



Palm Beach County, FL

FY 2020 Proposed Budget

Budget Workshop
June 10, 2019

Important Meeting Dates

Meeting	Date	Time
Budget Retreat	November 27, 2018	9:30 AM
Initial Budget Workshop	June 10, 2019	6:00 PM
Board Sets Millage Rate	July 2, 2019	Regular BCC Meeting
1 st Public Hearing	September 3, 2019	6:00 PM
2 nd Public Hearing	September 16, 2019	6:00 PM

Strategic Priorities FY 2020

- **Economic Development**
 - Promote economic revitalization, business development and retention by driving the creation of employment opportunities while reducing disparities and improving the quality of life for everyone
- **Housing/Homelessness**
 - Promote the quality of life through targeted programs that address the housing and homelessness needs of the residents of Palm Beach County
- **Environmental Protection**
 - Promote programs and activities that protect, preserve and enhance natural resources while providing sustainable living and developing a climate of resilience
- **Infrastructure**
 - Provide and maintain the needed structures, systems and transportation services that establish the foundation required to enhance the quality of life of every resident
- **Public Safety**
 - To ensure a safe, secure and peaceful community
- **Substance Use and Behavior Disorders**
 - To address the substance use crisis by providing evidence-based prevention, medication-assisted treatment, and recovery support services

