



Palm Beach County, FL

FY 2023 Proposed Budget

Budget Workshop
June 14, 2022

Important Meeting Dates

Meeting	Date	Time
Budget/Strategic Priority Workshop	November 23, 2021	9:30 AM
Initial Budget Workshop	June 14, 2022	6:00 PM
Board Sets Millage Rate	July 12, 2022	Regular BCC Meeting
1 st Public Hearing	September 13, 2022	5:05 PM
2 nd Public Hearing	September 20, 2022	5:05 PM



Strategic Priorities



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



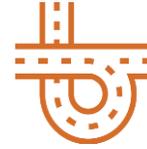
Housing/ Homelessness

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



Substance Use and Behavior Disorder

To address the substance use crisis by providing evidence-based prevention, medication-assisted treatment, and recovery support services



Public Safety

To ensure a safe, secure and peaceful community



Ad Valorem Funding Highlights by Strategic Priority



Economic Development

Business Incentives*

\$4.5 million



Housing/ Homelessness

Affordable Housing Projects*

\$10 million

Non-Congregate Shelter (Glades)

\$2.4 million

Homeless Resource Centers

\$11.5 million



Environmental Protection

Natural Areas*

\$4 million

Manatee Protection*

\$750k



Infrastructure

Capital Projects

\$59 million

Palm Tran Operations/
Vehicles

\$63.3 million



Substance Use and Behavior Disorder

Addiction Stabilization Center*

\$1 million

Recovery Support*

\$1.5 million

FAAs

\$6.3 million

CBAs

\$1.6 million



Public Safety

Sheriff - Net

\$724.3 million

Animal Care and Control

\$10.3 million

Emergency Management

\$2.7 million

Victims Services

\$3.5 million

* Does not include staff costs



Major Assumptions and Factors

Millage Rate

Countywide Budget is balanced at the current rate of 4.7815 mills
Proposed rate increase will generate \$1.203 billion, a 13.3% increase

BCC Departments

Across the board 6% pay increase - \$15.9 million
Compensation Study (Phase III) - \$3.4 million
Health Insurance Increases - \$10.2 million
Supplemental funding - \$7.8 million
Includes 15 Ad Valorem funded positions and 81 non-Ad Valorem funded positions

Sheriff

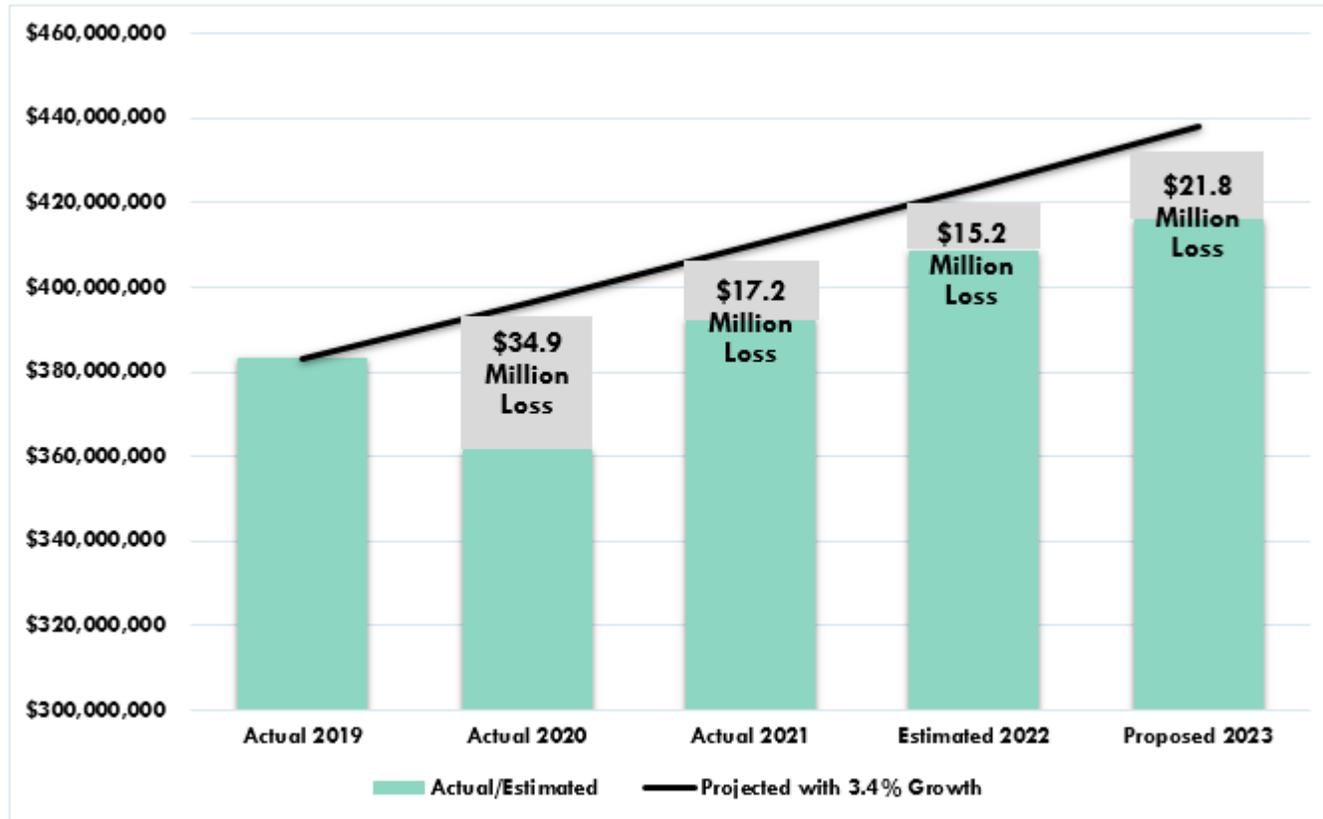
Net Budget increase of \$38.3 million – includes \$1.9 million of capital equipment and reflects \$91.9 million in revenue. The net amount is \$10 million less than the original request.

