,834	37,686,348	211,514	0.6%
Positions	452	452	0	0.0%

The decrease in gross budget is primarily due to a reduction in personal services from temporarily deactivated positions pending future library expansions.

Fire-Rescue

Gross	346,986,345	356,627,601	9,641,256	2.8%
Ad Valorem Equivalent: Countywide	8,964,411	9,423,026	458,615	5.1%
Fire Rescue	211,404,183	195,105,350	(16,298,833)	-7.7%
Positions	1,542	1,511	(31)	-2.0%

The increase in gross budget is primarily due to collective bargaining agreement across the board increase, increase in the retirement rate and increase in the long term disability rate. Additionally, thirty one positions were eliminated in FY 2011.

Total BCC Dependent Taxing District Departments

Gross	395,016,157	403,777,629	8,761,472	2.2%
Ad Valorem Equivalent	8,964,411	9,423,026	458,615	5.1%
Positions	1,994	1,963	(31)	-1.6%

BCC Proprietary (non tax supported) Departments

Airports

Gross	79,476,986	76,699,499	(2,777,487)	-3.5%
Ad Valorem Equivalent	0	0	0	0.0%
Positions	158	158	0	0.0%

Risk Management

Gross	118,745,698	116,163,775	(2,581,923)	-2.2%
Ad Valorem Equivalent	364,178	375,775	11,597	3.2%
Positions	32	30	(2)	-6.3%

Two vacant positions were eliminated in FY 2011 as part of the budget reduction strategies.

Comparison of Gross Budget, Tax Equivalent Funding, and Positions by Department

FY 2010 Adopted Budget and FY 2011 Adopted Budget

Department	Adopted Budget		Change	
	FY 2010	FY 2011	Amount	%

BCC Proprietary (non tax supported) Departments

Tourist Development

Gross	40,203,368	43,211,933	3,008,565	7.5%
Ad Valorem Equivalent	0	0	0	0.0%
Positions	4	4	0	0.0%

Revenues reflect an increase of two percent for Tourist Development Tax revenues and a rental fee increase for the convention center.

Water Utilities

Gross	108,482,938	117,223,355	8,740,417	8.1%
Ad Valorem Equivalent	0	0	0	0.0%
Positions	559	558	(1)	-0.2%

The increase in revenues is due to the effect of in-line rate indexing, a new FPL Reclaimed agreement and increases to various other charges. The increase in expenses is primarily due to uncontrollable operating costs and new services: reclaimed water to FPL's West County Energy Center and bulk potable water service to the City of Lake Worth and the Town of Lake Clarke Shores.

Total BCC Proprietary (non tax supported) Departments

Gross	346,908,990	353,298,562	6,389,572	1.8%
Ad Valorem Equivalent	364,178	375,775	11,597	3.2%
Positions	753	750	(3)	-0.4%

Total All BCC Funds

Gross	1,456,925,098	1,532,295,591	75,370,493	5.2%
Ad Valorem Equivalent	257,936,792	235,531,205	(22,405,587)	-8.7%
Positions	6,629	6,509	(120)	-1.8%

Judicial

15th Judicial Circuit (Court Admin.)

Gross	1,372,310	1,213,859	(158,451)	-11.5%
Ad Valorem Equivalent	1,176,619	1,023,468	(153,151)	-13.0%
Positions	6	9	3	50.0%

The decrease in the ad valorem equivalent is due to the reduction of funding for services of contractual traffic hearing officers and other various operating expenses.

Comparison of Gross Budget, Tax Equivalent Funding, and Positions by Department

FY 2010 Adopted Budget and FY 2011 Adopted Budget

Department	Adopted Budget		Change	
	FY 2010	FY 2011	Amount	%

Judicial

Law Library

Gross	611,458	516,427	(95,031)	-15.5%
Ad Valorem Equivalent	0	0	0	0.0%
Positions	4	4	0	0.0%

The decrease in gross budget is due to a decrease in contributions/donations from private sources, service charges and other miscellaneous revenue sources.

Public Defender

Gross	361,934	477,430	115,496	31.9%
Ad Valorem Equivalent	266,434	283,930	17,496	6.6%

The increase in ad valorem equivalent is due to an increase in casualty insurance, and operating expenses for the Re-Entry Program.

State Attorney

Gross	302,941	278,052	(24,889)	-8.2%
Ad Valorem Equivalent	302,941	278,052	(24,889)	-8.2%

The decrease in ad valorem equivalent is due to the reduction of various operating expenses.

Court Related Information Technology

Gross	5,119,729	3,541,971	(1,577,758)	-30.8%
Ad Valorem Equivalent	3,842,717	583,395	(3,259,322)	-84.8%
Positions	11	11	0	0.0%

The decrease in ad valorem equivalent is due to the decrease in the contract with ACS Government System Inc. for maintenance of Justice Information Systems; decrease in Information Systems Services Enterprise Services for infrastructure services and the increase in carry forward of unspent funds from FY 2010.

Total Judicial				
Gross	7,768,372	6,027,739	(1,740,633)	-22.4%
Ad Valorem Equivalent	5,588,711	2,168,845	(3,419,866)	-61.2%
Positions	21	24	3	14.3%

Comparison of Gross Budget, Tax Equivalent Funding, and Positions by Department

FY 2010 Adopted Budget and FY 2011 Adopted Budget

Department	Adopted Budget		Change	
	FY 2010	FY 2011	Amount	%

Constitutional Officers

Clerk & Comptroller-BCC Only

Gross	14,428,606	12,861,632	(1,566,974)	-10.9%
Ad Valorem Equivalent	12,428,606	12,361,632	(66,974)	-0.5%
Positions	141	137	(4)	-2.8%

The decrease is due to one vacant and three filled positions eliminated in FY 2011 and the decrease in Information Service Systems service cost for Enterprise and Professional services.

Property Appraiser

Gross	17,162,672	17,976,815	814,143	4.7%
Ad Valorem Equivalent	17,162,672	17,976,815	814,143	4.7%
Positions	266	266	0	0.0%

The increase is due to a conservative projection for the Refund-Property Appraiser Commission. This amount could increase; but, with current indicators not to the amount budgeted last year.

Sheriff

Gross	491,907,865	477,508,995	(14,398,870)	-2.9%
Ad Valorem Equivalent	418,218,406	399,599,811	(18,618,595)	-4.5%
Positions	4,011	3,919	(92)	-2.3%

The decrease in PBSO expenditures is due to the elimination of the Drug Farm \$3.3 Million, Eagle Academy \$4.5 Million and the Parks Police \$7.2 Million.

Supervisor of Elections

Gross	9,710,270	10,664,400	954,130	9.8%
Ad Valorem Equivalent	9,710,270	10,664,400	954,130	9.8%
Positions	42	42	0	0.0%

The FY 2011 cost increase in appropriations is primarily due to the General Election in November 2010.

Tax Collector

Gross	4,512,916	3,906,555	(606,361)	-13.4%
Ad Valorem Equivalent	4,512,916	3,906,555	(606,361)	-13.4%
Positions	269	269	0	0.0%

The decrease is due to reductions in taxes levied/collected and investment income.

Comparison of Gross Budget, Tax Equivalent Funding, and Positions by Department

FY 2010 Adopted Budget and FY 2011 Adopted Budget

Department	Adopted Budget		Change	
	FY 2010	FY 2011	Amount	%
Total Constitutional Officers				
Gross	537,722,329	522,918,397	(14,803,932)	-2.8%
Ad Valorem Equivalent	462,032,870	444,509,213	(17,523,657)	-3.8%
Positions	4,729	4,633	(96)	-2.0%
Grand Total BCC Departments/Agencies, Judicial and Constitutional Officers				
Gross	2,002,415,799	2,061,241,727	58,825,928	2.9%
Ad Valorem Equivalent	725,558,373	682,209,263	(43,349,110)	-6.0%
Positions	11,379	11,166	(213)	-1.9%

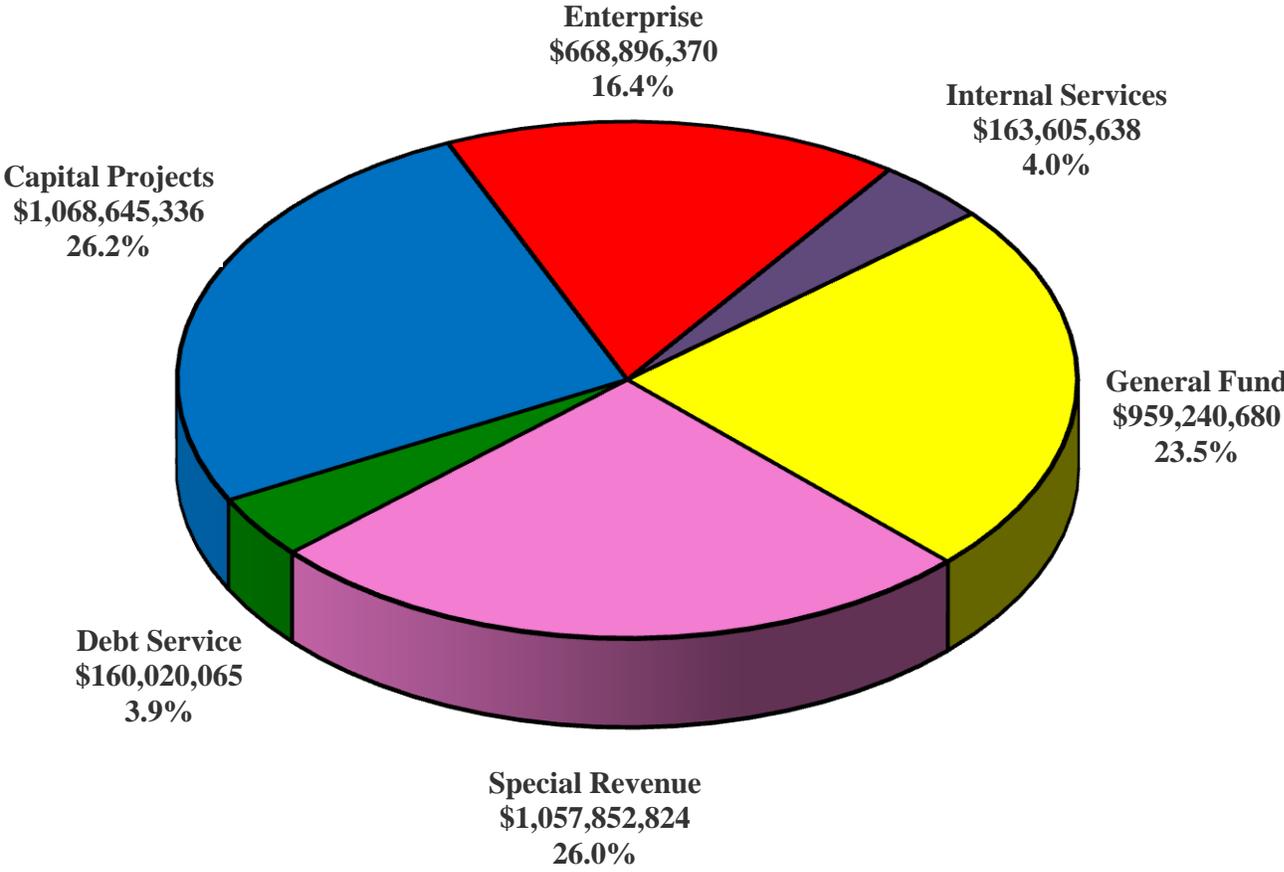


Section C

Budget by Fund



Expenditures by Fund Group
Total of all Funds \$4,078,260,913



FUND STRUCTURE AND GOVERNMENTAL ACCOUNTING

Palm Beach County develops its Budget in accordance with the requirements of the Florida Statutes and generally accepted accounting principles (GAAP). GAAP requires that the budget for certain funds be developed using the modified accrual accounting method. The County develops and adopts budgets for all of its funds using the modified accrual accounting method.

Fund Accounting

In governmental accounting, the resources of the government are accounted for through funds. A fund is a separate fiscal and budgetary entity. Funds are set up to demonstrate stewardship and fiscal accountability for the resources entrusted to the government. The number and type of funds used is guided by sound financial judgment and the requirements of the Florida Statutes. Palm Beach County utilizes the following types of funds in its budget:

Governmental Funds

General Fund - This fund is the general operating fund of the County. It is used to account for all financial resources received by the County, other than those which are accounted for in another fund.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes (other than Capital Project or Special Assessment type revenues).

Debt Service Funds - These funds are used to account for the accumulation of resources for the payment of principal, interest, and other costs related to the general long-term debt of the County.

Capital Project Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or improvements (other than those financed by Proprietary or Special Assessment funds).

Proprietary Funds

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to that of a private business enterprise. The intent is to finance or recover the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis through user charges.

Internal Service Funds - These funds are used to account for the goods and services that are provided by departments for the benefit of other County departments, on a cost reimbursement basis.

FUND STRUCTURE AND GOVERNMENTAL ACCOUNTING**Measurement Basis**

In governmental accounting, the measurement basis used for the accounting system depends on the fund or funds involved.

Governmental funds use the modified accrual basis of accounting. Under this basis, revenues are recognized if they are measurable and available for use during the year. Expenditures are recognized in the period the liabilities are incurred if measurable, except for accrued interest on general long-term debt which is recognized when payment is due to bondholders.

Proprietary funds use the full accrual basis of accounting. Under this basis, revenues are recognized in the period earned and expenses are recognized in the period that the liabilities are incurred.

Financial Statements

In governmental accounting, the focus for budgeting, measuring, and reporting on financial activity depends on the funds involved.

Governmental funds are accounted for on a "financial resource flow" focus. This means that governmental fund balance sheets will only contain current assets, current liabilities, and the excess of current assets over current liabilities, which is called fund balance or fund equity. Governmental fund operating statements present increases in resources (revenues and other financing sources), uses of resources (expenditures and other financing uses) and changes in fund balances.

Proprietary funds are accounted for on an "income determination" measurement focus. Accordingly, all assets and liabilities are included on their balance sheets. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in total economic net worth (fund equity).

GASB statement 34 establishes financial reporting standards which include government-wide financial statements. These accrual-based financial statements are prepared using an economic resources measurement focus. They report all assets, liabilities, revenues, expenses, gains, and losses of the government and distinguish between governmental and business-type activities.

FUND STRUCTURE AND GOVERNMENTAL ACCOUNTING

Basis of Budgeting

All funds are budgeted using the modified accrual basis of accounting, including proprietary funds. Fund budgets are prepared using the governmental model, which in essence, is as if all funds were special revenue funds. The only exception to this policy is the annual interest expense of proprietary funds which is budgeted on the accrual basis. Proprietary fund financial statements are presented using the accrual basis of accounting. When using the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Governmental fund financial statements are presented using the modified-accrual basis of accounting. Accounting on the modified-accrual basis requires that revenues are recorded when susceptible to accrual, that is, when they become both measurable and available to pay liabilities of the current period. For this purpose, the County considers revenue to be available if it is collected within 60 days of year-end. Revenues not considered available are recorded as deferred revenues. Expenditures generally are recorded when a liability is incurred; however, debt service payments, expenditures related to compensated absences, and claims and judgments are recorded only when payment is due.