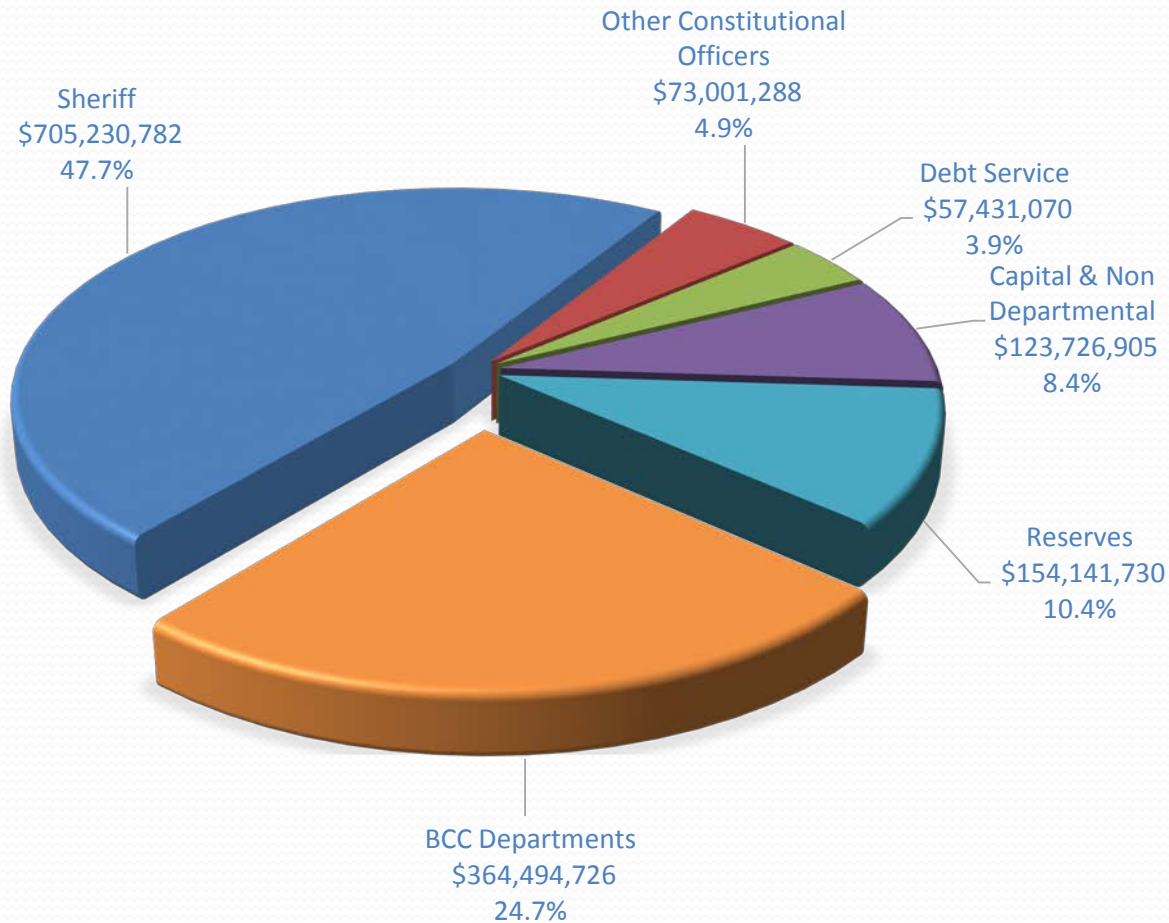
FY 2020 Major Assumptions and Factors

- Countywide Budget is balanced at the current rate of 4.7815 mills
 - Proposed rate will generate \$947 million, a 5.5% increase
- BCC Departments
 - Net Ad Valorem budgets for BCC Departments up \$11.5 million (3.1%)
 - Across the board 3% pay increase - \$6.7 million
 - Supplemental funding - \$8.8 million
 - Includes 32 Ad Valorem funded positions
 - Includes 138 non-Ad Valorem funded positions
- Sheriff
 - Net Budget increase of \$38.2 million – includes a supplemental request of \$1.3 million for 10 new deputies and \$8.9 million of capital equipment
- Economic Development funded at \$3.5 million
- Housing/Homelessness funded at \$52.2 million
- Environmental Protection funded at \$3.75 million (including a \$500k supplemental request)
- Substance Use and Behavior Disorders funded at \$2.6 million
- Capital Project Funding - \$37.1 million – an increase of \$0.9 million over FY 2019
 - Primarily R&R Projects
 - Includes \$3 million for SFWMD property – final year of a three year agreement
 - Not included in this number is the Sheriff's capital request of \$8.9 million and Palm Tran replacement vehicles of \$3.6 million, and other non-Ad Valorem funding for projects