Capital Project Funding

FY 2023 is \$59.0 million, an increase of \$18.0 million over FY 2022
Primarily R&R Projects
In addition, the Sheriff's capital request is \$1.9 million and Palm Tran replacement vehicles is \$3.6 million, and there are other projects funded with non-Ad Valorem dollars.



General Fund Revenue Impacts



- Actual FY 2020 Revenue is down \$21.8 million from FY 2019
- Actual FY 2021 Revenue is up \$9.3 million from FY 2019
- Estimated FY 2022 Revenue is up \$25.2 million from FY 2019
- Proposed FY 2023 Revenue is up \$33.0 million from FY 2019

Loss of Revenue Growth

- Average revenue growth for the 3 years prior to FY 2020 was 3.4%
- Including revenue growth assumption, Revenues are still behind as a result of the pandemic.



Major Revenues

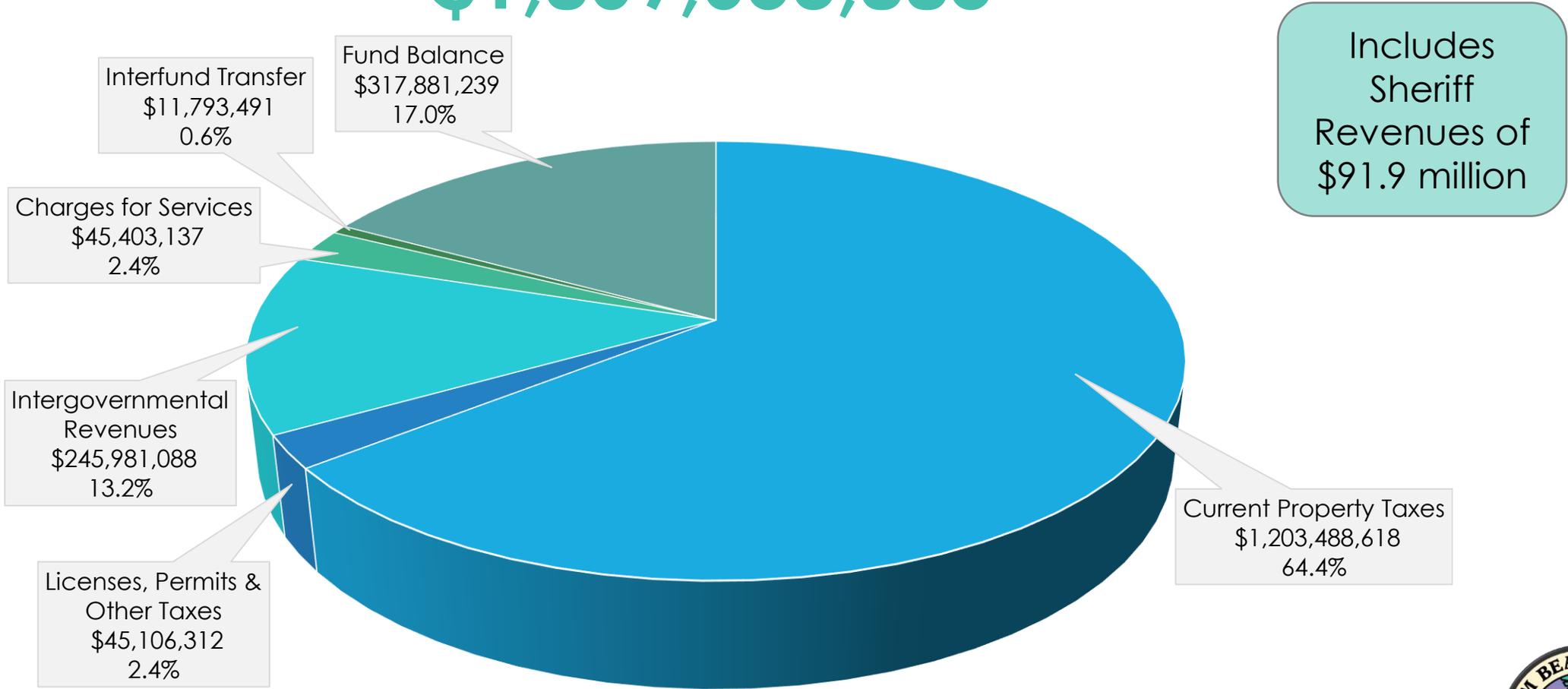
	Actual FY 2019	Actual FY 2020	Actual FY 2021	Estimated FY 2022	Compared to FY 2019	Proposed FY 2023	Compared to FY 2019
State Revenue Sharing	34,782,859	32,408,470	37,413,680	38,316,000	3,533,141	39,082,320	4,299,461
Half-Cent Sales Tax*	93,058,320	87,267,100	102,561,675	118,677,000	25,618,680	121,050,540	27,992,220
Franchise Fees - Electricity	35,378,969	34,469,370	36,176,334	39,971,000	4,592,031	40,770,420	5,391,451
Utility Tax - Electricity	42,081,335	43,184,286	43,954,616	44,292,000	2,210,665	45,137,840	3,056,505
Communications Services Tax	19,893,751	18,499,599	18,639,394	19,037,000	(856,751)	19,417,740	(476,011)
Utility Service Tax - Gas	1,925,374	1,805,650	2,089,647	1,900,000	(25,374)	1,900,000	(25,374)
Total Major Revenues	227,120,608	217,634,475	240,835,346	262,193,000	35,072,392	267,358,860	40,238,252
Local Option Gas Tax	53,445,286	47,671,712	49,458,926	52,685,000	(760,286)	53,740,000	294,714
Constitutional/County Gas Tax	18,965,393	17,009,010	17,946,107	18,347,000	(618,393)	18,714,000	(251,393)
Total Gas Taxes	72,410,678	64,680,723	67,405,033	71,032,000	(1,378,678)	72,454,000	43,322
Total GF Revenues	299,531,286	282,315,198	308,240,379	333,225,000	33,693,714	339,812,860	40,281,574