Fund Type	Fund Name	Adopted Budget	
		FY 2010	FY 2011
General Fund			
0001	General Fund (Major Fund)	\$999,824,019	\$959,240,680
	Total General Fund	<u>\$999,824,019</u>	<u>\$959,240,680</u>
Special Revenue Funds			
1000	Senior Citizens Centers	\$700,605	\$679,495
1001	HUD Supportive Housing	1,389,542	1,389,542
1002	Head Start	25,221,333	28,176,757
1003	Community Action Program	1,480,715	1,312,978
1004	Farmworkers Jobs/Education Prm	363,053	452,050
1006	DOSS - Administration	8,122,756	7,999,236
1009	Low Income Home Energy Program	2,459,121	2,783,720
1010	Ryan White Care Program	12,878,860	12,889,898
1100	Affordable Housing Trust Fund (SHIP)	10,183,735	6,987,861
1101	Housing & Community Devlpmt	18,906,694	19,233,012
1103	Home Investmnt Partnership Act	6,405,332	7,483,595
1104	Section 108 Loan Fund	146,844	155,000
1106	Disaster Recovery Initiative	12,859,344	9,908,244
1108	Disaster Recovery Initiative #3 (Wilma)	19,284,969	19,090,341
1109	Neighborhood Stablization Program	7,486,216	12,440,614
1110	CDBG - Homelessness Prevention and Rapid Re-Housing Program (HPRP)	2,823,871	1,820,196
1111	CDBG - Recovery Program	1,846,758	1,725,752
1112	Neighborhood Stablization Program 2	0	49,808,448
1150	Juvenile Assessment Center Fund	274,547	309,023
1151	Law Enforcement Trust Fund	2,304,292	2,847,549
1152	Sherrif's Grants	805,398	4,760,729
1172	Ballot-on-Demand Equip-HAVA	682,683	0
1180	County Library	48,029,812	47,150,028
1200	Beautification Maintenance	1,704,681	1,601,995
1201	County Transport Trust	49,023,441	43,623,870
1202	Street Lighting Maintenance	1,360,129	1,291,204
1203	Red Light Camera Fund	570,000	570,000
1220	Natural Areas Stwrdsph Endwmnt	5,287,214	5,203,876
1222	Ag Reserve Land Management	1,645,878	1,219,544
1223	Environmental Enhance-Freshwtr	433,882	463,743
1224	Environmental Enhance-Saltwtr	569,129	658,994
1225	Environmental Enhance-Nonspec	1,915,948	2,506,654
1226	Natural Area Fund	20,341,094	30,793,418
1227	Pollution Recovery Trust Fund	1,968,340	2,228,790
1228	State Mosquito	153,999	198,225

Adopted Budget

<u>Fund Type</u>	<u>Fund Name</u>	<u>FY 2010</u>	<u>FY 2011</u>
1229	FDEP Lake Worth Lagoon Ecosyst	5,144,724	3,268,901
1230	Petroleum Storage Tank Program	2,306,577	1,666,110
1231	Petrol Store Tank Compliance	1,033,719	847,212
1250	Handicapped Parking Enforcemnt	363,416	341,429
1251	Human Relations Camp	94,238	98,871
1252	HUD - Fair Housing	891,195	479,876
1253	Fair Employment Contract	973,860	880,534
1260	Sales Tax Revenue Fund	74,178,482	81,548,265
1261	Bond Waiver Program R89-1178	623,423	657,829
1262	Intergovt'L Radio Comm Program	2,251,456	2,084,516
1263	School Impact Fees Zone 1	629,668	1,260,128
1264	School Impact Fees Zone 2	477,622	859,096
1265	School Impact Fees Zone 3	898,221	1,262,662
1266	School Impact Fees Zone 4	377,583	728,287
1267	School Concurrency	5,000	2,000
1268	Choose Life License Plate Fund	148,834	82,541
1300	Fire Rescue MSTU (Major Fund)	310,000,405	316,769,136
1301	Fire Rescue Jupiter MSTU	14,785,975	15,864,541
1303	Aviation Battalion	6,759,863	6,881,392
1304	F/R Long-Term Disability Plan	14,803,534	16,493,676
1305	MSBU-Hydrant Rental Boca Raton	577,613	560,814
1306	MSBU-Hydrant Rental-Riviera Bh	58,955	58,042
1321	Law Library	611,458	516,427
1323	Criminal Justice Trust Fund	640,875	731,482
1324	Local Requirements & Innovatioons Fund (F.S.29.004&0082a2)	315,000	240,000
1325	Legal Aid Programs Fund (F.S.29.008)	315,000	240,000
1326	Teen Court/JAC Juvenile Programs Fund	315,000	240,000
1327	Court Information Technology Fund (F.S. 28.2412e1)	5,119,729	3,541,971
1340	Palm Tran Operations	68,028,267	66,514,242
1341	Palm Tran Grants	58,287,657	70,990,167
1342	Palm Tran Letter of Credit	827,000	0
1360	Metro Planing Organization	3,073,675	3,225,930
1380	Southwinds Golf Course	2,398,190	1,753,673
1381	Okeeheelee Golf Course	2,682,078	2,436,610
1382	Osprey Point Golf Course	511,204	2,176,587
1383	Park Ridge Golf Course	1,608,160	1,609,279
1400	MSTD - Building	9,575,580	11,225,000
1401	CCRT Street Lighting Maintenance	1,438,880	1,206,973
1420	ACC Mobile Spay/Neuter Prgm	1,708,513	1,087,556
1421	Animal Regulation Trust Fund	55,687	49,955
1423	Victims Of Crime Emergency Support Fund	70,251	52,174
1424	E-911 Wire Line FS365.171	1,128,293	1,126,677

Fund Type	Fund Name	Adopted Budget	
		FY 2010	FY 2011
1425	EMS Award-Grant Program	555,001	503,042
1426	Public Safety Grants	183,472	242,606
1427	Emergency Management	719,129	1,146,206
1428	Em Preparedness & Assistance	209,446	227,404
1429	Regulation Of Towing Business	269,588	226,521
1430	Vehicle For Hire Ordinance	1,268,923	960,605
1432	Moving Ordinance	120,009	81,257
1433	E-911 WireLess FS365.172/173	2,793,413	2,798,866
1434	E-911 Carry Forward FS365.072/173	8,415,650	8,739,598
1435	E-911 Grant Fund	12,387,657	9,756,189
1436	Justice Service Grant Fund	0	293,484
1437	Family Drug Court Grant Fund	0	484,907
1439	Radiological Emergency Preparedness-FPL	0	109,802
1440	Highridge Activity Fund	29,609	26,496
1450	TDC-Convention Center Oper	5,499,216	6,343,130
1451	TDC-Film Commission	640,992	592,042
1452	TDC-Special Projects	301,599	264,756
1453	TDC-4th Cent Local Option Tax	11,421,918	9,365,276
1454	TDC-Tourism	10,482,714	9,377,563
1455	TDC-Cultural Arts	3,095,095	3,289,444
1456	TDC-Beaches	1,710,032	1,830,888
1457	TDC-Sports Commission	1,377,891	1,244,486
1458	TDC-1st Cent Tourist Local Option Tax	5,673,911	10,904,348
1470	Drug Abuse Trust Fund	476,450	360,429
1480	Driver Ed Trust FS318.121	1,526,959	1,715,816
1482	Coopertive Extension Rev Fund	139,683	310,896
1483	PBC Office of Inspector General (IG)	0	1,474,825
1484	PBC Commission on Ethics	0	475,626
1500	Crime Prevention Fund	511,372	373,596
1501	Domestic Violence Fund	0	112,627
1502	Local Law Enfor Blk Grant 2009	2,000	0
1503	JAG-LLEBG ARRA Fund 2009	0	250,568
1504	JAG Combat & ReEntry Grant 2008-2012	94,140	206,000
1505	Local Law Enfor Blk Grant 2003	0	287,336
1507	Criminal Justice Reserve Fund	694,207	30,146
1510	Justice & Mental Health Collab Prg Grnt	0	102,942
1521	Public Affairs Replacement Frequency	1,539,699	1,681,069
1539	Economic Development	5,242,056	6,112,075
1540	EDO - Section 108 Loan Fund	15,775,290	17,817,955
1541	Energy Efficiency & Consvr Blk Grnt	0	6,307,060
Total Special Revenue Funds		<u>\$958,882,196</u>	<u>\$1,057,852,824</u>

Fund Type	Fund Name	Adopted Budget	
		FY 2010	FY 2011
<u>Debt Service Funds</u>			
2000	25M GO 99A DS, Recreation & Cultural	\$27,650	\$0
2003	233.6M NAV 90 DS, Criminal Justice Facilities	2,961,646	2,961,646
2018	94.3M NAV 04 DS, Pub Imprv & Ref Airport Cntr 92	7,836,934	7,835,659
2019	25M GO 03 DS, Parks & Cultural Facilities	1,855,506	1,853,706
2020	25M GO 05 DS, Parks & Cultural Improvmts	1,955,338	1,956,088
2021	30.5M GO 03 DS, Library Improve	2,314,525	1,552,401
2022	24.5M GO 06 DS, Library Improve	1,737,703	1,737,159
2028	133.9M NAV 05 DS, Scripps Construction	10,807,416	10,807,416
2031	38.8M NAV 04 DS, Scripps/Mecca Land Acq	2,844,644	2,839,607
2034	24.3M NAV Tax 04 DS, Scripps Ld Acq	3,248,860	2,821,377
2037	11.5M BAN Tax Refunding 07 DS, Conv Cntr Hotel	690,924	420,532
2038	50M GO 05 DS, Waterfront Access	3,726,238	3,726,298
2040	14.6M NAV 06 DS, Parking Facilities Expansion	1,140,730	1,144,433
2041	13M NAV 05 DS, 2nd FAU/Scripps Beeline	1,748,272	1,623,480
2052	105.5M NAV 07 DS, Scripps/Briger	7,736,419	7,736,219
2053	167M NAV 07 DS, Jail Expand/Pub Bldg	15,893,150	12,648,350
2054	176.5M NAV 08 DSR, Jail Expand/Pub Bldg	11,668,150	12,083,777
2058	35M PBSO Mobile Data Debt Service	6,394,351	6,394,351
2061	11.6M Note Payable 08 DS, ESL Jupiter	1,096,081	1,006,000
2065	16.1M LT BAN 09 DS, Public Imprv (4 Pts Fac)	645,630	645,630
2067	94.2M NAV 08-2 DS, Max Planck & SS Refunding	7,786,930	7,629,830
2068	94.2M NAV 08-2 DSR, Max Planck & SS Refunding	7,843,046	8,467,060
2501	59.39M GO 94B DS	4,413,313	4,415,112
2505	32.775M CJC Rev Ref 97 DS	1,878,248	1,878,248
2506	117.485M CJF Ref 93 DS	14,085,978	14,084,159
2507	22.2M NAV 93 DS, Ref 24.5M Pub Bldg Corp 86	1,925,179	1,984,042
2508	45.6M GO 98 DS, Ref 2 issues	4,179,350	4,173,850
2509	18.56M Cjfac Ref2002 DS	2,119,100	2,119,100
2510	6.5M NAV 03 DS, Ref 8.5M Pub Imprv 94	711,056	713,931
2511	81.34M Convention Center Refunding Bonds 2004	5,387,142	5,394,080
2513	20M GO 05 DS, Ref 25M Rec Fac 99A	2,009,025	2,010,775
2514	17.455M NAV 05 DS, Ref 26M Parks & Rec Fac 96	2,046,450	2,047,113
2515	16M NAV 05 DS, Ref 22M N.C Court & PBSO MP 97	1,666,795	1,663,645
2516	11.5M NAV 05 DS, Ref 15M Judicial Parking 95	1,158,500	1,158,925
2517	20.07M NAV 05 DS, Ref 28M Stadium Fac 96	2,161,244	2,152,764
2518	45.8M GO Tax 06 DS, Ref 75M Land Acq 99B & 01A	12,080,902	12,085,966
2519	115.8M GO Tax Coupon 06 DS, Ref 75M Land Acq 99B & 01A	690,832	491,241
2520	2.58M NAV 07A, Biomed Research Park DS	188,135	188,062
2521	5.18M NAV 07B, Refunding Biomed Research Park DS	430,547	430,305
2522	30M NAV 08A, Ref SS#1,3&5	4,956,603	2,954,797

Fund Type	Fund Name	<u>Adopted Budget</u>	
		<u>FY 2010</u>	<u>FY 2011</u>
2523	11.5M NAV Tax 10 DS, Ref 11M Conv Hotel BAN 07	0	1,420,782
2524	19.5M GO 10 DS, Ref Part 30M Library GO 03	0	762,149
Total Debt Service Funds		<u>\$164,048,542</u>	<u>\$160,020,065</u>
<u>Capital Project Funds</u>			
3000	25M GO 99A, Recreation & Cultural	\$1,065,759	\$325,819
3002	75M GO 01, Environmental Land	2,257	0
3004	26.3M NAV 94, CJF Completion	25,185	0
3011	22.425M NAV 97, North County & PBSO	3,065	0
3013	15.175M NAV 95, Judicial Garage	4,710	0
3014	80.7M NAV 01, Convention Center	6,718,220	7,165,885
3017	26.3M NAV 96, Parks & Recreation Facilities	67,281	67,646
3018	94.3M NAV 04, Pub Imprv & Ref Airport Cntr 92	797,627	601,367
3019	25M GO 03, Parks & Cultural Facilities	6,997,160	4,726,248
3020	25M GO 05, Parks & Cultural Imprvmts	21,963,637	18,578,529
3021	30.5M GO 03, Library Improvements	6,264,262	4,878,090
3022	22.3M GO 06, Library Improvements	16,450,451	13,921,614
3026	20M BAN 04, Scripps/Mecca Farms PD&E	742,804	0
3028	133.9M NAV 05, Scripps Construction	252,471	7,000
3032	South County Regional Park Golf Course NAV 2005	82,345	54,653
3033	5.6M Sunshine#6 04, Scripps Infrastructure & Beeline	620,247	227,097
3037	11.5M LT BAN Tax 05, Convention Center Hotel Site Acq	339,831	367,672
3038	50M GO 05, Waterfront Access	19,519,451	18,585,734
3040	14.6M NAV 06, Parking Facility Expansion	1,052,248	1,155,030
3041	13M FAU Scripps Grant-2nd Bldg	900,235	78,017
3043	6.125M Sunshine#8 06, Park & Marina Improv	1,176,554	901,089
3045	16M BAN 06, Scripps/Brigger Land Acq	14,034	0
3046	8.1M Sunshine #9, So County Golf Course CTF	4,104,819	1,291,800
3048	7.5M Sunshine#7B 06, CTF	2,122	954
3052	98.0M NAV 07C CTF, Scripps.Briger	13,320,214	10,804,738
3053	176.5M NAV 08 CTF, Jail Expand/Pub Bldg	134,137,328	73,012,750
3056	20M BAN 07, Jail Facilities Expansion	434,793	0
3058	35M NAV 08 CP, PBSO Mobile Data	25,714,885	25,940,687
3061	11.6M Note Payable 08 CP, ESL Jupiter	84,375	59,375
3065	16.1M LT BAN 09 CP, Public Imprv (4 Pts Fac)	16,649,186	7,827,364
3067	94.1M NAV 08-2 CP Max Planck & SS Refunding	42,937,102	37,871,227
3500	Transportation Improvmt Fund	250,398,117	250,987,877
3501	Road Impact Fee Zone 1	58,838,543	58,670,131