FY 2020

General Fund Total Gross Appropriation Budget \$1,478,026,501

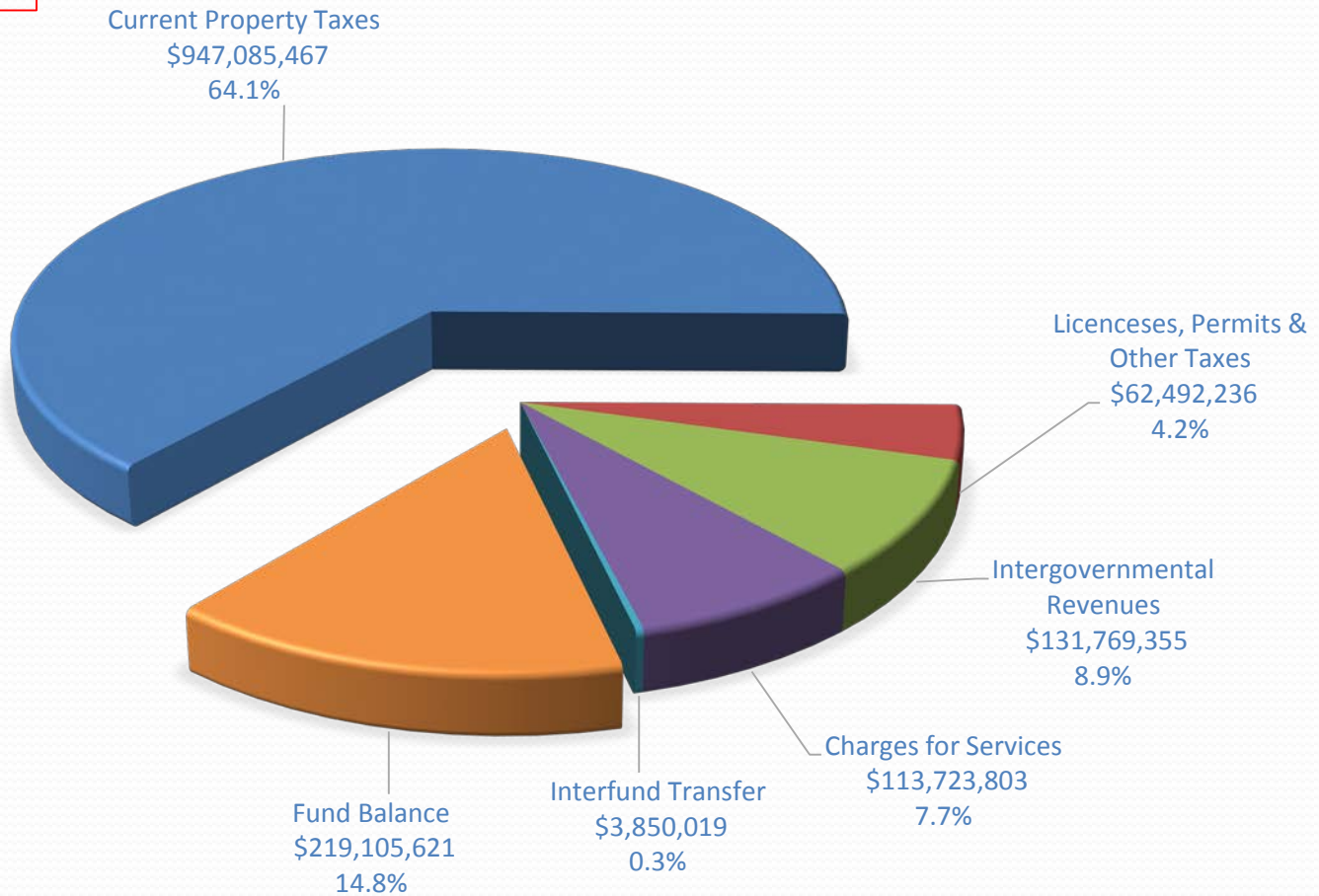
Sheriff Net Budget