* A portion of the increase in Half-Cent Sales Tax is related to online sales tax collection that began in July 2021.



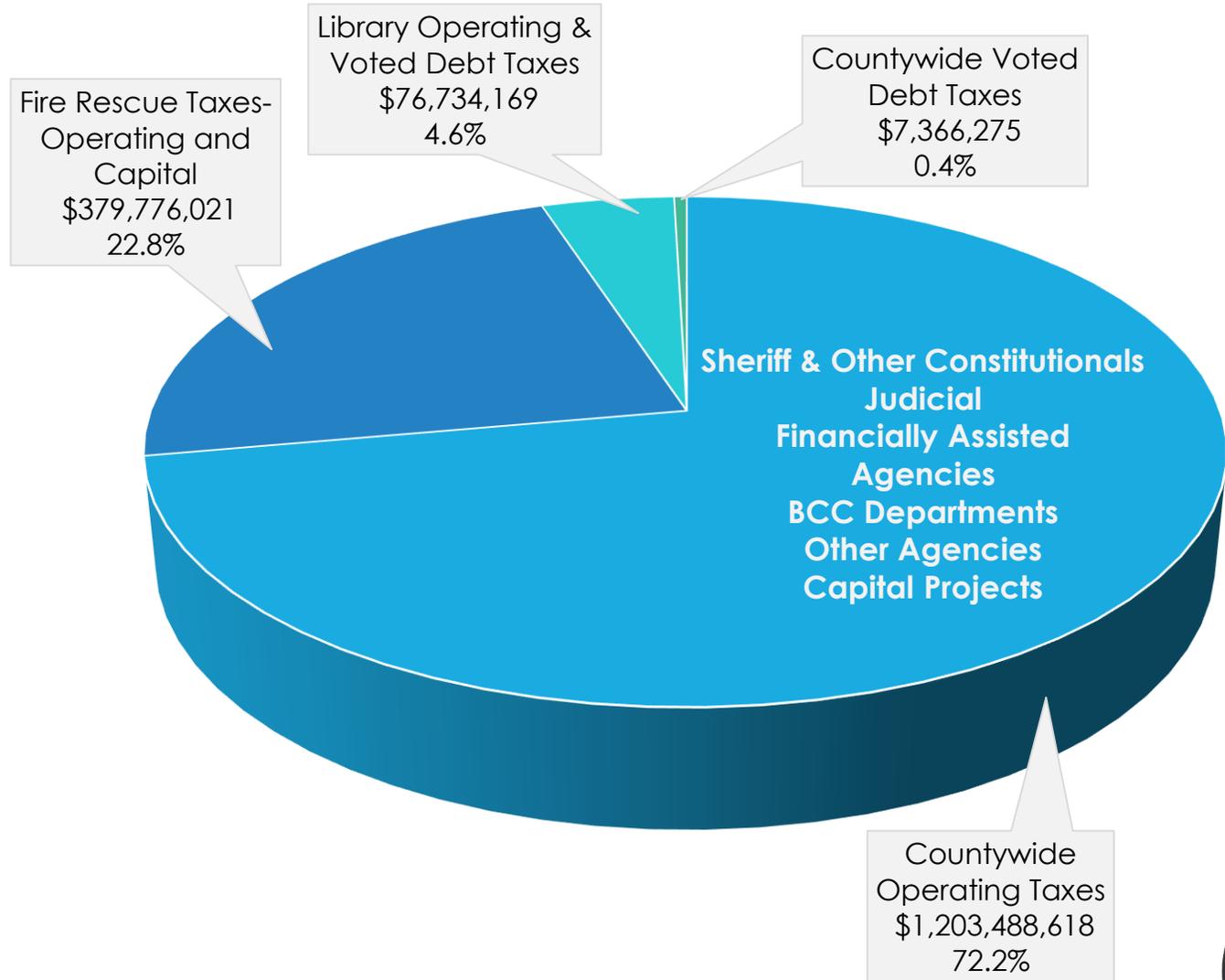
FY 2023 General Fund Sources of Funds by Category