Adopted Budget

<u>Fund Type</u>	<u>Fund Name</u>	<u>FY 2010</u>	<u>FY 2011</u>
3502	Road Impact Fee Zone 2	40,395,305	46,355,505
3503	Road Impact Fee Zone 3	51,723,224	46,432,647
3504	Road Impact Fee Zone 4	22,647,066	24,636,632
3505	Road Impact Fee Zone 5	37,874,065	41,917,526
3511	Unicorp Impr Fund	10,938,460	11,469,077
3515	Abacoa Impact Fee Account	905,518	1,437,816
3516	Abacoa Trust Sub Account	4,072,848	4,464,787
3519	Northlake Blvd. Agr W/Npbcid	7,192	7,521
3523	Proportionate Share Trust Fund	0	17,707,142
3531	Impact Fee program-Roads Zone 1	0	1,037,000
3600	Park Improvemt Fund	9,809,163	6,375,989
3601	Park Impact Fees Z-1	2,709,759	1,690,223
3602	Park Impact Fees Z-2	1,650,914	1,367,530
3603	Park Impact Fees Z-3	4,536,744	4,997,634
3650	Unit 11 Acquisition/Enhancemnt	3,850,633	3,723,230
3651	South Lox Sl Wetland Restoratn	209,030	218,474
3652	Beach Improvement	44,837,807	40,265,625
3653	South Lake Worth Inlet	6,943,440	4,209,124
3654	Environmental Resources Capital Projects	17,614,876	16,401,406
3700	Fire Rescue Improvement	47,631,898	41,362,744
3704	Fire Rescue Impact Fees	5,109,366	5,936,214
3750	Library Improvement Fund	7,496,764	6,749,525
3751	Library Expansion Program	27,782,826	24,835,892
3752	Library Impact Fees	7,960,163	4,763,908
3753	Library Capital Grants	500,083	493,660
3800	Pud Civic Site Cash Out	2,567,520	2,777,169
3801	800 Mhz RR+I Fund	30,838,386	35,082,182
3803	Law Enfc/Impct Fees Z2 Rd Patl	4,310,597	4,261,349
3804	Public Building Impr Fund	84,877,226	70,644,982
3805	Public Building Impact Fees	4,685,459	5,389,783
3807	TDC - Bldg Renewal and Replacement	10,000,000	10,974,948
3900	Capital Outlay	40,744,166	27,153,989
3901	Information Technology Capital Improvements	12,225,161	10,840,390
3902	Court Related Info Tech Cap Improvements	725,202	746,271
3903	Energy Efficiency and Conservation Block Grant - E	0	3,809,049
Total Capital Project Funds		<u>\$1,179,862,179</u>	<u>\$1,068,645,336</u>

Enterprise Funds

4000	WUD Revenue	\$141,315,000	\$159,246,000
4001	Operation & Maintenance	108,482,938	117,223,355
4010	Renewal & Replacement	1,000,000	1,000,000

Fund Type	Fund Name	Adopted Budget	
		FY 2010	FY 2011
4011	Capital Improvements	63,929,430	98,394,317
4012	Connection Charge Account	6,848,000	4,516,000
4013	Special Assessment Prgrm WUD	2,628,000	2,628,000
4014	WUD Lake Region Renewal & Replacement	601,820	0
4015	WUD FPL Water Renewal & Replacement	0	583,000
4031	Debt Service WUD Ecr Loan	316,000	316,000
4033	Debt Service WUD 98	1,800,800	1,797,800
4034	Debt Service WUD All	4,438,000	4,438,000
4036	Debt Service WUD 2003	977,500	1,077,500
4037	Debt Service WUD 2004	5,607,000	4,091,000
4039	Debt Service WUD 2006	9,067,900	8,566,900
4040	Debt Service 6.5M WUD 08	1,785,500	1,887,500
4041	Construction Trust Fund WUD 2009	53,245,000	17,500,000
4042	Debt Service WUD 2009	4,674,000	4,435,000
4043	WUD FPL Debt Service Coverage Fund	0	275,000
4100	Airport Operations	79,476,986	76,699,499
4110	Airport Capital Projects	1,992,427	1,813,297
4111	Airports Imp & Dev Fund	81,091,993	90,338,330
4112	Airport Passenger Facility Chgs	37,742,637	49,473,857
4113	Noise Abatement & Mitigation	1,535,040	1,729,705
4114	Airports Restricted Assets Fd	3,242,870	2,698,687
4116	Cap Proj 8M PBIA Sub Indebtedness 2006	275,956	295,170
4117	Cap Proj 69M PBIA Rev Bonds, 2006A	3,093,681	0
4130	Debt Serv 60M PBIA Rev Ref 2002	3,476,337	13,307,030
4131	Debt Serv 83M PBIA Rev Ref 2001	8,413,306	29,186
4136	Debt Serv 8M PBIA Sub Indebtedness 2006	80,017	89,999
4137	Debt Serv 69M PBIA Rev Bonds 2006A	3,444,843	3,436,318
4138	Debt Serv 16M PBIA Tax Rev Ref 2006B	1,013,315	1,009,920
Total Enterprise Funds		<u>\$631,596,296</u>	<u>\$668,896,370</u>
<u>Internal Services Funds</u>			
5000	Fleet Management	\$49,208,498	\$47,817,638
5010	Property & Casualty Insurance	21,575,737	20,065,742
5011	Risk Management Fund	21,338,626	19,453,149
5012	Employee Health Insurance	75,467,157	76,269,109
5020	Information Systems Services	0	0
Total Internal Services Funds		<u>\$167,590,018</u>	<u>\$163,605,638</u>
Total Adopted Budget		<u>\$4,101,803,250</u>	<u>\$4,078,260,913</u>



Section D

Capital Budget

What is it and why do we have one?

County government provides needed and desired urban services to the public. In order to provide these services, the County must furnish and maintain capital facilities and equipment, such as airports, roads, and parks. The Capital Improvement Program (CIP) is a proposed schedule for the expenditure of funds to acquire or construct needed improvements over the next five-year period. It represents a comprehensive and direct statement of the physical development policies of the County. The program has great significance in that it touches the life of each County resident and visitor through the provision of health, safety, transportation, recreation, and other services upon which we all depend.

Purpose and Benefits of Capital Programming

Capital Programming:

1. Provides a means for coordinating and consolidating various departmental requests, thereby preventing duplication of projects and equipment.
2. Establishes a system of examining and prioritizing the needs of the County, assuring that the most essential improvements are provided first.
3. Provides an important implementation device for growth management.
4. Allows sufficient time for investigation of project financing and implementation measures, and proper technical design.
5. Coordinates physical with financial planning, allowing maximum benefit from available public funds.
6. Helps provide an equitable distribution of public improvements throughout the County.

Development of the Capital Improvement Program

Only projects that meet the definition of a capital improvement are included in the Capital Improvement Program. Capital improvements are defined as physical assets, constructed or purchased, that have a minimum cost of \$25,000 and an expected useful life in excess of one year.

Examples of typical capital improvements include:

- a. Road construction and paving.
- b. New and expanded physical facilities for the community.
- c. Large scale rehabilitation or replacement of existing facilities.
- d. Purchase of equipment items that have a relatively long period of usefulness.
- e. The cost of engineering or architectural studies and services relative to a specific improvement.
- f. The acquisition of land to build a community facility such as a park, highway, library, airport, etc.

Each year, the CIP is prepared from project requests submitted on project proposal forms completed by the various departments and agencies of the County. The completed forms provide a project description, justification, cost projections, statement of impact on the County's annual operating budget, implementation schedule, as well as support for the County's Comprehensive Plan. Concurrently, with the preparation of the project proposal forms, information concerning the financial resources available to the County is prepared by the Office of Financial Management and Budget.

The program recommended by the County Administrator is used by the Board of County Commissioners to develop the annual budget which becomes effective October 1st of each year. The first year of the Five-Year CIP is formally adopted by the Board as the Capital Budget with the following four years showing projected, but unfunded, requirements. The CIP is an important tool for implementing the County's Comprehensive Plan. The Board of County Commissioners utilizes the CIP to analyze the County's fiscal capability to finance and construct capital improvements in the future.

Responsibilities in Program Preparation and Implementation

The Capital Improvement Program, by virtue of its comprehensive character, involves the full realm of County operations. The County Administrator, departments, boards, and the County Commission must coordinate their actions to accomplish a successful program for capital improvements in the community.

Operating Departments: The key role in the initial stages of capital programming falls upon the operating departments and department heads. By virtue of their technical knowledge and experience in the individual fields, it becomes their responsibility to initiate project requests, and to develop a program that outlines the requirements of each project, as well as, its relative importance in the department's program.

Office of Financial Management and Budget: The Office of Financial Management and Budget (OFMB) provides information concerning the County's past, present, and future financial resources. OFMB prepares and distributes the package utilized by departments and agencies to submit project requests. As the program develops, OFMB assists in the review and evaluation of project submissions, and guides the administration of the program through its function of budget control.

Engineering and Facilities Development & Operations Departments: In providing staff assistance, these departments have the following responsibilities in the capital programming process:

- 1 Provides assistance, if needed, in the preparation of requests.
- 2 Receives and reviews the cost projections in project requests.
- 3 Provides information and assistance to the Office of Financial Management and Budget in the analysis of the County's financial requirements.
- 4 Provides assistance to the County Administrator, County Commission, and staff in preparing the Commission adopted program.

County Commission: While departments, boards, and committees play a very significant role in the capital improvement programming process, the ultimate success of the program rests with the County Commission. Only Commissioners, as elected officials, can authorize the expenditure of public funds, in this case by adopting the first year of the capital improvement program as that fiscal year's capital budget. Therefore, the final priorities placed on community needs and the subsequent satisfactions of those needs are a matter of legislative decision and control.

Priority Ranking

Criteria for establishing the prioritization of capital project proposals are established in the Capital Improvement Element of the Comprehensive Plan in Objective 1.4. The criteria address issues such as why the project is needed and what type of service the project will support. Other criteria included in the objective deal with the physical location of the project as being identified in a revitalization/ redevelopment area or a coastal high-hazard area. In addition, each proposal is identified by one of the following Growth Management Tiers:

Urban/Suburban * Exurban * Rural * Glades * Agricultural Reserve

Why a Project is needed: The following is a list of acceptable reasons why a project is needed:

1. Correct public hazards;
2. Eliminate existing deficiencies as described by the minimum levels of service;
3. Provide capacity for developments that have received a determination as a Committed Development when such developments are within the Urban Service Area;
4. Maintain levels of service as new growth occurs;
5. Increase existing levels of service to desired levels of service;
6. Provide for the renewal and replacement of, and improvement to, existing public infrastructure and physical assets; and
7. Implement the Goals, Objectives, and Policies or other Plan Elements.

Type of Service the Project will Provide: The following is a list of project prioritization categories:

1. **Essential:** projects that are directly related to protecting the immediate health and safety of citizens from an existing or imminent hazard. An example would be an expenditure request which responds to a danger arising from an imminent bridge failure. Essential services shall be provided throughout the County.
2. **Necessary:** projects that are directly related to maintaining the level of service for concurrency items mandated by State law and Fire-Rescue services. Examples include expenditure requests which are necessary to meet the minimum level of service standards for concurrency regarding roadway, mass transit, potable water, wastewater, solid waste, storm water protection, recreation/open space, and fire-rescue. Necessary services shall be provided throughout the County.
3. **Desirable:** projects that are related to enhancing the desirability of Palm Beach County as a place to live or visit. More specifically, to enhance quality of life, or maintain physical assets; but are not needed to correct imminent health and safety hazards and are not needed to maintain level of service.

Physical Location: Policy requires that projects that correct service and infrastructure deficiencies within the Revitalization and Redevelopment Overlay in unincorporated Palm Beach County receive “special consideration” in establishment of the project priority. Special consideration gives these projects top priority consideration within each of the following prioritization categories: essential, necessary, and desirable.

Growth Management Tiers: The Urban/Suburban Tier shall be given the highest priority within the category of desirable, followed by the Exurban Tier, and then the Rural Tier. Policy restricts use of public funds for infrastructure expansion or improvements in Coastal high-hazard areas unless such funds are necessary to:

1. Provide services to existing development;
2. Provide adequate evacuation in the event of an emergency; or
3. Provide for recreational needs and other appropriate water-dependent uses.

Relationships Between the Operating and Capital Budgets

There are many features that distinguish Palm Beach County's operating budget from its capital budget. The operating budget includes expenses that are generally of a recurring nature and are appropriated for one year only. It provides for the provision of all County services that do not result in major physical assets for the County. Year to year, changes in the operating budget are expected to be fairly stable, and represent incremental changes in the following: cost of doing business; size of the County; and types and levels of services provided. Resources for the operating budget are generally provided by taxes, user fees, and inter-governmental payments that generally recur from year to year.

The capital budget, on the other hand, includes one-time costs for projects that may last several years. The projects result in major physical assets in the County. Resources for the capital budget are generally provided by bond proceeds, impact fees, grants, and taxes.

In spite of these differences, the operating and capital budgets are closely linked. The most obvious connection is the fact that the operating budget includes the cost of maintaining and operating new facilities and infrastructure built under the capital budget.

Operational needs often drive the capital budget. For example, major expansion requirements in the FY 2011 capital budget are roads, parks and buildings which were necessitated for the County's role in providing these basic services to its citizens.

Some capital improvements will actually decrease maintenance costs, such as the replacement of fire trucks and water lines or the reconstruction of roads. Long term operations and maintenance costs resulting from the Five-Year Capital Improvement Program are addressed in this section under "Impact of Capital Projects on the Operating Budget" and "Estimated Operating Impact of Capital Projects" on pages F-23 through F-24.

The County has a significant number of non-routine capital projects included in the FY 2011 budget, all of which are listed in this section. The chart below highlights some of those projects in the Capital Budget Document where more detailed information can be found.

Project	FY 2011 Allocation	Funding Source
<u>Jog Rd.</u> <ul style="list-style-type: none"> Roebuck Rd. to S. of 45th Street (1.9 miles, 4 Lanes) 	\$16,000,000	Grants/Impact Fees
<u>Airports Midfield Taxiway L</u> <ul style="list-style-type: none"> Construction of the complete full length taxiway parallel to Runway 9L-27R at PBIA. This project will also upgrade the existing portion of Taxiway L to Airplane Design Group IV standards. 	\$14,000,000	Grants/Other
<u>Ocean Avenue over the Intracoastal Waterway</u> <ul style="list-style-type: none"> Bascule Bridge and Approach Span Replacement 	\$37,000,000	Revenue Bond/Other
<u>South County Regional Park Phase III</u> <ul style="list-style-type: none"> Completion and development of park improvements that will provide additional passive and active recreational facilities and developed acres of regional parks to serve the needs of new residents in the South Park District. 	\$850,000	Impact Fees



FUNDING SOURCES BY TYPE OF REVENUE

Taxes (Ad Valorem)	\$	6,413,912
Interest		24,461,313
Gas Tax		18,206,000
Assessments		2,610,000
Impact Fees		5,170,360
Other		289,856,318
Statutory Reserves		(2,361,620)
Balance Forward		977,759,416
Total Revenues	\$	1,322,115,699

APPROPRIATIONS BY CATEGORY

Criminal Justice	\$	104,369,816
Environmental Lands & Beaches		64,877,234
Fire-Rescue		47,298,958
General Government		232,423,783
Libraries		55,642,689
Parks		58,909,195
Road Program		493,654,584
Street & Drainage		11,469,077
Airports		146,349,046
Water Utilities		107,121,317
Total Appropriations	\$	1,322,115,699

CAPITAL BUDGET REVENUES & APPROPRIATIONS**CAPITAL BUDGET REVENUES**

<u>Revenues</u>	<u>Criminal Justice</u>	<u>Environ. Land & Bchs.</u>	<u>Fire Rescue</u>	<u>General Gov't</u>	<u>Libraries</u>
Taxes (Ad Valorem)	\$0	\$250,000	\$0	\$5,413,912	\$0
Interest	3,776,000	913,000	866,000	7,365,312	1,011,000
Gas Tax	0	0	0	0	0
Assessments	0	0	0	0	0
Impact Fees	92,400	0	352,000	252,560	119,900
Bond/ Loan Proceeds	0	0	0	0	0
Other	0	39,191,453	0	36,903,007	500,000
Statutory Reserves	(193,420)	(45,650)	(60,900)	(380,249)	(56,545)
Balances Forward	100,694,836	24,568,431	46,141,858	182,869,241	54,068,334
Total Revenue	\$104,369,816	\$64,877,234	\$47,298,958	\$232,423,783	\$55,642,689
 <u>Appropriations</u>					
Projects	\$69,367,792	\$58,715,881	\$34,467,772	\$164,696,909	\$38,259,284
Transfers	22,984,289	59,375	0	13,668,621	0
Reserves	12,017,735	6,101,978	12,831,186	54,058,253	17,383,405
Total Appropriations	\$104,369,816	\$64,877,234	\$47,298,958	\$232,423,783	\$55,642,689