\$620.8 million



FY 2020

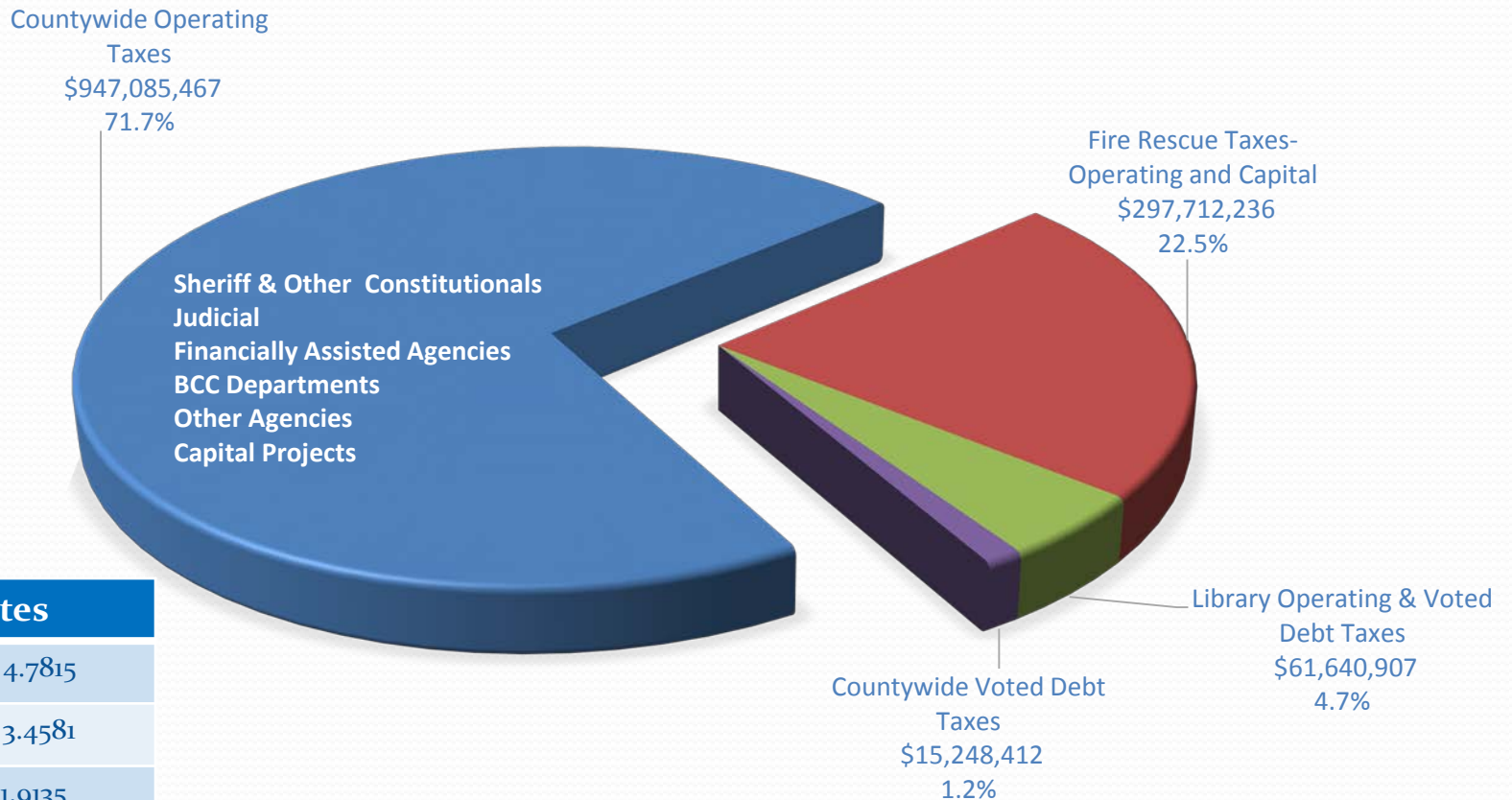
General Fund Sources of Funds by Category \$1,478,026,501