\$1,869,653,885



FY 2023 Proposed Property Taxes

\$1,667,365,083



Millage Rates	
Countywide	4.7815
Fire Rescue	3.4581
Jupiter Fire	1.9087
Library	0.5491



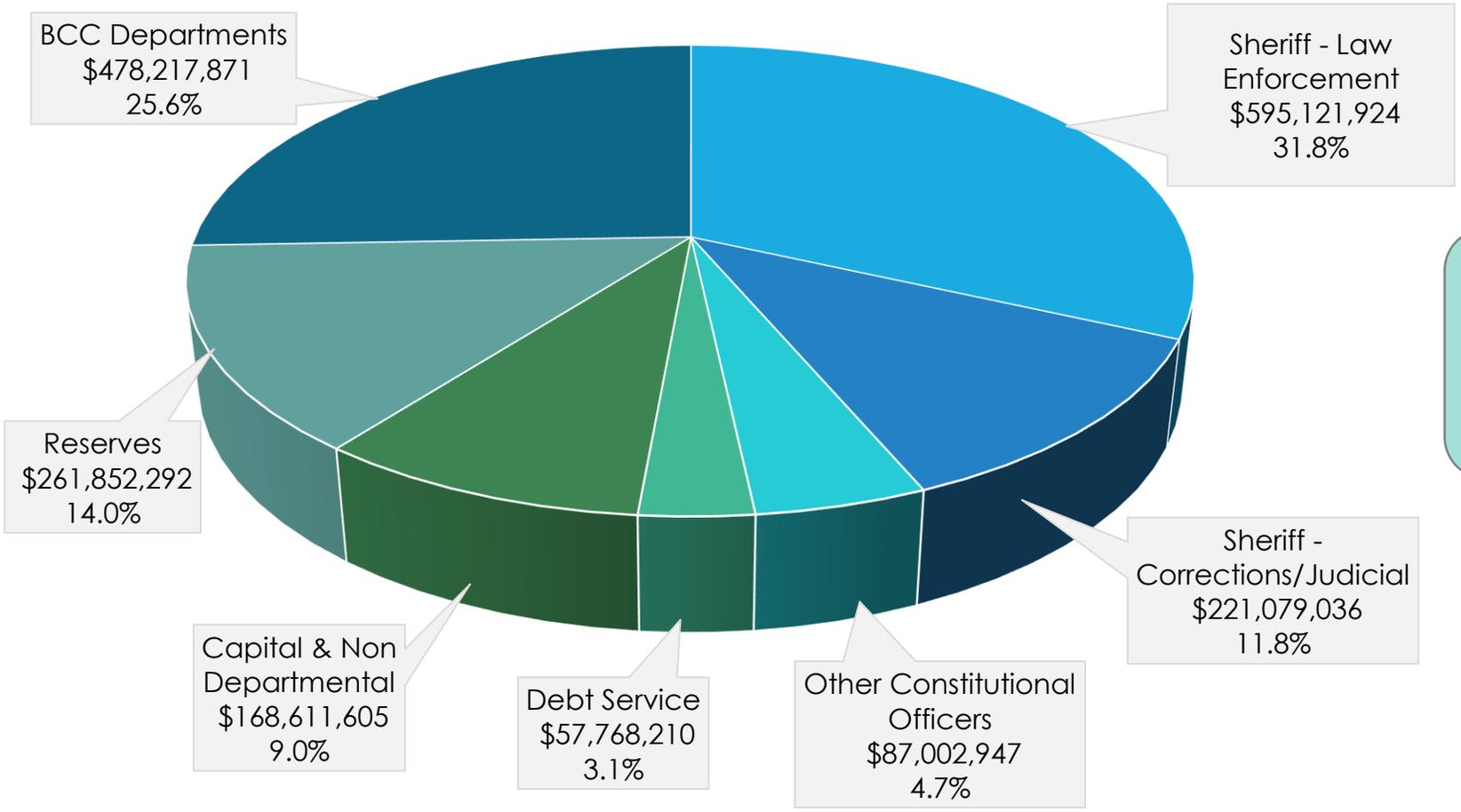
Ad Valorem Taxes

	2022	2023	2022-2023	
			Amount	%
Countywide - Operating	\$1,062,035,841	\$1,203,488,618	\$141,452,777	13.3%
Countywide - Voted Debt	7,425,522	7,366,275	(59,247)	(0.8%)
Total Countywide	\$1,069,461,363	\$1,210,854,893	\$141,393,530	13.2%
Dependent Districts:				
Palm Beach County Library	\$68,599,230	\$76,734,169	\$8,134,939	11.9%
Fire Rescue MSTU	313,235,018	353,357,246	40,122,228	12.8%
Jupiter Fire MSTU	22,339,347	26,418,775	4,079,428	18.3%
Gross: Total Dependent Districts	404,173,595	456,510,190	\$52,336,595	12.9%
Total Countywide Funds & Dependent Districts	\$1,473,634,958	\$1,667,365,083	\$193,730,125	13.1%