& APPROPRIATIONS BY CATEGORY

Parks	Road Program	Street & Drainage	Airports	Water Utilities	Total
\$0	\$750,000	\$0	\$0	\$0	\$6,413,912
1,938,001	6,905,000	202,000	1,456,000	29,000	\$24,461,313
0	18,206,000	0	0	0	\$18,206,000
0	0	500,000	0	2,110,000	\$2,610,000
836,000	3,517,500	0	0	0	\$5,170,360
0	0	0	0	0	\$0
2,886,761	97,220,652	2,401	71,956,250	41,195,794	\$289,856,318
(140,200)	(1,449,556)	(35,100)	0	0	(\$2,361,620)
53,388,633	368,504,988	10,799,776	72,936,796	63,786,523	\$977,759,416
\$58,909,195	\$493,654,584	\$11,469,077	\$146,349,046	\$107,121,317	\$1,322,115,699
\$45,521,779	\$166,883,071	\$2,672,602	\$69,274,171	\$57,973,000	\$707,832,261
0	8,813,278	1,000,000	24,330,000	6,144,000	76,999,563
13,387,416	317,958,235	7,796,475	52,744,875	43,004,317	537,283,875
\$58,909,195	\$493,654,584	\$11,469,077	\$146,349,046	\$107,121,317	\$1,322,115,699

HISTORY CAPITAL PROJECTS BY TYPE

Project Type	Actual 2008	Actual 2009	Estimated 2010	Budget 2011
Criminal Justice	\$61,910,284	\$45,973,642	\$58,805,331	\$104,369,816
Environmental Lands & Beaches	20,692,129	14,524,425	20,415,299	64,877,234
Fire-Rescue	23,396,091	12,888,522	3,092,657	47,298,958
General Government	199,266,472	144,200,752	66,286,486	232,423,783
Libraries	23,501,040	18,024,229	11,024,590	55,642,689
Parks and Recreation	27,998,999	18,442,699	17,012,057	58,909,195
Roads	93,108,694	108,583,067	73,638,247	493,654,584
Streets & Drainage (MSTU's)	3,141,672	4,931,142	835,434	11,469,077
Airports	79,472,980	37,047,629	43,456,614	146,349,046
Water Utilities	60,938,842	22,918,233	33,362,569	107,121,317
Total	\$593,427,203	\$427,534,340	\$327,929,284	\$1,322,115,699

IMPACT OF CAPITAL PROJECTS ON THE OPERATING BUDGET

Some capital projects, when completed, increase operating costs. For some capital improvements, such as new or expanded roadways, the impact on the County's operating budget is relatively small or may reduce costs due to maintenance savings. On the other hand, projects such as the Library Expansion Program will require additional operations and maintenance costs to operate new or expanded branches.

Recently completed capital projects have resulted in geographic centralization of County facilities and services. The construction of the Vista Center, the North County Facility, and the South County Facility reduced maintenance, travel, security and overhead, as well as, improved overall efficiency.

The future fiscal impact on the operating budget is outlined in each capital project proposal. Each proposal and its impact on the operating budget are calculated by County Administration to determine its funding priority and level. Once the Capital Improvement Budget is approved by the Board of County Commissioners, the tentative operating budget is amended to reflect the increase due to capital projects.

The FY 2011 operating budget has increased by \$976 thousand due to completed capital projects. The following department's operating budgets have been impacted by completed capital projects:

County Library

A total operating budget of \$440 thousand is being added in FY 2011 due to new branch being constructed in the Acreage.

Parks

A total operating budget of \$536 thousand will be added and 17 positions will be filled in FY 2011; primarily due to the operations associated with the South County Regional Park and the Osprey Point Golf Course.

ESTIMATED OPERATING IMPACT OF CAPITAL PROJECTS**FY 2011 Through FY 2015****(in thousands)**

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
<u>County Library</u>					
Acreage Branch	\$ 440	\$ 892	\$ 892	\$ 892	\$ 892
Main Library and Support Services	-	-	2,138	4,341	4,341
Total	\$ 440	\$ 892	\$ 3,030	\$ 5,233	\$ 5,233
<u>Facilities Development & Operations</u>					
Animal Care & Control Pahokee	\$ -	\$ -	\$ 700	\$ 700	\$ 700
Clerks Records Warehouse	-	-	-	-	100
Community Services Building	-	-	-	100	105
Courthouse Jury Assembly	-	100	105	105	105
Courthouse 8th Floor	-	-	-	-	100
Head Start - Delray Beach	-	-	-	-	200
PBSO Countywide Traffic Court Facility	-	-	-	-	100
PBSO Evidence Building	-	-	-	100	105
PBSO West Atlantic Avenue	-	-	200	-	-
Total	\$ -	\$ 100	\$ 1,005	\$ 1,005	\$ 1,515
<u>County Co-op</u>					
Mount Botanical Garden Master Plan	\$ -	\$ 46	\$ 47	\$ 47	\$ 47
Total	\$ -	\$ 46	\$ 47	\$ 47	\$ 47
<u>Parks & Recreation</u>					
John Prince Park Improvements Phase IV	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3
Morikami Park Improvements Phase III	-	-	8	9	9
Okeehetee South Park Development Phase III	5	5	5	5	5
Riverbend/Reese Grove Park Ph III	-	-	-	24	25
South Bay RV and Rec Center	7	15	15	15	15
South County Regional Park Phase II	511	533	533	533	533
South County Regional Park Phase III	-	-	80	83	83
West Delray/Boynton District Park	10	10	10	10	10
Total	\$ 536	\$ 566	\$ 654	\$ 682	\$ 683
Grand Total	\$ 976	\$ 1,604	\$ 4,736	\$ 6,967	\$ 7,478

Section E

Debt Service



DEBT SERVICE OVERVIEW

This section of the Budget Document provides comprehensive information regarding Palm Beach County’s Debt Service (principal and interest related to long-term debt) for FY 2011, and in future years.

Palm Beach County covenants and agrees that it will not issue any indebtedness or incur any indebtedness from or supported by a pledge of non-ad valorem revenues unless the County can show that following the issuance of or incurrence of such additional indebtedness, (i) the total amount of non-ad valorem revenues (based on the most recent fiscal year for which audited financial statements are available) will be greater than 2.00 times the maximum debt service, (ii) the total amount of non-ad valorem revenues in each fiscal year in which the bonds are outstanding will be greater than 2.00 times the non-self supporting debt in each fiscal year; and (iii) the aggregate principal amount of non-self-supporting debt bearing a variable interest rate will not exceed 25% of the aggregate principal amount of the non self-supporting debt.

Summary of Outstanding Bond Issues and Installment Debt

The table on pages G-2 through G-7 shows that there are currently forty-seven County bond issues. Ten are General Obligation issues, twenty-six are Non-Self Supporting Revenue bonds, and eleven are Self-Supporting Enterprise Issues. At original issue, total County debt is \$2,292,164,655, currently outstanding \$1,492,809,139. Including Solid Waste Authority, the total outstanding debt includes fifty-three issues with an original issue value of \$2,875,934,473, currently outstanding \$2,064,873,957.

Debt Service Summary by Function FY 2011

The table on page G-8 shows that the FY 2011 funding requirement is \$177.1 million for County debt. This amount includes interest payments, principal, and fiscal charges on the debt.

Future Debt Service Requirements After FY 2011

The table on page G-9 summarizes Debt Service requirements after FY 2011, based on currently outstanding **County bond issues** and other debt. The amounts are as follows:

FY 2012	\$166.6 million
FY 2013	\$163.9 million
FY 2014	\$163.3 million
FY 2015	\$153.3 million
FY 2016	\$116.6 million
Future	\$1,301.4 million



Debt Service Ratios

Pages G-10 through G-11 provides a variety of statistical information, expressing the County’s Debt Service in terms of common ratios used to present the debt capacities of the County. Based on these ratios, Palm Beach County is in a healthy debt capacity position.

SUMMARY OF OUTSTANDING BOND ISSUES & INSTALLMENT DEBT

Issue/Purpose	Amount Issued	Issue Date	Maturity Date	Amount Outstanding as of 10/1/10
<u>General Obligation Debt</u>				
<u>Refunding Bonds, Series 1994B</u>				
Refund outstanding Bond issue for acquisition and improvement of beach and park sites and acquisition of environmentally sensitive lands	\$57,440,000	02/15/1994	07/01/2011	\$4,135,000
<u>Refunding Bonds, Series 1998</u>				
Refund portion of Series 1991 and 1994 General Obligation Bonds for acquisition of environmentally sensitive lands	45,625,000	04/30/1998	12/01/2014	18,190,000
<u>30.5M Bonds, Series 2003</u>				
Acquisition, construction, expansion of Library facilities	30,500,000	07/08/2003	07/01/2023	3,930,000
<u>25M Bonds, Series 2003A</u>				
Acquire, construct and improve recreational and cultural facilities	25,000,000	07/29/2003	07/01/2023	18,110,000
<u>25M Bonds, Series 2005</u>				
Acquire, construct and improve recreational and cultural facilities	25,000,000	06/02/2005	07/01/2025	20,480,000
<u>16.025M Ref. Bonds, Series 2005</u>				
Partial refunding of series 1999A Bonds	16,025,000	05/11/2005	08/01/2019	14,540,000
<u>22.335M, Series 2006</u>				
Acquisition, construction, expansion of Library facilities	22,335,000	02/22/2006	08/01/2025	18,895,000
<u>50M, Series 2006</u>				
Preserving, protecting, and expanding public needs to working waterfronts	50,000,000	03/21/2006	08/01/2026	42,720,000
<u>115.825M Taxable Refunding Bonds Series 2006</u>				
Refund outstanding series 1999B and 2001A Go Bonds for Acquisition of Environmentally Sensitive Lands, Water Resources, Greenways, Agriculture Lands & Open Spaces	115,825,000	07/10/2006	06/01/2020	89,940,000

SUMMARY OF OUTSTANDING BOND ISSUES & INSTALLMENT DEBT

Issue/Purpose	Amount Issued	Issue Date	Maturity Date	Amount Outstanding as of 10/1/10
<u>19.53M Refunding Bonds, Series 2010</u>				
Refund a portion of outstanding series 2003 Library Expansion Facilities	19,530,000	09/07/2010	07/01/2023	19,530,000
<u>Total - General Obligation Bonds</u>	<u>\$407,280,000</u>			<u>\$250,470,000</u>
<u>Non Self-Supporting Revenue Bonds</u>				
<u>Criminal Justice Facilities Bonds, Series 1990</u>				
Construction of Judicial Center and Detention Facilities	233,620,000	07/01/1990	06/01/2015	37,915,000
<u>Criminal Justice Facility Refunding Bonds, Series 1993</u>				
Partial refunding of 233M issue series 1990 for construction of CJC Facilities	117,485,000	06/29/1993	06/01/2011	13,365,000
<u>Admin Complex Rev Ref-1993</u>				
Refund Public Building Series 1986	22,245,000	05/05/1993	06/01/2011	1,865,000
<u>Criminal Justice Facility Refunding Bonds, Series 1997</u>				
Partial refunding of 233M issue series 1990 for construction of CJC Facilities	32,775,000	08/21/1997	06/01/2013	32,655,000
<u>Public Imp. Rev. Refunding Bonds Convention Ctr, Series 2004</u>				
Refunding Bonds for Convention Center	81,340,000	02/25/2004	11/01/2030	76,115,000
<u>Criminal Justice Fac. Refunding, Series 2002</u>				
Refund Criminal Justice Facility, Series	18,560,000	09/05/2002	06/01/2015	9,170,000
<u>Public Improvement Rev. Ref. Rec. Facilities Bonds Series 2003</u>				
Refund Bonds for Public Golf Course	6,525,000	11/13/2003	07/01/2014	2,600,000
<u>Public Improvement Rev. & Refunding Bonds Series 2004</u>				
Various Public Building Projects, Refund Airport Center Bonds	94,300,000	01/28/2004	08/01/2023	68,870,000
<u>Public Improvement Rev. Bonds, Series 2004</u>				
Purchase land for Scripps Project	38,895,000	10/28/2004	11/01/2024	31,345,000
<u>Public Improvement Rev. Taxable Bonds, Series 2004</u>				
Purchase land for Scripps Project	24,427,515	10/28/2004	11/01/2014	12,213,755
<u>Public Improvement Rev. Refunding Bonds, Series 2005</u>				
Judicial Center Parking Facility Ref.	9,520,000	05/04/2005	11/01/2015	6,090,000

SUMMARY OF OUTSTANDING BOND ISSUES & INSTALLMENT DEBT

Issue/Purpose	Amount Issued	Issue Date	Maturity Date	Amount Outstanding as of 10/1/10
<u>Stadium Facilities Revenue Refunding Bonds, Series 2005</u>				
Refunding of 1996 Stadium Facility Rev Bonds	20,070,000	06/22/2005	12/01/2016	12,885,000
<u>Parks & Rec. Revenue Refunding Bonds, Series 2005</u>				
Refunding of 1996 Parks & Rec. Facility Bonds	17,455,000	03/31/2005	11/01/2016	12,435,000
<u>Revenue Refunding Bonds Series 2005</u>				
Refunding of N. County Courthouse/Sheriff's Motor Pool 1997	13,485,000	07/07/2005	12/01/2017	11,080,000
<u>Public Improvement Rev. Bonds, Series 2005</u>				
Acquire, construct & equip Scripps Research Institute	133,935,000	05/24/2005	06/01/2025	111,065,000
<u>Public Improvement Rev. Bonds, Series 2005</u>				
FAU/Scripps Construction Second Temporary Facility	13,028,760	08/24/2005	01/01/2014	6,197,490
<u>Public Improvement Rev. Bonds, Series 2006</u>				
Expansion Criminal Justice Parking Garage	14,685,000	12/06/2006	12/01/2026	13,190,000
<u>Public Taxable Improvement Rev. Bonds, Series 2007A</u>				
To pay off series 2007 notes for infrastructure at Four Corners	2,582,648	11/14/2007	11/01/2027	2,402,544
<u>Public Improvement Rev. Bonds, Series 2007B</u>				
To pay off series 2007 notes for infrastructure at Four Corners	5,180,949	11/14/2007	11/01/2027	4,868,186
<u>Public Improvement Rev. Bonds, Series 2007C</u>				
Funding for completion of Scripps facilities at FAU	98,080,000	12/19/2007	11/01/2027	91,825,000
<u>Public Improvement Rev. Bonds, Series 2008</u>				
Funding for law enforcement and corrections technology and mobile data	35,075,000	01/23/2008	02/01/2014	24,086,149
<u>Public Improvement Rev. Note, Series 2008</u>				
Purchase environmentally sensitive lands	11,697,676	02/06/2008	08/01/2028	10,527,908
<u>Public Improvement Rev. Refunding Bonds, Series 2008</u>				
To refund Sunshine State loans	29,476,000	04/23/2008	12/01/2020	21,222,000