Includes Sheriff Revenues of
\$84.2 million



FY 2020 Proposed Property Taxes

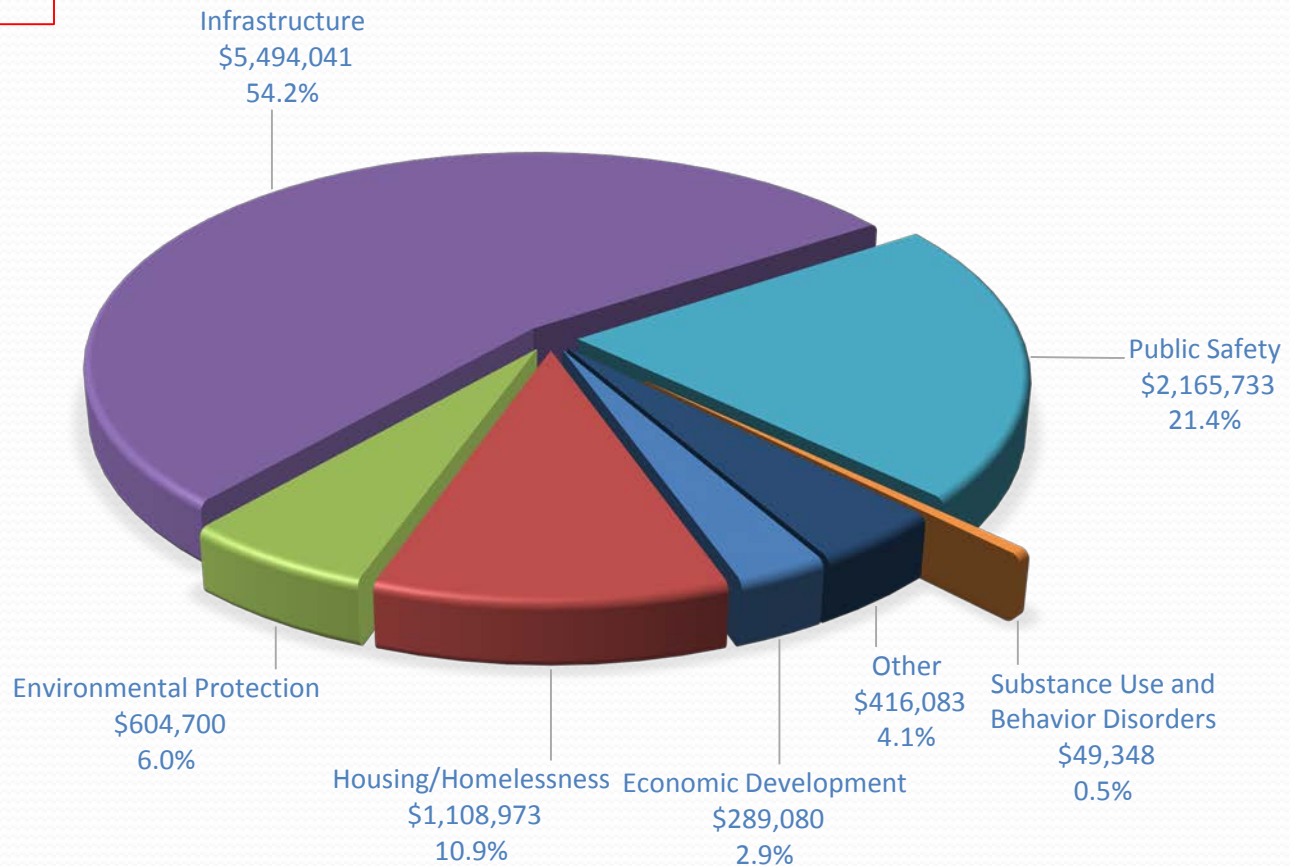
\$1,321,687,022



Millage Rates	
Countywide	4.7815
Fire Rescue	3.4581
Jupiter Fire	1.9135
Library	0.5491

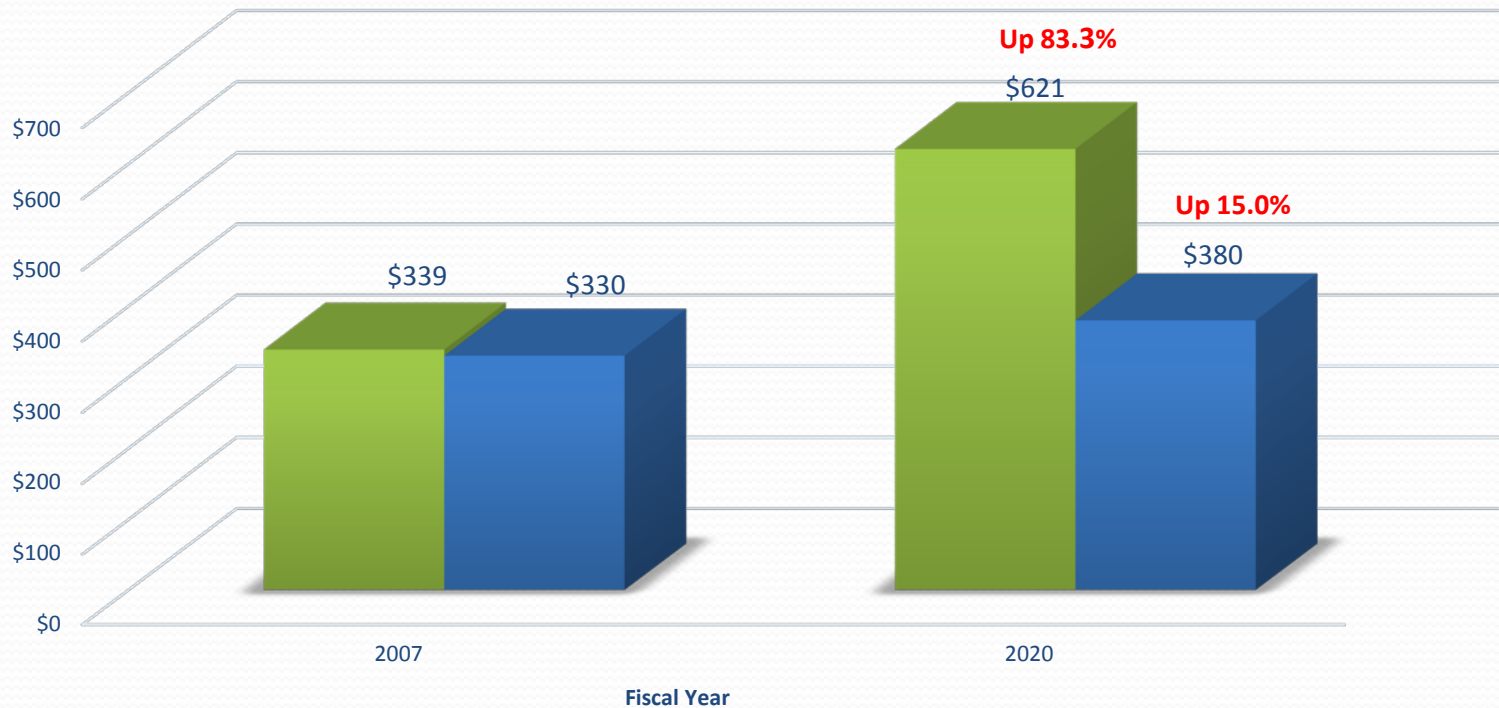
FY 2020 General Fund Supplemental Funding for Strategic Priorities \$10,127,598