FY 2023 General Fund Total Gross Appropriation Budget

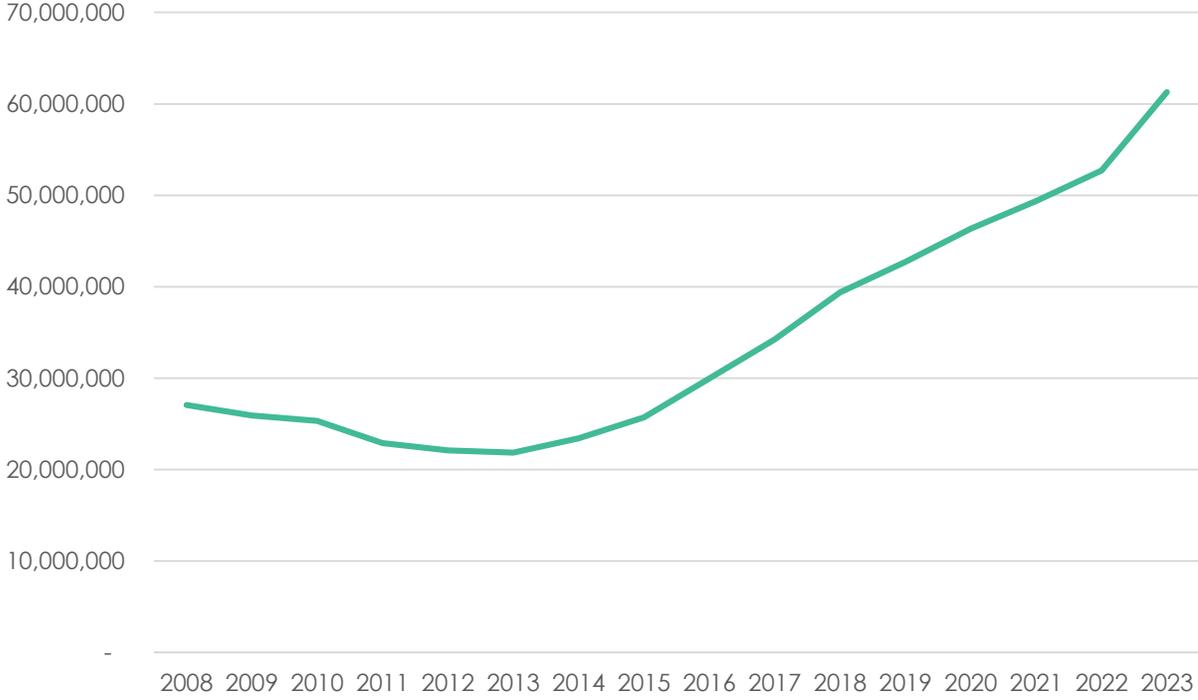
\$1,869,653,885



Sheriff Net Budget
\$724.3 million



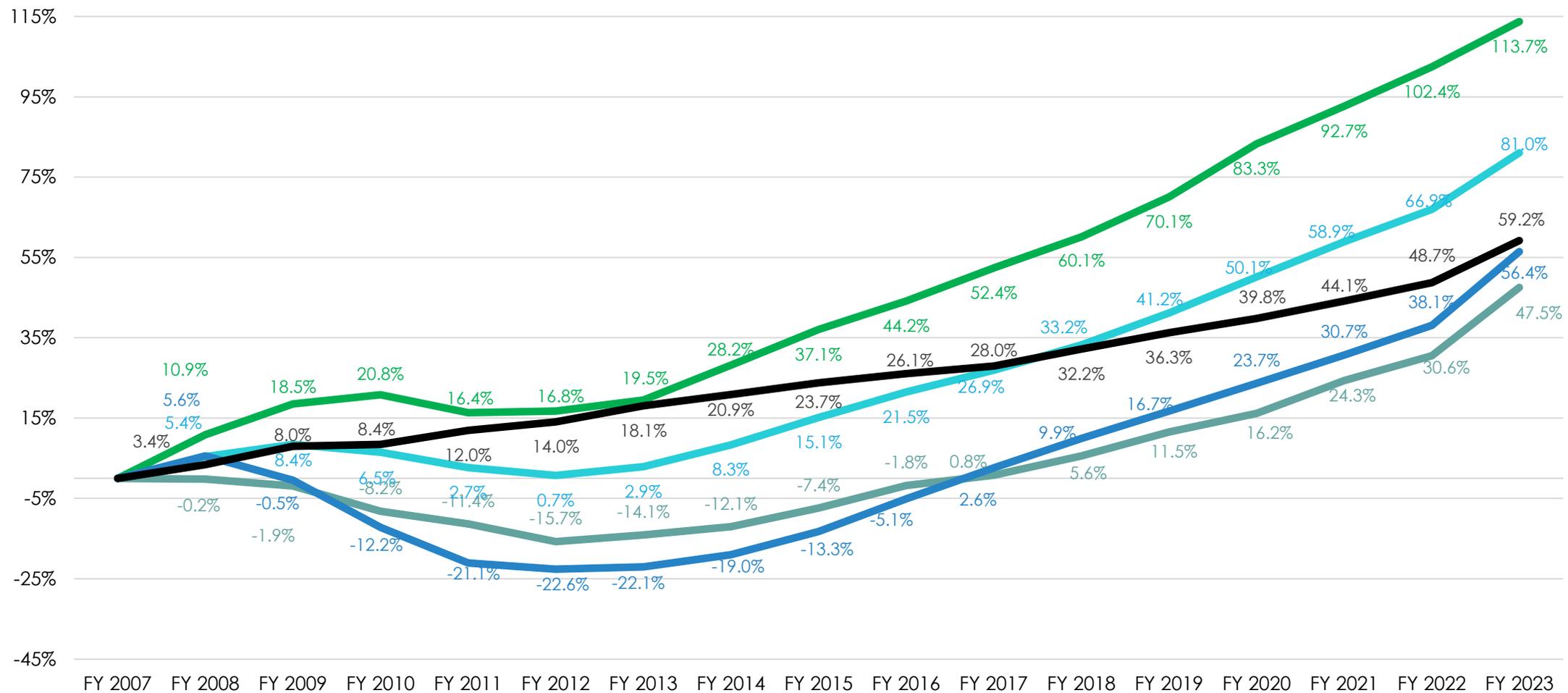
CRA Payments by Fiscal Year



Agency	Est.	Base Value	FY 2023 Values	FY 2023 Payment	
Boca Raton	1981	73,763,740	2,270,669,170	9,979,278	
Boynton Beach	1984	309,821,849	1,899,410,997	7,220,589	
West Palm Beach	1984	251,511,950	4,065,846,450	17,326,328	
Riviera Beach	1984	132,767,499	1,018,921,309	4,025,287	
Delray Beach	1985	245,631,067	3,227,353,771	13,544,252	
Westgate/Belvedere Homes	1988	190,169,267	628,144,695	1,989,471	
Lake Worth	1989	174,564,277	722,133,810	2,487,294	
Northwood/Pleasant City	1994	86,933,276	517,975,466	1,957,977	
Lake Park	1997	56,070,754	191,220,776	613,909	
Jupiter	2003	167,553,151	566,438,686	1,811,908	
Belle Glade	2004	14,849,115	27,628,827	58,051	
Lake Clark Shores	2016	24,686,639	34,736,800	45,652	
Palm Springs	2019	289,153,656	353,305,381	213,304	
			2,017,476,240	15,523,786,138	61,273,300