SUMMARY OF OUTSTANDING BOND ISSUES & INSTALLMENT DEBT

Issue/Purpose	Amount Issued	Issue Date	Maturity Date	Amount Outstanding as of 10/1/10
<u>Public Improvement Rev. Bonds, Series 2008</u>				
For jail expansion program and government buildings	176,585,000	08/28/2008	05/01/2038	171,410,000
<u>Public Improvement Rev. Refunding Bonds, Series 2009</u>				
Initial funding for Max Planck project and refunding of outstanding Sunshine State	94,235,000	11/13/2009	11/01/2028	91,165,000
<u>Taxable Public Imp Rev. Bonds Series 2010</u>				
Permanent Financing Convention Ctr. Hotel Land initially paid for with Bond anticipation note.	11,598,107	04/28/2010	11/01/2024	11,598,107
<u>Total - Non Self-Supporting Revenue</u>	<u>\$1,356,861,655</u>			<u>\$888,161,139</u>
<u>Self-Supporting Revenue Bonds</u>				
<u>Water & Wastewater Revenue Series 1998</u>				
Provide funding to assist in financing Five Year CIP	30,000,000	06/24/1998	10/01/2011	3,360,000
<u>Water & Sewer Revenue Refunding Bonds, Series 2003</u>				
Refund portion of Series 1993 Bonds	26,785,000	07/08/2003	10/01/2013	3,980,000
<u>Water & Sewer Revenue Refunding Bonds, Series 2004</u>				
Refund portion of Series 1995 Bonds	28,265,000	05/12/2004	04/01/2011	3,985,000
<u>125.850M Water & Sewer Revenue, Series 2006A</u>				
and funding to assist in financing Five Year Cap	125,850,000	04/24/2006	10/01/2036	119,525,000
<u>12.485M Water & Sewer Revenue Refunding bonds, Series 2006B</u>				
Refund portion of Series 1998 Bonds	12,485,000	04/24/2006	10/01/2017	12,320,000
<u>Water & Sewer Revenue Refunding Bonds, Series 2008</u>				
Refund portion of Series 1985 Bonds	6,473,000	03/31/2008	10/01/2011	3,573,000
<u>Water & Sewer Revenue Refunding Bonds, Series 2009</u>				
Acquisition, construction, and improvements for FPL reclaimed water project	68,115,000	07/22/2009	10/01/2040	68,115,000
<u>Airport System, Series 2001</u>				
Refund Series 1991	83,965,000	07/03/2001	10/01/2010	7,975,000
<u>Airport System, Series 2002</u>				
Refund Series 1992	60,150,000	07/03/2002	10/01/2014	45,410,000

SUMMARY OF OUTSTANDING BOND ISSUES & INSTALLMENT DEBT

Issue/Purpose	Amount Issued	Issue Date	Maturity Date	Amount Outstanding as of 10/1/10
<u>Airport System, Revenue Bond Series 2006</u>				
Design, acquisition, construction & equipment of new parking garage	69,080,000	05/17/2006	10/01/2036	69,080,000
<u>Airport System, Taxable Refunding Bonds, Series 2006B</u>				
Refund & Decrease Portions of Series 2001 and 2002	16,855,000	05/17/2006	10/01/2020	16,855,000
Sub-total-County Self-Supporting Debt	<u>\$528,023,000</u>			<u>\$354,178,000</u>
<u>Solid Waste Authority</u>				
<u>Solid Waste Authority Revenue Refunding Bonds, Series 1998A</u>				
Refunding Bonds \$2,165,000 current interest bonds and \$34,240,432 Capital Appreciation Bonds	36,405,432	08/01/1998	10/01/2013	34,240,432
<u>Solid Waste Authority Revenue Bonds, Series 2002B</u>				
Capital Improvement to Solid Waste System	39,869,386	11/07/2002	10/01/2016	38,734,386
<u>Solid Waste Authority Rev Ref Bonds, Series 2004</u>				
Refunding of 1997 Bonds	34,385,000	03/02/2004	10/01/2011	33,980,000
<u>Solid Waste Authority Subord. Rev. Note, Series 2008</u>				
Relocation of facilities and purchase of land for development of a new landfill site	80,000,000	01/09/2008	10/01/2027	72,000,000
<u>Solid Waste Authority Revenue Bonds, Series 2008-C</u>				
Refurbish Waste-To-Energy Facility; construction new transfer station; land acquisition, development of new land fill	131,565,000	11/25/2008	10/01/2028	131,565,000
<u>Solid Waste Authority Revenue Bonds, Series 2009</u>				
Refurbish Waste-To-Energy Facility; construction new transfer station; land acquisition, development of new land fill	261,545,000	04/23/2009	10/01/2028	261,545,000
Sub-Total Solid Waste Authority	<u>\$583,769,818</u>			<u>\$572,064,818</u>

SUMMARY OF OUTSTANDING BOND ISSUES & INSTALLMENT DEBT

Issue/Purpose	Amount Issued	Issue Date	Maturity Date	Amount Outstanding as of 10/1/10
Total - Combined Self-Supporting Revenue Bonds	\$1,111,792,818			\$926,242,818
Sub-Total - All County Budgetary Controlled Debt	\$2,292,164,655			\$1,492,809,139
Total - Combined All Debts	\$2,875,934,473			\$2,064,873,957

Note: Solid Waste Authority is responsible for the issuance and control of their debt requirements. The Palm Beach County Board of County Commissioners now has oversight responsibility over the Solid Waste Authority and accordingly, the Solid Waste Authority is included in the County's Comprehensive annual Financial Report.



FUTURE DEBT SERVICES REQUIREMENTS

Fiscal Year	General Obligation	Non Self- Supporting Revenue	Self-Supporting Revenue	Sub-Total County Debt	Solid Waste Authority	Total Debt
2012	\$29,667,224	\$102,045,989	\$34,850,447	\$166,563,660	\$69,176,048	\$235,739,708
2013	29,668,012	101,143,828	33,087,250	163,899,090	69,948,274	233,847,364
2014	29,564,994	100,673,961	33,055,574	163,294,529	53,740,749	217,035,278
2015	29,549,467	91,643,826	32,078,731	153,272,024	56,059,962	209,331,986
2016	29,338,110	65,718,556	21,544,645	116,601,311	53,625,101	170,226,412
Future	143,799,658	741,641,533	415,919,652	1,301,360,843	620,465,965	1,921,826,808
Total	\$291,587,465	\$1,202,867,693	\$570,536,299	\$2,064,991,457	\$923,016,099	\$2,988,007,556

Note: This table includes principal and interest on currently outstanding bond issues and bonds expected to be issued in Fiscal Year 2011.

General Obligation Debt refers to tax supported bond issues.

Non Self-Supporting Revenue Debt refers to those bond issues and other debt which are supported from specific revenue sources other than property taxes or enterprise earnings. Examples of this category would include pledges of sales tax revenue, State revenue sharing or other non ad valorem revenues.

Self-Supporting Debt refers to the bonds of the County's enterprise operations which generate sufficient revenues to satisfy their own debt service needs. This category includes the County Airport and Water Utilities. Solid Waste Authority (another Enterprise operation) is added due to the reporting entity concept.

DEBT SERVICE RATIOS

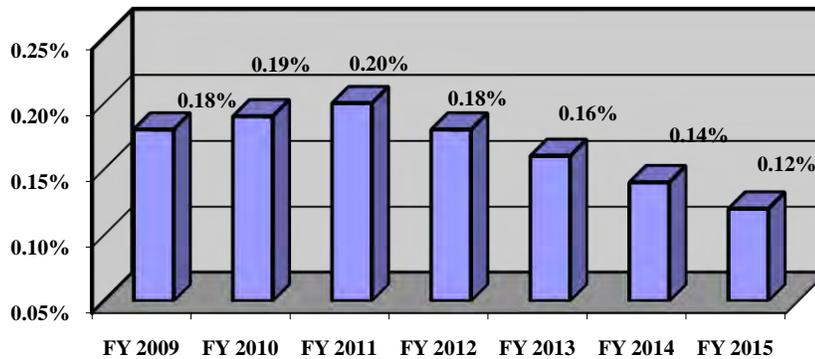
Ratios

The table on pages E-12 and E-13 describes various debt ratios used to present and analyze the debt position and capabilities of the County.

Net Tax Supported Debt to Taxable Property Values

The first significant ratio is the ratio of net tax supported debt to taxable property values. This ratio indicates the proportion of tax-supported debt (general obligation or voted debt), net of any debt service reserves, to the taxable values that can be assessed to support that debt. Ratios in the range of 3% to 5% are considered acceptable. Palm Beach County currently has a ratio of 0.20%.

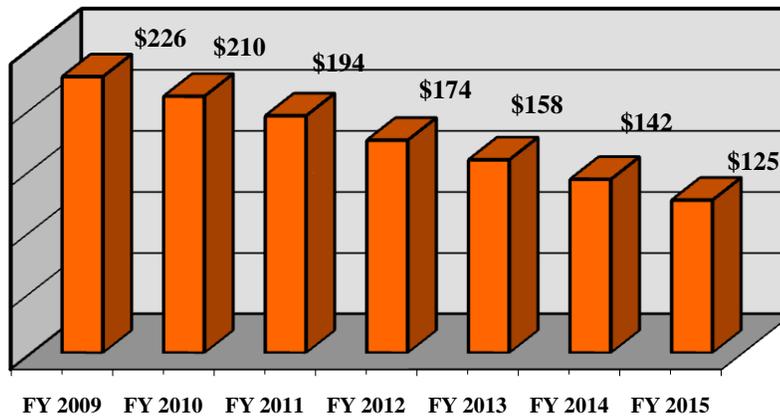
Net Tax Supported Debt to Taxable Property Values



Net Tax Supported Debt per Capita

The second significant ratio is net tax supported debt per capita. This ratio indicates the net amount of tax support debt per person in the County. Generally, per capita debt ratios of \$300 to \$500 are considered acceptable. Palm Beach County projects to have a ratio of \$194 per person for outstanding bond issues in FY 2011 and in the future, this ratio averages approximately \$150 per person.

Net Tax Supported Debt Per Capita

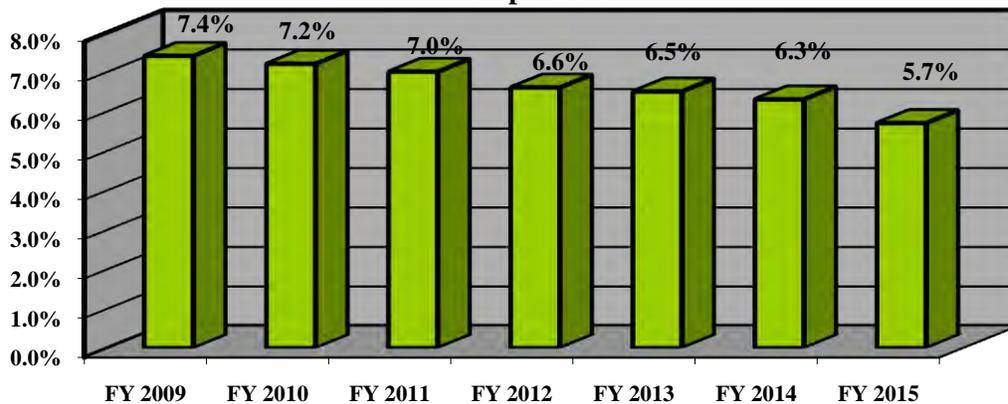


DEBT SERVICE RATIOS

Other Ratios

Two other significant ratios are the ratio of the annual debt service on tax-supported debt to general operating expenditures; and the ratio of the annual debt service on non-self-supporting revenue bond debt to general operating expenditures. These ratios indicate what proportion of the annual budget is going to debt service for governmental operations. The desirable budget sum of these two ratios should be less than 10%. Palm Beach County’s ratios sum to 7.0% for FY 2011 with a projected decrease to 5.7% by FY 2015.

Sum of Annual Debt Service Ratios on Tax Supported Debt & Non Self-Supporting Revenue Bond Debt to General Operating Expenditures



Restriction on Future Issuance on Non-Ad Valorem Debt

The County has covenanted in each fiscal year that its total non-self supporting debt service shall not exceed 50% of the non-ad valorem revenues of the County. Additionally, the County has covenanted that the aggregate principal amount of non-self supporting debt bearing a variable interest rate will not exceed 25% of the aggregate principal amount of non-self supporting debt.

The ratio of non-self supporting debt to non-ad valorem revenues is projected to be 27.5% in FY 2011 and decline to 22.2% in FY 2015. The ratio of non-self supporting variable rate debt to total non-self-supporting debt was reduced to 3.0% in FY 2011 and the County does not anticipate increasing its variable rate in the next couple of fiscal years.

In summary, Palm Beach County continues to be in a very strong debt capacity position and has untapped borrowing power for the future.

DEBT SERVICE DATA**DEBT**

	FY 2009 Actual	FY 2010 Projected
Tax Supported debt (Net)	\$290,410,000	\$270,150,000
Taxable Values (in \$1000's)	\$159,570,643	\$139,982,190
Ratio of Net Tax Supported Debt to Taxable Values	0.18%	0.19%
Population Estimates	1,279,950	1,286,461
Net Tax Supported Debt per Capita	\$227	\$210
General Operating Expenditures	\$2,035,959,839	\$1,903,100,135
Annual Debt Service Tax Supported Debt	\$38,112,040	\$34,257,975
Ratio of Annual Debt Service on Tax Supported Debt to General Operating Expenditures	1.9%	1.8%
Annual Debt Service Non Self- Supporting Revenue Bond Debt	\$96,891,942	\$102,111,723
Ratio of Annual Debt Service on Non Self-Supporting Revenue Bond Debt to General Operating Expenditures	5.3%	5.4%
Non Ad Valorem Revenues	\$379,732,453	\$367,086,280
Ratio of Annual Debt Service on Non Self-Supporting Revenue Bond Debt to Non Ad Valorem Revenues	25.5%	27.8%
Ratio of Variable Rate Non Self- Supporting Debt to Total Non Self-Supporting Debt	3.6%	3.3%

SERVICE DATA

FY 2011 Projected	FY 2012 Projected	FY 2013 Projected	FY 2014 Projected	FY 2015 Projected
\$250,470,000	\$227,900,000	\$208,695,000	\$188,565,000	\$167,465,000
\$127,011,285	\$123,200,947	\$128,128,985	\$133,254,144	\$138,584,310
0.20%	0.18%	0.16%	0.14%	0.12%
1,297,760	1,309,820	1,321,880	1,333,940	1,346,000
\$194	\$174	\$158	\$142	\$125
\$1,952,854,956	\$1,991,912,055	\$2,031,750,296	\$2,072,385,302	\$2,113,833,008
\$33,968,217	\$29,667,224	\$29,668,012	\$29,564,994	\$29,549,467
1.7%	1.5%	1.5%	1.4%	1.4%
\$102,875,739	\$102,045,989	\$101,143,828	\$100,673,961	\$91,643,826
5.3%	5.1%	5.0%	4.9%	4.3%
\$374,428,006	\$381,916,566	\$397,345,995	\$405,292,915	\$413,398,773
27.5%	26.7%	25.5%	24.8%	22.2%
3.0%	2.4%	2.0%	1.5%	1.2%