Not included in Infrastructure is
\$37.1 million in Ad Valorem
Capital Funding



FY 2007 vs. FY 2020

Net Ad Valorem Equivalent Budget
(in millions)



During this period, inflation was up 27.7% and population was up 12.1%

■ Sheriff ■ Ad Valorem Funded County Departments

FY 2007 vs. FY 2020

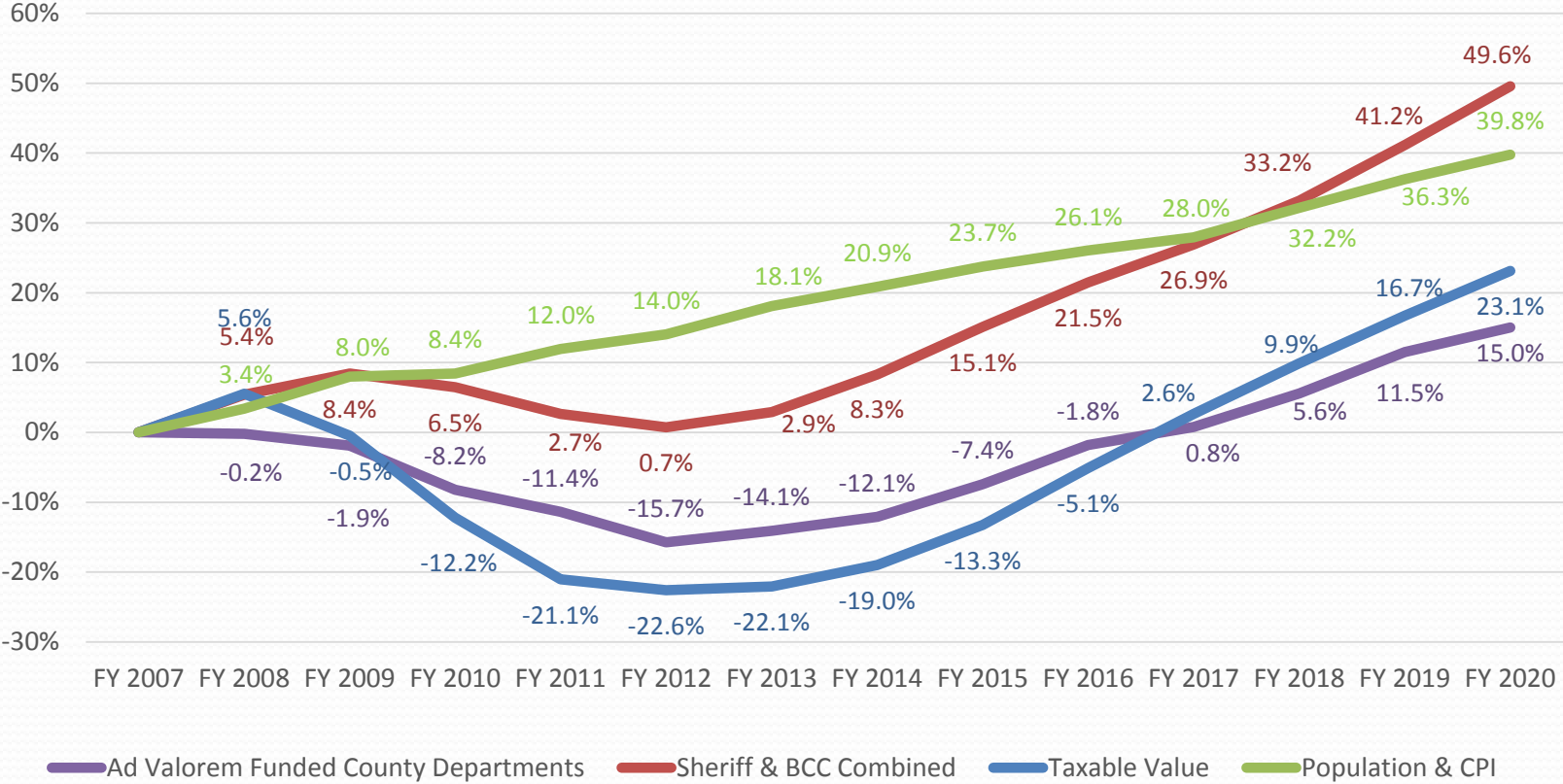
Major BCC Departments and Other Funding Net Operating Budget (in millions)



For FY 2020, reserves have peaked above FY 2007. In FY 2007, reserves were at \$125 million.