Cumulative Percentage Increase in Ad Valorem Support



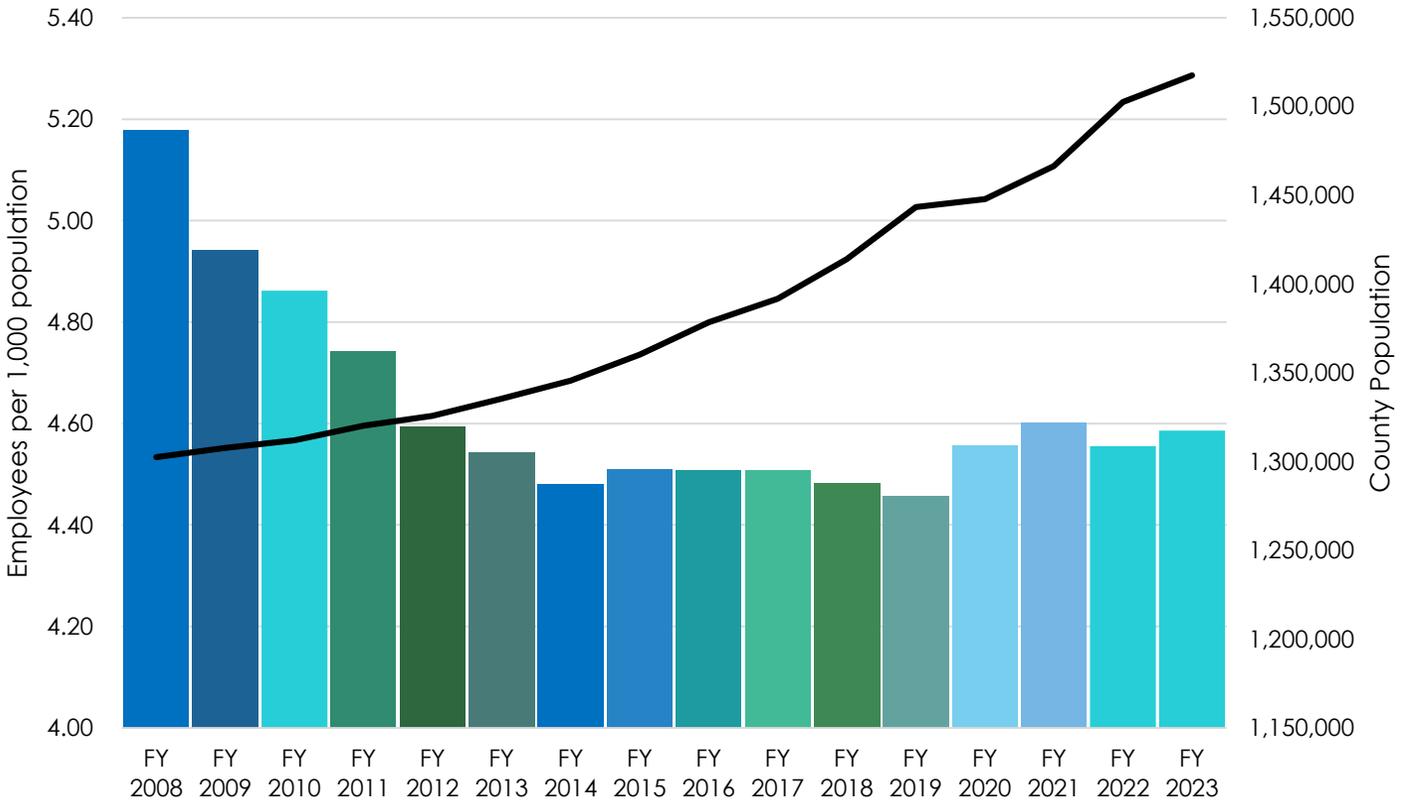
During this period, inflation was up 41.7% and population was up 17.5%

— Ad Valorem Funded County Departments
 — Sheriff
 — Sheriff & BCC Combined
 — Taxable Value
 — Population & CPI