BOND RATINGS

Bond Issue	Moody's Investor's Service	Standard & Poor's and Fitch
50M General Bonds, Series 2006	Aaa	AAA
25M General Obligation Bonds, Series 2005	AAA	AAA
16.025M General Obligation Refunding Bonds, Series 2005	AAA	AAA
30.5M General Obligation Bonds, Series 2003	Aaa	AAA
25M General Obligation Bonds, Series 2003A	Aaa	AAA
115.82M General Obligation Taxable Refunding Bonds, Series 2006	Aaa	AAA
19.53M General Obligation Refunding Bonds Series 2010	Aaa	AAA
28.7M General Obligation Refunding Bonds Series 2010	Aaa	AAA
45.625M General Obligation Refunding Bonds, Series 1998	Aaa	AAA
57.44M General Obligation Refunding Bonds, Series 1994B	Aaa	AAA
2.58M Public Improvement Revenue Refunding Bonds, Series 2007A	Unrated	Unrated
5.18M Public Improvement Taxable Revenue Refunding Bonds, Series 2007B	Unrated	Unrated
98.08M Public Improvement Revenue Bonds, Series 2007C	AAA	AAA
35.075M Public Improvement Revenue Bonds, Series 2008	Unrated	Unrated
11.7M Public Improvement Revenue Bonds, Series 2008	Unrated	Unrated
29.476M Public Improvement Revenue Refunding Bonds, Series 2008	Unrated	Unrated
176.585M Public Improvement Revenue Bonds, Series 2008	Aa1	AA+
94.235M Public Improvement, Revenue and Refunding Bonds, Series 2008-2	Aa1	AA+
11,598,497 Public Improvement, Revenue and Refunding Bonds, Series 2010	Unrated	Unrated
14.685M Public Improvement Revenue Bond, Series 2006	Aaa	AAA
13.485M Revenue Refunding Bonds, Series 2005	Aa1	AA+
9.52M Public Improvement Revenue Refunding Bonds, Series 2005	Aa1	AA+
17.455M Parks & Recreation Facility Revenue Refunding Bonds, Series 2005	Aa1	AA+
133.935M Public Improvement Revenue Bonds, Series 2005	Aaa	AAA
38.895M Public Improvement Revenue Bonds, Series 2004A	Aaa	AAA
24,427,515 Public Improvement Taxable Bonds, Series 2004B	Unrated	Unrated
13,028,760 Public Improvement Revenue Bonds, Series 2005	Unrated	Unrated
81.34M Public Improvement Revenue Bonds, Series 2004	Aaa	AAA
94.3M Public Improvement Revenue Refunding Bonds, Series 2004	Aa1	AA+
18.56M Criminal Justice Facilities Revenue Refunding Bonds, Series 2002	Aa1	AA+
6.525M Public Improvement Recreation Ref. Facilities Rev. Bonds, Series 2003	Aa1	AA+
20.07M Stadium Facilities Revenue Refunding Bonds, Series 2005	Aaa	AAA
22.245M Administrative Complex Revenue Refunding Bonds, Series 1993	Aaa	AAA
233.62M Criminal Justice Facilities Revenue Bonds, Series 1990	Aaa	AAA
117.485M Criminal Justice Facilities Revenue Refunding Bonds, Series 1993	Aaa	AAA
32.775M Criminal Justice Facilities Revenue Refunding Bonds, Series 1997	Aaa	AAA
69.08M Airport System Revenue Bonds, Series 2006A	Aaa	AAA
16.855M Airport System Taxable Refunding Series 2006B	Aaa	AAA
83.956M Airport System Revenue Refunding Bonds, Series 2001	Aaa	AAA

BOND RATINGS

Bond Issue	Moody's Investor's Service	Standard & Poor's and Fitch
60.15M Airport System Revenue Refunding Bonds, Series 2002	Aaa	AAA
30M Water & Wastewater Revenue Bonds, Series 1995	Aaa	AAA
26.785M Water & Sewer Revenue Refunding Bonds, Series 2003	Aa1	AAA
28.265M Water & Sewer Revenue Refunding Bonds, Series 2004	Aaa	AAA
125.55M Water & Sewer Revenue Bonds, Series 2006A	Aaa	AAA
12.455M Water & Sewer Revenue Refunding Bonds, Series 2006B	Aaa	AAA
6.473M Water & Sewer Revenue Refunding Bonds, Series 2008	Unrated	Unrated
68.115M Water & Sewer Revenue Bonds, Series 2009	Aaa	AAA

Moody's Investors Service, Standard & Poors and Fitch ratings currently assign ratings of Aaa, AAA and AAA, respectively, to the County's General Obligation Bonds and Aa1, AA+, and AA+, respectively, to the County's Revenue Bonds supported by a pledge on Non-Ad Valorem revenues. The above ratings were assigned at the time of issuance of the bonds and may not reflect the current rating assigned by the rating agency.



Section F

Appendices



Palm Beach County's FY 2011 Budget has been developed using the policies described in this segment of the Budget document and is intended to facilitate management actions on financial decisions, as well as, to assist other readers of this document in understanding County finances.

The establishment of consolidated financial policies will also have the following beneficial results:

- Provide a concise reference guide for consideration of County financial matters.
- Direct attention to overall financial condition, rather than a narrow focus on single issues.
- Exhibit a commitment to sound financial management and fiscal integrity, establishing credibility and confidence for citizens, investors, and rating agencies.
- Demonstrate a compliance with applicable Florida statutory requirements.

The financial policies on the following pages are grouped into the following categories:

- ◆ **BUDGET POLICIES**
- ◆ **REVENUE POLICIES**
- ◆ **EXPENDITURE POLICIES**
- ◆ **RESERVE POLICIES**
- ◆ **DEBT POLICIES**
- ◆ **CAPITAL IMPROVEMENT POLICIES**

I. BUDGET POLICIES

I.1 Balanced Budget

The County's Annual Budget shall be balanced; that is, the total of the estimated receipts, including balances brought forward, shall equal the total of the appropriations and reserves (Florida Statutes, 129.01(2)(b)).

I.2 Budget Adoption

The County's Annual Budget shall be adopted by the Board of County Commissioners at a fund level.

I.3 Estimates of Receipts

The receipts division of the budget shall include 95% of all receipts reasonably to be anticipated from all sources, including taxes to be levied, and 100% of balance to be brought forward at the beginning of the fiscal year (Florida Statutes, 129.01(2)(b) and 200.065(2)(a)).

I.4 Contingencies

A reserve for contingencies may be budgeted in each operating and capital fund in an amount not more than 10% of the total fund budget; for reallocation by the Board of County Commissioners as needed to fund unforeseen needs during the budget year (Florida Statutes, 129.01(2)(c)(1)).

I.5 Cash Carryover

A reserve for cash carryover will be budgeted in any fund which requires monies to be carried forward into the budget year to support operations until sufficient current revenues are received. This reserve will not exceed 20% of the fund budget (Florida Statutes, 129.01(2)(c)(2)). (See Section IV. 1 -OPERATING RESERVE)

I.6 Budget Transfers

The Director, Office of Financial Management & Budget, has authority to approve intra-departmental transfers during the budget year. All other budget transfers (i.e. between departments, out of contingencies, and between capital projects) require approval of the Board of County Commissioners.

II. REVENUE POLICIES**II.1 General Revenue Policy**

Generally, the County reviews estimated revenue and fee schedules as part of the budget process. Estimated revenue is conservatively projected (at 95% of estimate) for five years and updated annually. Proposed rate increases are based upon:

- ◆ Legislative Constraints Fee policies applicable to each fund or activity
- ◆ The related cost of the service provided
- ◆ The impact of inflation on the provision of services
- ◆ Equity of comparable fees
- ◆ Legislative constraints

The Revenue Policy of Palm Beach County includes these informal policies, with the addition of:

- ◆ Maintenance of a diversified and stable revenue system to shelter the County from short run fluctuations in any one revenue source

II.2 Revenue Summaries

As part of the annual budget process, a consolidated summary of revenue sources will be prepared and incorporated into the County's budget documents.

II.3 Ad Valorem Taxes

The use of Ad Valorem tax revenues will be generally limited to the following funds:

Countywide:

- General
- Debt Service

Dependent Districts:

- County Library
- Fire Rescue MSTU's (Jupiter and Main Fire Rescue MSTU)

Specific allocations of such revenue will be made during the annual budget process.

II.4 Gas Taxes

The use of Gas Tax revenues will be generally limited to the following funds:

- County Transportation Trust
- Transportation Improvement
- Mass Transit

II.5 Sales Taxes

The use of Sales tax revenue will be generally limited to the following funds:

- General
- County Transportation Trust
- Debt Service

II.6 Impact Fees

Palm Beach County shall require new development activity to pay fair share fees for new capital facilities or expansion of existing facilities. Fees shall not exceed a pro rata share of the reasonably anticipated costs of such improvements.

Impact fees have been implemented for parks, roads, libraries, Fire Rescue, public buildings, schools, and law enforcement.

II.7 Utility Taxes

The utility tax is a tax imposed on the purchase of utility services. It provides additional revenue necessary to maintain adopted levels of service, primarily for the Sheriff's road patrol.

II.8 Tourist Development Taxes

The use of Tourist Development tax revenues will generally be limited to the Tourist Development Trust Fund and the Beach Improvement Fund.

II.9 Grants

Only such grants which can reasonably be expected to be received will be considered as revenue sources for budget development purposes. The County shall amend its Budget to reflect additional grants received during the year.

II.10 Restricted Revenues - Bonds

Revenues which have been pledged to bondholders shall be restricted and conform in every respect to covenants.

II.11 Countywide Revenues

Countywide revenues collected on a Countywide basis will be allocated only to funds which provide Countywide services.

II.12 Cost Recovery Fees (User Charges)

Cost recovery fees, where appropriate, should be established to offset the cost of providing specific services and should be reviewed on a regular basis. Board policy provides for moving towards full recovery and the Board will examine and act on exceptions to that policy.

Where full cost recovery is deemed inappropriate, cost recovery ratios should be established for consideration by the Board. (Upon approval by the Board, cost recovery ratios will be incorporated into the County's Financial Policies).

II.13 Private Contributions

The County provides many services to its residents; thereby, enhancing the "Quality of Life" in our County.

To the extent possible, efforts should be made to secure private contributions, whether in the form of volunteer services, equipment, or cash contributions. This is particularly important in helping to defray the taxpayer burden of providing programs and activities which may be considered primarily "Quality of Life" in nature; such as, various community services, cultural, and recreational activities.

III. EXPENDITURE POLICIES**III.1 Administrative Charges**

The County has a federally approved overhead distribution system which allocates General Fund Administrative Charges to the various County entities benefiting from such administrative activities. The existence of this system assures qualification for federal reimbursement of administrative costs associated with federal programs.

III.2 County Grants

As part of its annual budget process, the County identifies amounts to be granted to various community agencies which provide valuable services to the County's residents.

Because of increasing demands on the County's limited resources, the County will provide a maximum of the amount budgeted to each grant recipient. In the event that a grant recipient requests additional County funding, such request will be considered in the next year's budget process.

III.3 Grant Supported County Programs

The County conducts a variety of programs which depend on outside grants to the County for partial funding. In the event of reductions in such outside funding amounts, the program service levels will be reduced and additional County support will not be provided to compensate for the reduction of outside funding.

Full recovery of vacation and sick leave for employees working under a grant shall be undertaken.

III.4 Performance Measures

The County has developed "Performance Measures" for each of its departments in order to assure that maximum productivity is being achieved.

Where Performance Measures demonstrate that activities could more cost effectively be provided by outsiders, outsourcing of such activities will be considered.

Performance Measures will also provide management with criteria to use in evaluating departmental requests for increased funding levels.

IV. RESERVE POLICIES

A reserve policy is an important factor in maintaining the fiscal health of Palm Beach County. There are three primary types of reserves: Operating, Capital, and Debt. The degree of need for these reserves differs, based upon the type of fund or operation involved. However, one policy statement for each type of reserve can be uniformly applied to most funds (excluding Airport and Water and Sewer, which are subject to various regulatory requirements). Board approval is required to move funds from Contingency Reserve accounts into expenditure line items.

IV.1 Operating Reserves

Reserve for Contingency provides for unexpected expenditures which are deemed necessary during the budget year.

Budgeting Undesignated Reserves in Countywide Ad Valorem Funds

The adopted budget for the Countywide ad valorem equivalent funds will include undesignated reserves (reserve for balance brought forward and contingency) in an amount which, when combined with the statutory reserve is between 10% and 15% of net budgeted expenditures and transfers for these funds. For purposes of this calculation, Countywide ad valorem equivalent funds are General Fund and Sales Tax Fund.

General Fund - Fund Balance

The County shall maintain year-end General Fund unreserved fund balance at an amount which is between 15% and 20% of audited General Fund expenditures and transfers to other funds. To the extent that the year-end audited fund balance falls outside of this range, corrective action shall be taken over a three-year period to bring the balance into conformity with this policy. Designations by the Board of County Commissioners of a portion of undesignated fund balance for a specific purpose or to be used for outstanding purchase orders, contracts and commitments at year end, and which are re-appropriated in the subsequent fiscal year will be indicated in the footnotes to the financial statements rather than the balance sheet.

Special Projects Funds – Fund Balance

Unreserved fund balance in special projects funds shall only be used for the specific purpose for which the fund has been established. Designations by the Board of County Commissioners of a portion of undesignated fund balance for a specific purpose including for outstanding purchase orders, contracts and commitments, which are re-appropriated in the subsequent fiscal year will be reflected as designations of unreserved fund balance in the footnotes in the annual financial statements.

IV.2 Capital Reserves

Capital Reserves are established primarily to set aside funds to provide for additional projects, or additions to existing budgeted projects, which may be deemed appropriate for funding after the Annual Budget is adopted.

Capital Project Funds – Fund Balance

Unreserved fund balance in capital projects funds include amounts which are being held for specific projects. To the extent that these projects have been identified and approved by the Board of County Commissioners, but funds have not been obligated through formal contracts, amounts to be allocated for these projects will be reflected as designations of unreserved fund balance in the footnotes to the annual financial statements. Outstanding purchase orders, contracts and other commitments at year end, which are re-appropriated in the subsequent fiscal year shall be reflected as designations of unreserved fund balance in the footnotes to the financial statements.

All amounts in bond construction funds will be designated for the specific projects(s) for which the bonds were issued and will be reflected as designations of unreserved fund balance in the footnotes to the financial statements.

IV.3 Debt Reserves

Debt reserves are established to protect bondholders from payment defaults. Adequate debt reserves are essential in maintaining good bond ratings and the marketability of bonds. The amount of debt reserves is established by bond indenture in association with each bond issuance.

Although these policy statements are intended to apply to various funds of the County, various Federal, State, and Local laws and regulations, and specific financial policies may supersede them.

V. DEBT POLICIES

Palm Beach County will use debt financing when it is appropriate. It will be judged appropriate only when the following conditions exist:

- ◆ When non continuous capital improvements are desired, and;
- ◆ When it can be determined that future citizens will receive a benefit from the improvement.

When Palm Beach County utilizes long-term debt financing, it will ensure that the debt is soundly financed by:

- ◆ Conservatively projecting the revenue sources that will be utilized to pay the debt.
- ◆ Financing the improvement over a period not greater than the useful life of the improvement.

Additionally, the County has the following policies in relation to debt financing:

- ◆ Where possible, the County uses special assessment, revenue, or self-supporting bonds instead of general obligation bonds.
- ◆ Palm Beach County maintains good communications with bond rating agencies about its financial condition.
- ◆ Palm Beach County maintains overall net debt less than \$1,200 per capita.
- ◆ Debt service payments on net debt, exclusive of self-supporting debts, will be no more than 10% of general government expenditures.

Annual budgets and long-range forecasts include debt service payments and reserve requirements for all debt currently outstanding and for all proposed debt issues.

V.1 General Obligation Debt

The County will issue general obligation bonds only upon approval of the electorate after a general election as required by the Florida Constitution. Total general obligation debt for Palm Beach County will be maintained at no more than 5% of total assessed valuation of taxable property.

V.2 Non-Self-Supporting Debt

The County may issue non-self-supporting debt to the extent that non-ad valorem revenues are at least twice the annual amount of debt service on the non-self-supporting debt and to the extent that variable interest rate on non-self-supporting debt is no more than 25% of total non-self-supporting debt in the aggregate.

V.3 Self-Supporting Debt

The County may issue self-supporting debt for proprietary fund activities based on analyses of revenues and expenses to be incurred as a result of the project or projects to be funded by the debt.

VI. CAPITAL IMPROVEMENT POLICIES**VI.1 Five Year Program**

The County will develop a five year Capital Improvement Program as part of each year's annual budget process and will make all capital improvements in accordance with the adopted Annual County Budget.