■ FY 2007 ■ FY 2020

Cumulative Percentage Increase in Ad Valorem Support



Ad Valorem Taxes

	2007	2019	2020	2007-2020	
				Amount	%
Countywide - Operating	\$688,623,243	\$897,961,450	\$947,085,467	\$258,462,224	37.5%
Countywide - Voted Debt	31,793,080	21,898,908	15,248,412	(16,544,668)	(52.0%)
Total Countywide	\$720,416,323	\$919,860,358	\$962,333,879	\$241,917,556	33.6%
Dependent Districts:					
Palm Beach County Library	\$53,088,448	\$58,721,665	\$61,640,907	\$8,552,459	16.1%
Fire Rescue MSTU	189,205,947	262,212,204	275,944,347	86,738,400 (1)	45.8% (1)
Glades Regional Fire MSTU	1,428,525	-	-	(1,428,525)	(100.0%)
Jupiter Fire MSTU	13,009,290	20,694,681	21,767,889	8,758,599	67.3%
Gross: Total Dependent Districts	256,732,210	341,628,550	359,353,143	\$102,620,933	40.0%
Total Countywide Funds & Dependent Districts	\$977,148,533	\$1,261,488,908	\$1,321,687,022	\$344,538,489	35.3% (2)

Notes: (1) Net of cities that have opted into Fire Rescue MSTU since FY 2007, the increase was \$67.7 million, or 35.8%.

(2) The CPI increased 27.7%, and population 12.1%, (Total of 39.8%) for the period FY 2007 - FY 2020

Millage Rate Impact on Homestead Property

	FY 2019	Proposed FY 2020	FY 2019 - FY 2020	
			Amount	%
Property Values				
Assessed Value	\$ 267,000	\$ 272,100	\$ 5,100	1.9%
Homestead Exemptions	(50,000)	(50,000)	-	0.0%
Taxable Value	\$ 217,000	\$ 222,100	\$ 5,100	2.4%
Countywide Millage Rates				
Operating	4.7815	4.7815	-	0.0%
Voted Debt Service	0.1169	0.0769	(0.0400)	(34.2%)
Total	4.8984	4.8584	(0.0400)	(0.8%)
Property Taxes				
Operating	\$ 1,037.59	\$ 1,061.97	\$ 24.38	
Voted Debt Service	25.37	17.08	(8.29)	
Total	\$ 1,062.96	\$ 1,079.05	\$ 16.09	1.5%

Historical Trends

	2007	2019	2020	Increase/(Decrease) 2007-2020	
				Amount	%
Countywide Millage Rate	4.2800	4.7815	4.7815	0.5015	11.7%
Taxable Property Values (in Billions)	\$ 160.9	\$ 187.8	\$ 198.1	\$ 37.2	23.1%
Countywide Property Taxes (in Millions)	\$688.6	\$898.0	\$947.1	\$258.5	37.5%
Total Property Taxes Including Debt (in Millions)	\$977.1	\$919.9	\$962.3	(\$14.8)	(1.5%)
BCC Funded Positions					
BCC Countywide Ad Valorem Funded	4,156	3,467	3,493	(663)	(16.0%)
Other Departments & Agencies *	2,753	2,981	3,119	366	13.3%
Total	6,909	6,448	6,612	(297)	(4.3%)
* Airports, Building Division, Library, Fire-Rescue, Fleet, TDC, Water Utilities, Ethics, OIG					
General Fund Appropriated Reserves (in Millions)	\$ 124.9	\$ 131.0	\$ 154.1	\$ 29.2	23.4%
CPI	196.800	246.524	251.233	54.433	27.7%
Population	1,291,426	1,433,417	1,447,751 *	156,325	12.1%

* FY 2020 population assumes a 1% increase - actual values will be available in September

Future Funding/Budget Issues

Maximum Millage Rate

Based on projected property values increases of 4.5% per year for existing and 1% per year for new construction, the current millage rate will likely exceed the maximum millage rate with a simple majority vote by FY 2021.

A super-majority vote would be required to maintain the current millage rate.

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
Roll-Back Rate	4.5537	4.5858	4.6375	4.6365	4.6356
Adopted Millage Rate	4.7815	4.7815	4.7815	4.7815	4.7815

Maximum Millage (MM) Rate

Prior Year	4.9803	4.8220	4.7834	4.7666	4.7663
Roll-Back MM	4.7521	4.6266	4.6395	4.6365	4.6356
Per Capita Florida Income	1.47%	3.39%	2.74%	2.80%	2.76%
Majority Vote MM	4.8220	4.7834	4.7666	4.7663	4.7635
2/3 MM (up to 10% above) *	5.3042	5.2617	5.2433	5.2429	5.2399

* Unanimous vote above this amount

FY 2019 – FY 2023 Budget Projection

General Fund

	FY 2019 Adopted Budget	FY 2020 Proposed Budget	FY 2021 Projected Budget	FY 2022 Projected Budget	FY 2023 Projected Budget
Property Values*	\$ 187,799,111,164	\$ 198,072,878,205	\$ 206,901,844,408	\$ 216,127,270,957	\$ 225,766,990,137
Revenues					
Ad Valorem Taxes at current rate of 4.7815**	\$ 897,961,450	\$ 947,085,467	\$ 989,301,169	\$ 1,033,412,546	\$ 1,079,504,863
Loss of Ad Valorem Taxes by adopting MM Rate	0	0	(3,082,837)	(3,285,135)	(4,063,806)
Major Revenue	232,465,000	230,851,000	237,776,530	244,909,826	252,257,121
Sheriff Revenue	81,092,077	84,167,104	85,008,775	85,858,863	86,717,451
BCC Dept. Revenue	46,391,594	43,837,454	44,714,203	45,608,487	46,520,657
Balance Brought Forward	195,603,345	219,105,621	222,105,621	225,105,621	228,105,621
Other Revenues	14,997,230	19,188,184	19,308,184	19,430,584	19,555,432
Statutory Reserve	(63,645,368)	(66,208,329)	(68,164,972)	(70,360,426)	(72,626,108)
Total Net Revenue at Simple Majority Vote	\$ 1,404,865,328	\$ 1,478,026,501	\$ 1,526,966,673	\$ 1,580,680,366	\$ 1,635,971,231
Appropriations					
Sheriff	\$ 663,919,859	\$ 696,364,552	\$ 727,789,619	\$ 760,631,917	\$ 794,955,331
Sheriff - Projected Operating Capital	0	8,866,230	9,176,548	9,497,727	9,830,148
Total Sheriff	\$ 663,919,859	\$ 705,230,782	\$ 736,966,167	\$ 770,129,644	\$ 804,785,479
BCC Departments	356,269,333	364,494,726	379,113,856	396,218,951	414,093,776
Other Constitutional Officers	70,313,586	67,277,855	69,632,580	72,069,720	74,592,160
Judicial	5,079,890	5,723,433	5,980,987	6,250,132	6,531,388
Non Departmental	78,604,206	86,676,905	90,577,366	94,653,347	98,912,748
Capital	36,163,000	37,050,000	38,346,750	39,688,886	41,077,997
Reserves - Undesignated	130,988,835	154,141,730	161,141,730	168,141,730	175,141,730
Debt Service (excludes voted)	63,526,619	57,431,070	55,931,070	54,231,070	52,931,070
Total Appropriations	\$ 1,404,865,328	\$ 1,478,026,501	\$ 1,537,690,506	\$ 1,601,383,480	\$ 1,668,066,348
Projected Shortfall at Simple Majority Vote	\$ -	\$ -	\$ (10,723,834)	\$ (20,703,114)	\$ (32,095,117)
Projected Shortfall at with Super Majority Vote Current Millage 4.7815			\$ (7,640,996)	\$ (17,417,979)	\$ (28,031,311)
Projected Shortfall with Super Majority Vote Maximum Millage			\$ 87,898,000	\$ 82,309,627	\$ 75,448,989
Current Millage Millage	4.7815	4.7815	4.7815	4.7815	4.7815
MM Rate with Simple Majority Vote		4.7834	4.7666	4.7663	4.7635
MM Rate with Super Majority Vote		5.2617	5.2433	5.2429	5.2399

* Assumed increase of 4.5% for existing and 1% for new construction

Outstanding Budget Issues 2020

- FAU Soft Landing - \$150,000
- GO Glades Service - \$1 Million
- Film and Television Commission - \$25,000

Questions/Comments