The County will identify the estimated costs and potential funding sources for each capital project before it is submitted to the Board of County Commissioners as a component of the five year program.

VI.2 Operating Costs

The costs of operating and maintaining all proposed projects will be identified and incorporated into five year financial projections for operations.

VI.3 Capital Financing

The County Administrator will determine, and recommend to the Board, the least costly financing method for all capital projects.

VI.4 Renewal and Replacement

The County shall develop and implement a program for identifying, scheduling, and budgeting for the renewal and replacement requirements of capital facilities.

Current Ad Valorem Taxes

Property taxes are computed as a percentage of the taxable value of real property and personal property.

Licenses, Permits, and Other Taxes

Revenue derived from the issuance of local licenses, permits, and other taxes. Licenses include both professional and occupational licenses; permits consist of building and various other permits; other taxes consist of user-type taxes, franchise fees, utility service taxes, and delinquent ad valorem taxes.

Intergovernmental Revenues

This group of accounts includes all revenues received from federal, state, and other local governmental sources in the form of grants, shared revenues, and payments-in-lieu-of-taxes.

Charges for Services

This series of accounts includes all revenues stemming from charges for current services excluding revenues of internal service funds.

Fines & Forfeitures

This group of accounts includes revenues received from fines and penalties imposed for the commission of statutory offenses, violations of lawful administrative rules and regulations, and for neglect of official duty.

Miscellaneous Revenue

Miscellaneous revenues consist of sources not otherwise provided for in the preceding categories. These include interest earnings, rents and royalties, special assessments, sale and compensation for loss of fixed assets, sale of surplus materials, and contributions from private sources.

Debt Proceeds

This type includes revenues received from bonds, loans, and certain lease-purchase agreements.

Balances Forward, Transfers and Other

Amounts received by the County which are not additions to the assets of the government as a whole, although they may be to the receiving fund. These items include inter-fund transfers and inter-fund reimbursements except the receipts of an internal service fund. This category also includes fund balances carried over from the previous year.

Internal Service Fund Revenues

Those revenues derived from goods and services furnished by central service agencies of the County to other departments and funds.

General Government

A major class of services provided by the legislative, judicial, and administrative branches of County government as a whole. This classification encompasses the Board of County Commissioners, Administration (including central service staff departments), Auditing, Property Appraisal, Tax Collection, Finance, Legal, Planning, Judicial, Supervisor of Elections, and various other general government services.

Public Safety

A major category of services provided by the County for the security of persons and property. This category includes law enforcement, fire control, detention and/or correction, protective inspections, emergency and disaster relief services, ambulance and rescue services, investigative autopsies, consumer affairs, and all other costs primarily related to public safety.

Physical Environment and Utilities

The cost of services provided by the County for the primary purpose of achieving a satisfactory living environment by controlling and utilizing elements of the environment. Services include water and sewage, mosquito and aquatic plant control, sand transfer and beach restoration, soil conservation and agriculture, and all other services related to the physical environment.

Transportation

Costs of services provided by the County for the safe and adequate flow of vehicles, travelers, and pedestrians. This category includes the County Transportation Trust, Transportation Authority, Department of Airports, and various funds associated with the construction and maintenance of roads within the County Road Program.

Economic Environment

The cost of providing services which develop and improve the economic condition of the community and its citizens. Services included are industry development, veterans services, housing and community development, and all other costs primarily related to the economic environment.

Health and Human Services

The cost of providing services for the care, treatment, and control of human illness, injury or handicap, and for the welfare of the community as a whole and its individuals. Expenditures classified under this function include hospital services, health care, animal regulation, homes for the infirm, mental health, welfare, retardation, and other human services.

Culture and Recreation

The cost of providing and maintaining cultural and recreational facilities and activities for the benefit of citizens and visitors. This category includes libraries, parks and related programs, cultural services, special events, and special recreational facilities.

Internal Services

Those expenses incurred exclusively by internal service funds in providing goods and services to user departments and agencies. This category includes fleet management, employee health insurance, casualty self insurance, workers' compensation, information system services, and graphics.

Transfers, Reserves and Other

This is a basic account category to provide for disbursements which are not classified as expenditures. Included in this group are inter-fund transfers, reserves, redemption of long and short term debts, and transfers between the Board of County Commissioners and Constitutional Officers.

Personal Services

Expense for salaries, wages, and related employee benefits provided for all persons employed by the County whether on full-time, part-time, temporary, or seasonal basis. Employee benefits include employer contributions to a retirement system, social security, life and health insurance, workers' compensation, unemployment compensation insurance, and any other similar direct employee benefits.

Operating

Includes expenditures for goods and services which primarily benefit the current period and are not defined as personal services or capital outlays. Examples include professional services, accounting and auditing, other contractual services, travel and per diem, communications, utilities, rentals and leases, repair and maintenance, promotional activities, office supplies, operating supplies, road material and supplies, books, publications, subscriptions, memberships, and other current charges not otherwise classified.

Capital Outlay

Outlays for the acquisition of or addition to fixed assets. This includes land, buildings, improvements other than buildings, machinery and equipment, and construction in progress.

Debt Service

Outlays for debt service purposes including principal, interest, and other debt service costs.

Grants and Aids

Includes all grants, subsidies, and contributions to other governmental agencies and private organizations excluding transfers to agencies within the same governmental entity.

Non-Operating

Includes all transfers between funds which do not represent operating expenditures including transfers between the Board of County Commissioners, the Constitutional Officers, and other taxing authorities. This category also includes all reserves.

Ad Valorem Equivalent Funding	Ad Valorem (Latin for according to value) is a tax levied on the assessed value of real or tangible personal property. It is also known as "Property Tax." Equivalent funding represents other non-Department specific revenues received in the General Fund, Sales Tax revenues and Electric Utility Tax revenues.
Aggregate Millage Rate	The sum of all ad valorem taxes levied by the governing body of a county for countywide purposes excluding voted debt, plus ad valorem taxes levied for any district dependent to the governing body, divided by the total taxable value of the county, converted to a millage rate. Expresses an "average" tax rate.
American Recovery and Reinvestment Act (ARRA)	Funding received under the Federal economic stimulus package enacted in February 2009 (PL 111-5). ARRA funding includes assistance to states and localities, through both direct appropriations and competitive grants, for infrastructure investments, education, health care, public safety, green energy and other programs.
Appropriation	A legal authorization granted by a legislative body (e.g., Board of County Commissioners) to incur obligations and make expenditures for specific purposes.
Assessed Value	The fair market value of property (real estate or personal), as determined by the County's Property Appraiser. The assessed value less any exemptions allowed by law is the "taxable value."
Balanced Budget	A budget in which estimated revenues and appropriations are equal. Florida Statutes require that budgets must be balanced. The County complies with this after the inclusion of re-appropriated beginning fund balances.
Base Budget	Ongoing expense for personnel, contractual services, supplies, and the replacement of equipment required to maintain service levels previously authorized by the Board of County Commissioners.
Benchmark	A standard or point of reference used in measuring and/or judging the quality or value.
Board of County Commissioners (BCC)	The legislative and governing body of a county. Also referred to as the "County Commission."

Bond	A certificate of debt containing a promise to pay a specified sum of money (called the face value or principal) at a specified date or dates in the future (called the maturity date) together with periodic interest at a specified rate. Bonds are typically used for long-term debt to pay for specific capital expenditures.
Bond Refinancing	The issuance of bonds to obtain better interest rates and/or bond conditions by paying off older bonds.
Budget	A comprehensive financial plan of operations embodying an estimate of proposed expenditures for a given period and the proposed means of financing them and specifying the type and level of services to be provided. Most local governments have two types of budgets – the "Operating Budget" and the "Capital Improvement Budget."
Budget Amendment	An increase or decrease in revenues with a corresponding increase or decrease in appropriations within the same fund. The budgeted fund total is changed.
Budget Document	The official written statement which presents the proposed budget to the legislative body (e.g., County Commission).
Budget Message	A general discussion of the budget presented in writing as a part of or supplement to the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the County Administrator.
Budget Transfer	A transfer of appropriations or revenues between two or more accounts within the same fund. The budgeted fund total is not changed.
Capital Equipment	Equipment with a value in excess of \$1,000 and an expected life of more than one year; such as, automobiles, computers, and furniture.
Capital Improvement	Physical assets, constructed or purchased, that have a minimum useful life in excess of one year and a minimum cost of \$25,000. Capital improvements typically involve physical assets; such as, buildings, streets, water and sewage systems, and recreation facilities.
Capital Improvement Budget	A budget including those approved capital improvement projects contained in the first year of the Capital Improvement Program (CIP).

Capital Improvement Program (CIP)	A plan for capital expenditures to be incurred each year over a fixed period of years to meet anticipated capital needs. It sets forth each project or other contemplated expenditure in which the County is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.
Capital Outlays	Expenditures which result in the acquisition of, or addition to, fixed assets; such as, buildings, land, and roads.
Capital Project Fund	A fund established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary or Trust Funds).
Communication Services Tax	A simplified tax structure for communications services, which was implemented in FY 2002. It combined seven different state and local taxes or fees and replaced them with a two tiered tax composed of a state tax and a local option tax on communications services, including cable television.
Comprehensive Plan	Required under Chapter 163 of the Florida Statutes, the Plan shall prescribe principles, guidelines, and standards for the orderly and balanced future economic, social, physical, environmental, and fiscal development of the County.
Contingency	A reserve of funds which are set aside to cover emergencies or unforeseen events that occur during the fiscal year; such as, new federal or state mandates, shortfalls in revenue, and unanticipated expenditures.
County	A political subdivision of the State which is empowered to levy and collect taxes and provide services to citizens within its boundaries.
County Budget Officer	Each Board of County Commissioners, pursuant to Florida Statutes, Section 129.025, may designate a county budget officer to carry out budget duties as set forth in Chapter 129. In Palm Beach County, the County Administrator has been designated the County Budget Officer.
County Officers	Independently elected officials including the Clerk & Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. This is also referred to as "Constitutional Officers."

Debt Service	Payment of principal and interest related to long term debt.
Debt Service Fund	A fund used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest.
Deficit (Budget)	The excess of budgeted expenditures over estimated revenues and receipts.
Department	An organizational unit responsible for carrying out a major governmental function; such as, Public Safety or Water Utilities.
Dependent Taxing Districts	Taxing Districts that appear separately on the tax bill and are under County control (e.g., County Library).
Depreciation	Expiration in the service life of fixed assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence.
Encumbrance	An amount of money committed for the future payment for goods and services not yet received. Encumbrances result from the issuance of a purchase order, contract, or formal agreement.
Enterprise Fund	A fund established to account for operations that are financed and operated in a manner similar to private business. The intent is that the full cost of providing the goods or services be financed primarily through charges and fees, thus removing the expense from the tax rate (e.g., Water and Sewer).
Exemption	A reduction to the assessed value of property. The most common exemption is the \$50,000 homestead exemption allowed if the owner uses the property as the principal residence. There are also exemptions for disability, government, non-profit owned property, and low-income senior citizens.
Expenditures	The incurring of a liability, the payment of cash, or the transfer of property for the purpose of acquiring an asset or service or settling a loss.

Fiscal Year	Any period of 12 consecutive months designated as the budget year. The fiscal year used by the County, which is set by State Statute, begins October 1 and ends September 30 of the following calendar year. The fiscal year is designated by the date on which it ends. For example, October 1, 2010 to September 30, 2011 would be Fiscal Year 2011.
Five-Year Trend	Represents the percentage change of a performance measure from the previous year actual and the five years previous.
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, machinery, and equipment.
Franchise Fee	A fee levied on a public service corporation in return for granting a privilege or permitting the use of public property. These fees are usually passed on to the corporation's customers as a cost of doing business. Electricity is subject to franchise fees.
Full-time Equivalent (F.T.E.)	The number of approved positions equated to full-time basis (e.g., two half-time positions equal one full-time equivalent position).
Fund	An accounting entity with a self balancing set of accounts, which is segregated for the purpose of carrying on specific activities or attaining certain objectives, in accordance with special regulations, restrictions, or limitations.
GASB	The Governmental Accounting Standards Board is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments.
Fund Balance	The excess of fund assets over fund liabilities. A negative fund balance is sometimes called a deficit.
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 Purchasing, Human Resources, and the Office of Financial Management and Budget.

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 statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time.
Goal	A long-range desirable result attained by achieving objectives designed to implement a strategy.
Grant	A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from state and federal governments. Grants are usually made for specified purposes.
Half-Cent Sales Tax	A state-shared revenue source relying on a percentage of net sales tax revenues (one-half of the fifth cent) remitted to the state. Eligible county governments receive a distribution based on population-based formulas. Use of this revenue is restricted to countywide tax relief or governmental programs; as well, as long-term debt obligations related to capital projects.
Homestead Exemption	A deduction from the assessed value of property permanently occupied by the owner in the State of Florida. The exemption is now \$50,000 for all property owners who qualify.
Impact Fee	A charge to a developer and/or owner/builder to offset the cost of providing capital facilities to meet growth demands. The County assesses impact fees for capital facilities for parks, fire-rescue, library, law enforcement, public buildings, schools, and roads.
Independent Taxing Districts	Taxing districts that appear separately on the tax bill and are not under County control (e.g., Florida Inland Navigation District, Children Services).
Interfund Transfer	Movement of assets (usually cash) from one fund to another. Also referred to as "Transfers In/Out."
Intergovernmental Revenues	Revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

Internal Service Fund	A fund established for the financing of goods or services provided by one department or agency to other departments or agencies on a cost reimbursement basis.
Lease-purchase Agreements	Contractual agreements which are termed “leases”, but which in substance amount to purchase contracts for equipment and machinery.
Legally Adopted Budget	The total of the budgets of each County fund including budgeted transactions between funds.
Levy	To impose taxes, special assessments, or service charges for the support of County activities.
Liability	Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. The term does not include encumbrances.
Line-Item	A specific item or group of similar items defined by detail in a unique account in the financial records. Revenue and expenditure justifications are reviewed, anticipated, and appropriated at this level.
Management Team	A “team” consisting of the County Administrator, Deputy County Administrator, the Assistant County Administrators, and Directors of major County Departments.
Mandate	Any responsibility, action, or procedure that is imposed by one sphere of government on another through constitutional, legislative, administrative, executive, or judicial action as a direct order or that is required as a condition of aid.
Millage Rate	Rate applied to taxable value to determine property taxes. A mill is 1/10th of a penny, or \$1.00 of tax for every \$1,000 of taxable value.
Mission	Describes what the organization does, who it does it for, and how it does it.

Municipal Services Benefit District	A special district created to provide for projects and/or services to a specifically defined area of the County and financed by a special assessment to only those citizens receiving the benefits of those projects or services.
Municipal Services Taxing District	A taxing district covering a segment of the County, with individual assessed values and millage rates, which provides municipal type services; such as, fire-rescue, and road and street improvements to residents of the area.
Municipality	A local government having governmental, corporate, and proprietary powers to enable it to conduct municipal government, perform municipal functions, and render municipal services.
Net Budget	The gross budget less all interfund transfers and interdepartmental charges.
Non-Ad Valorem Assessments	Charges that are not based on property value, but are levied for specific services on each parcel of property. Examples of Non-Ad Valorem Assessments include charges for solid waste disposal, lighting, drainage, and water.
Non-Ad Valorem Revenues	Revenues that are derived from a basis other than property value (e.g., Utility Tax, Gas Tax).
Non-Countywide Revenues	Revenue derived from unincorporated areas of the County (e.g., Franchise Fees).
Non-Countywide Expenditures	Expenditures for the benefit of the unincorporated areas of the County (e.g., Sheriff's Road Patrol, Zoning).
Non-Operating Expenditures	The costs of government services which are not directly attributable to a specific County program or operation. Examples of Non-Operating Expenditures include debt service obligations and contributions to Human Service organizations.

Non-Operating Revenues	The incomes received by the government which are not directly attributable to providing a service (e.g., interest on investments).
Non-Tax Revenues	The revenue derived from non-tax sources, including licenses and permits, intergovernmental revenue, charges for service, fines and forfeitures, and various other miscellaneous revenues.
Objective	Something to be accomplished expressed in specific, well-defined and measurable terms, and achieved within a specific time frame.
Operating Budget	A budget for general expenditures; such as, salaries, utilities, and supplies.
Performance Measures	Specific quantitative and qualitative measures of work performed.
Personal Services	Items of expenditures in the operating budget for salaries and wages paid for services performed by County employees; including fringe benefit costs.
Portability	Allows residential property owners with an existing Homestead Exemption to transfer all or a significant portion of their “Save Our Homes” property tax savings to a new property. Portability is an added benefit and is effective January 1, 2008.
Property Tax	Taxes derived from all non-exempt real property and tangible personal property used in a business located within the County. Property taxes are computed on the basis of multiplying the millage rate by the taxable value of real or personal property.
Proprietary Fund	A fund which operates similarly to the private sector and focuses on the measurement of net income.
Reserve	A specified amount of funds set aside for the purpose of meeting future expenses. Expenditures may not be charged directly to reserve accounts. A budget transfer establishing a new appropriation must first be approved by the Board of County Commissioners.

Retained Earnings	An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund.
Revenue	Funds that the government receives as income. Revenue includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues, and interest income.
Revenue Bonds	Bonds usually sold to finance the construction of a project that will produce revenue for the government. The revenue is used to pay the principal and interest of the bond.
Rolled-back Rate	The millage rate which, exclusive of new construction, will provide the same property (ad valorem) tax revenue for each taxing entity as was levied during the prior year. The rolled-back rate accounts for changes in the market value of property and represents "no tax increase." The only source of additional tax revenue under the rolled-back rate is taxes levied upon new construction.
Save-Our-Homes	Section 193.155(1), F.S. provides, beginning in 1995 or the year after the property receives homestead exemption, an annual increase in assessment shall not exceed the lower of 3% or the percentage change in the C.P.I.
Senior Homestead Exemption	Certain low-income seniors in Palm Beach County may qualify for an additional \$25,000 exemption on their property's assessed value. For example, a home valued at \$100,000 would be taxed by the county on only \$25,000 after the Homestead and Senior Citizen exemptions are applied. The county's senior exemption does not apply to other taxing authorities, such as the school district and municipalities.
Service Level	Services or products which comprise the actual or expected output of a given program.
Single-Member District	A form of representation in which the residents of a District are represented by one County Commissioner voted into office by that District's residents.

Special Revenue Fund	A fund used to account for specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.
Statute	A law enacted by a duly organized and constituted legislative body.
Statutory Reserve	Florida Statute 129.01 (2)(b) requires revenues to be budgeted at 95% of reasonably anticipated receipts. Palm Beach County budgets a negative 5% Statutory Reserve to accomplish this.
Supplemental Requests	Departmental requests for additional funding in the budget year in order to increase or enhance existing service levels.
Tax Equivalent Revenue	Any revenue that can be used to reduce ad valorem funding requirements on a dollar for dollar basis (e.g., franchise fees, utility taxes).
Tax Rate	The amount of tax stated in terms of a unit of the tax base. For example, 4 mills equals \$4 per \$1,000 of taxable value; also referred to as the millage rate.
Tax Rate Limit	The maximum legal property tax rate at which a taxing authority may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes.
Taxable Value	The value used for computing the ad valorem taxes levied against property. The taxable value is the "assessed value" less any exemptions allowed by law.
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. Nor does the term include charges for services rendered only to those paying such charges (e.g., sewer service charges).

Transfers In/Out	Amounts transferred from one fund to another to assist in financing the services of the recipient fund.
TRIM Notice	The Florida Truth in Millage Law of 1980 requires a notice be sent annually to property taxpayers explaining any changes in the millage rate of each taxing authority from the prior year. The notice also includes the time and place of the first public hearings on proposed millage rates and is designed to keep the public informed about the taxing intentions of the various taxing authorities.
Trust and Agency Fund	A fund used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.
Truth in Millage Law (TRIM)	A 1980 Florida law which changed the budget process for local taxing governments. It was designed to keep the public informed about the taxing intentions of the various taxing authorities.
Unincorporated Area	That portion of the County which is not within the boundaries of any municipality.
Unit	A unit of financial reporting and management responsibility under the County's financial system.
User (Fees) Charges	The payment of a fee for direct receipt of a public service by the party benefiting from the service.
Utility Tax	A tax levied by the County on the customers of various utilities (e.g., electricity, metered or bottled gas, and water). The tax rate may be levied up to 10.0 percent of the sales price of such utility service or commodity.

AA	Affirmative Action
AAA	Area Agency on Aging
ACC	Animal Care & Control
ADA	Americans with Disabilities Act
ADDI	American Dream Downpayment Initiative
AED	Automated External Defibrillator
AGM	Adjusted Gross Margin
AHCA	Agency Health Care Administration
AIDS	Acquired Immunodeficiency Syndrome
APCO	Association of Public Safety Communications Officials
ARC	Area Agency on Aging Resource Center
ARFF	Aircraft Rescue Fire Fighting
ARFF	Aircraft Rescue Fire Fighting
ARRA	American Recovery and Reinvestment Act
ATMS	Advanced Traffic Management System
AT&T	American Telephone & Telegraph
ATU	Amalgamated Transit Union
AVL	Automated Vehicle Location
BAN	Bond Anticipation Note
BBIC	Black Business Investment Corporation
BCC	Board of County Commissioners
BOCC	Board of County Commissioners
BRITE	Brief Intervention and Treatment of Elders
BRT	Bus Rapid Transit
BTI	Bacillus Thuringiensis Israelensis
CAD	Computer Aided Dispatch
CAFTA	Central American Free Trade Agreement
CAH	Commission on Affordable Housing
CAP	Community Action Program
CARES	Comprehensive Assessment & Review for Long Term Care Services
CAT	Community Assistance/Action Team
CCNA	Consultant's Competitive Negotiation Act
CCRT	Countywide Community Revitalization Team
CDBG	Community Development Block Grant

CDBG-R	Community Development Block Grant Recovery
CDC	Contract Development & Control
CEMP	Community Emergency Management Plan
CERT	County Emergency Response Team
CEU	Continuing Education Unit
CHDO	Community Housing Development Organization
CID	Capital Improvements Division
CILB	Construction Industry Licensing Board
CIP	Capital Improvement/Infrastructure Program/Project
CJC	Criminal Justice Commission
CM	Corrective Maintenance
CO	Change Order
COBRA	Consolidated Omnibus Budget Reconciliation Act
COE	Commission on Ethics
COLA	Cost of Living Adjustment
COOP	Continuity of Operations Plan
CORE	County Owned Real Estate
CPI	Consumer Price Index
CPT	Current Procedural Technology
CRA	Community Redevelopment Agency
CRM	Customer Relationship Management
CRS	Community Rating System
CSA	Consultant Service Authorization
CSC	Children's Services Council
CTO	Cable Television Office
CVB	Convention and Visitors Bureau
CWA	Communications Workers of America
CWO	Communications Work Order
DATF	Drug Abuse Trust Fund
DBPR	Department of Business Professional Registration
DCF	Department of Children & Families
DMAI	Document Marketing Association International
DMO	Document Marking Organization
DMS	Dynamic Message Signs

DOSS	Division of Senior Services
DOT	Department of Transportation
DPC	Drowning Prevention Coalition
DRI	Disaster Recovery Initiative
DROOC	Development Review Officer Oversight Committee
DS	Debt Service
DTS	Developing Tracking System
EAP	Employee Assistance Program
EDI	Electronic Data Interchange
EDO	Economic Development Office
EEO	Equal Employment Office
EEOC	Equal Employment Opportunity Commission
EFSP	Emergency Food and Shelter Program
EHEAP	Emergency Home Energy Assistance Program
EMD	Emergency Medical Dispatch
EMS	Emergency Medical Services
EOC	Emergency Operations Center
ERM	Environmental Resource Management
ESGP	Emergency Shelter Grants Program
ESOL	English for Speakers of Other Languages
ESS	Electronic Services & Security
F.T.E.	Full-time Equivalent
FAA	Federal Aviation Administration
FABS	Fixed Assets Bidding Software
FAMO	Fixed Asset Management Office
FAU	Florida Atlantic University
FCASV	Florida Council Against Sexual Violence
FCAT	Florida's Comprehensive Assessment Test
FDEP	Florida Department of Environmental Protection
FDO	Facilities Development Organization
FDOT	Florida Department of Transportation
FEMORS	Florida Emergency Mortuary Operations Response System
FEP	Fair Employment Programs
FFE	Furniture, Fixtures & Equipment

FHA	Federal Highway Administration
FHOP	Florida Homebuyer Opportunity Program
FLGISA	Florida Local Government Information Systems Association
FMLA	Family Medical Leave Act
FP&L	Florida Power & Light
FR	Fire Rescue
FROI	First Report of Injury
FRS	Florida Retirement System
FTA	Federal Transit Administration
FTC	Film & Television Commission
FTR	For The Record
FVRS	Florida Voter Registration System
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GED	General Education Development
GIS	Geographic Information System
GO	General Obligation
GPS	Global Positioning System
GTAC	Glades Technical Advisory Committee
HAS	Handicap Accessibility Services
HAVA	Help America Vote Act
HCD	Housing & Community Development
HIPPY	Home Instruction Program for Pre-School Youngsters
HIV	Human Immunodeficiency Virus
HMO	Health Maintenance Organization
HOME	Home Investment Partnership Program
HOP	Harnessing Organizational Performance
HPRP	Homeless Prevention Rapid Rehousing Program
HRIS	Human Resources Information System
HRMS	Human Resources Management System
HSEEP	Homeland Security Exercise and Evaluation Program
HTF	Housing Trust Fund
HUD	Housing & Urban Development

HVAC	Heating, Ventilating & Air Conditioning
IAV	Interactive Voice Response
ICS	Incident Command System
IEDC	International Economic Development Council
IFAS	Institute of Food and Agricultural Sciences
IFB	Invitation for Bid
ISS	Information Systems Services
IT	Information Technology
ITS	Intelligent Transportation System
JBEC	Jim Brandon Equestrian Center
JCC	Judicial Center Complex
JGI	Job Growth Incentive
KPBCB	Keep Palm Beach County Beautiful
LAMP	Library Adventure Museum Passes
LAN	Local Area Network
LD	Library District
LDRAB	Land Development Regulation Advisory Board
LDRC	Land Development Regulation Commission
LED	Light Emitting Diodes
LEP2	Library Expansion Program 2
LETF	Law Enforcement Trust Fund
LIHEAP	Low Income Home Energy Assistance Program
LMS	Local Mitigation Strategy
LOCI	Local Fiscal Impact Analysis
LORE	Lake Okeechobee Regional Economic Agency
LOST	Lake Okeechobee Scenic Trail
LRTP	Long Range Transportation Plan
LTD	Long Term Disability / Library Taxing District
M/WBE	Minority/Women Business Enterprise
MPA	Management & Program Analysis
MPO	Metropolitan Planning Organization
MSBU	Municipal Services Benefit Unit
MSTD	Multiple Service Taxing District
MSTU	Multiple Service Taxing Unit

MVP	Most Valued Partnership
NAEYC	National Association for the Education of Young Children
NAFTA	North American Free Trade Agreement
NAHA	National Affordable Housing Act
NAV	Non Ad Valorem
NENA	Northeast Everglades Natural Areas
NER	New Employee Requisition
NFPA	National Fire Prevention Association
NHB	Neighborhood Home Beautification
NIMS	National Incident Management System
NOC	Network Operations Center
NPDES	National Pollution Discharge Elimination System
NPG	Neighborhood Partnership Grant
NRS	Natural Resource Stewardship
NSF	Non Sufficient Funds
NSL	Neighborhood Street Lighting
NSP	Neighborhood Stabilization Program
NVRA	National Voter Registration Act
O&M	Operations & Maintenance
OCR	Office of Community Revitalization
OEO	Office of Equal Employment
OFMB	Office of Financial Management & Budget
OIG	Office of Inspector General
OPAC	Online Patron Access Catalog
OSBA	Office of Small Business Assistance
OSHA	Occupational Safety & Health Administration
OTIS	Only Trees, Irrigation and Sod
PA	Personnel Action
PAD	Public Affairs Department
PAD	Public Affairs Department
PAO	Property Appraiser's Office
PAPA	Property Appraiser Public Access
PBC	Palm Beach County
PBCCC	Palm Beach County Convention Center

PBCRC	Palm Beach County Resource Center
PBCSC	Palm Beach County Sports Commission
PBIA	Palm Beach International Airport
PBSO	Palm Beach Sheriff's Office
PC	Personal Computer
PDA	Personal Digital Assistant
PDF	Portable Data/Document File
PFC	Passenger Facility Charge
PM	Preventive Maintenance
PPIG	Procurement & Project Implementation Group
PPM	Policies & Procedures Manual
PPO	Preferred Provider Organization
PREM	Property & Real Estate Management
PZB	Planning, Zoning & Building
QTI	Qualified Target Industry
R&S	Recruitment & Selection
REAP	Resident Education to Action Program
REMI	Regional Economic Model Inc.
RFP	Request for Proposal
RFQ	Request for Quote
RFS	Request for Submittal
RIMS	Risk Information Management System
RM	Repair & Maintenance
RR&I	Renewal Replacement & Improvement
S/M/WBE	Small/Minority/Women's Business Enterprise
SA/PD	State Attorney/Public Defender
SAN	Storage Area Network
SBA	Small Business Assistance
SBDC	Small Business Development Center
SBE	Small Business Enterprise
SDTF	Special Disability Trust Fund
SEFLIN	Southeast Florida Library Information Network
SFRTA	South Florida Regional Transportation Authority
SFWMD	South Florida Water Management District

SHIP	State Housing Initiative Program
SOAR	Supplemental Outlook, Access & Reach
SOE	Supervisor of Elections
SOGs	Standard Operating Guidelines
SOR	Supervised Own Recognizance
SROI	Supplemental Report of Injury
SRP	Summer Reading Program
SSI/SSDI	Supplemental Security Income/Supplemental Social Disability Income
TAC	Technical Architecture Committee
TD	Transportation Disadvantaged
TDC	Tourist Development Council
TDD	Telecommunication Device for the Deaf
TDR	Transfer of Development Rights
TIGGER	Transit Investments for Greenhouse Gas & Energy Reduction
TMA	Transportation Management Area
TOD	Training & Organization Development
TPA	Third Party Advisor
TRIM	Truth in Millage Law
UASI	Urban Area Strategic Initiative
ULDC	Unified Land Development Code
URA	Urban Redevelopment Area
USDA	United States Department of Agriculture
VA	Veterans Administration
VAB	Value Adjustment Board
VITA	Volunteer Income Tax Assistance
VOCA	Victims of Crime Act
VPK	Voluntary Pre-Kindergarten
VPT/LEX	Visual Planning Technologies/Law Enforcement Exchange
VSIP	Voluntary Separation Incentive Program
WAN	Wide Area Network
WPB	West Palm Beach
WUD	Water Utilities Department
YSB	Youth Service Bureau



Cover photo: This contest-winning photo was taken by Cheryl C. Binnall, Procurement & Stores Manager for PBC Facilities Development & Operations Department. Cheryl's photograph was 1 of 72 submitted by Palm Beach County employees. This photograph of the Juno Beach Pier at sunrise was taken in January, 2010.



**Palm Beach County
Board of County Commissioners**