Employees per 1,000 Population*

All BCC Departments



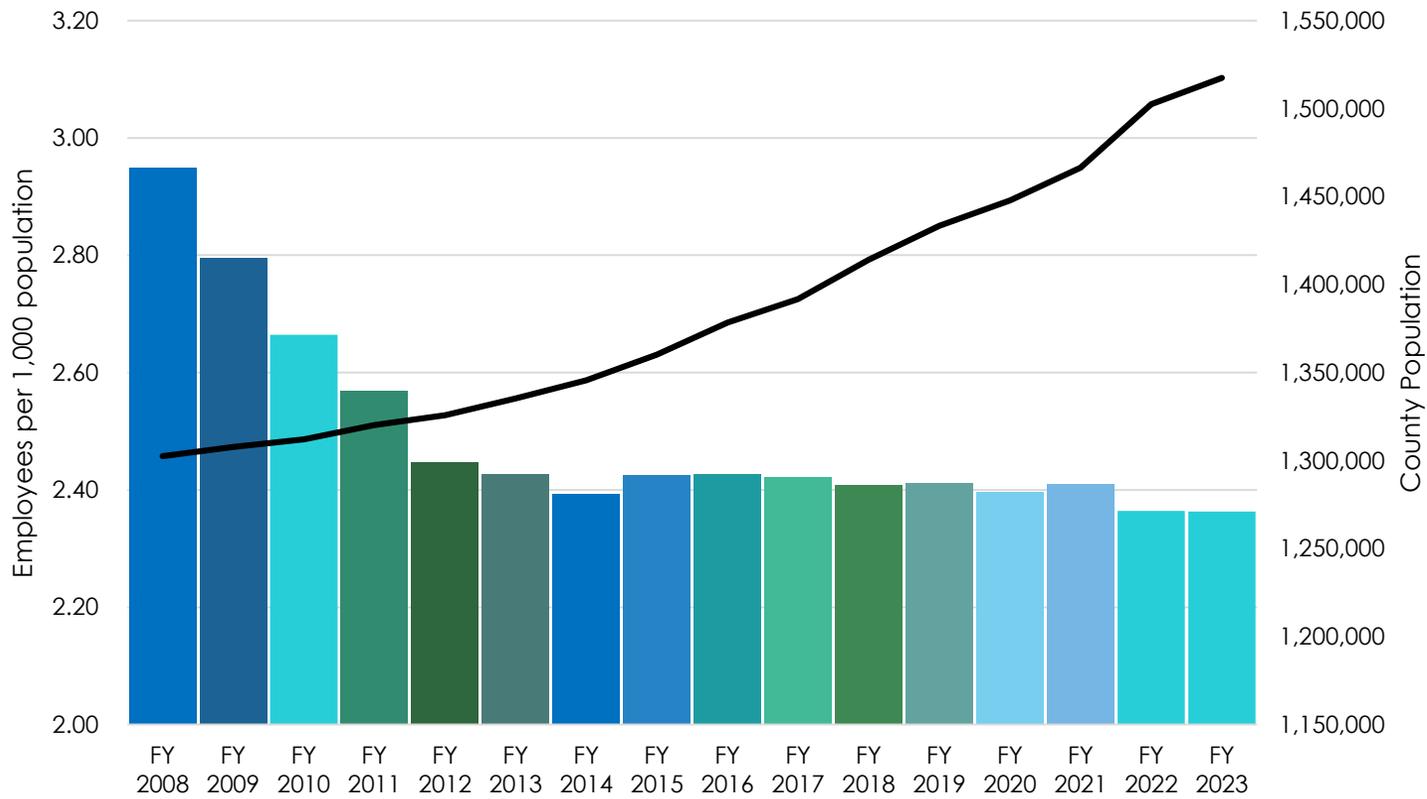
	Employees	County Population	Employees per 1,000 population
FY 2008	6,744	1,302,451	5.18
FY 2009	6,463	1,307,784	4.94
FY 2010	6,379	1,312,016	4.86
FY 2011	6,261	1,320,134	4.74
FY 2012	6,089	1,325,758	4.59
FY 2013	6,066	1,335,415	4.54
FY 2014	6,030	1,345,652	4.48
FY 2015	6,134	1,360,238	4.51
FY 2016	6,214	1,378,417	4.51
FY 2017	6,274	1,391,741	4.51
FY 2018	6,339	1,414,144	4.48
FY 2019	6,433	1,443,417	4.46
FY 2020	6,597	1,447,857	4.56
FY 2021	6,748	1,466,494	4.60
FY 2022	6,844	1,502,495	4.56
FY 2023	6,959	1,517,520	4.59

* Net of 250 Head Start positions eliminated in FY 2014



Employees per 1,000 Population*

BCC Ad Valorem Funded Departments Only



	Employees	County Population	Employees per 1,000 population
FY 2008	3,842	1,302,451	2.95
FY 2009	3,655	1,307,784	2.79
FY 2010	3,496	1,312,016	2.66
FY 2011	3,392	1,320,134	2.57
FY 2012	3,245	1,325,758	2.45
FY 2013	3,242	1,335,415	2.43
FY 2014	3,220	1,345,652	2.39
FY 2015	3,298	1,360,238	2.42
FY 2016	3,345	1,378,417	2.43
FY 2017	3,370	1,391,741	2.42
FY 2018	3,407	1,414,144	2.41
FY 2019	3,458	1,433,417	2.41
FY 2020	3,471	1,447,857	2.40
FY 2021	3,534	1,466,494	2.41
FY 2022	3,552	1,502,495	2.36
FY 2023	3,586	1,517,520	2.36

* Net of 250 Head Start positions eliminated in FY 2014

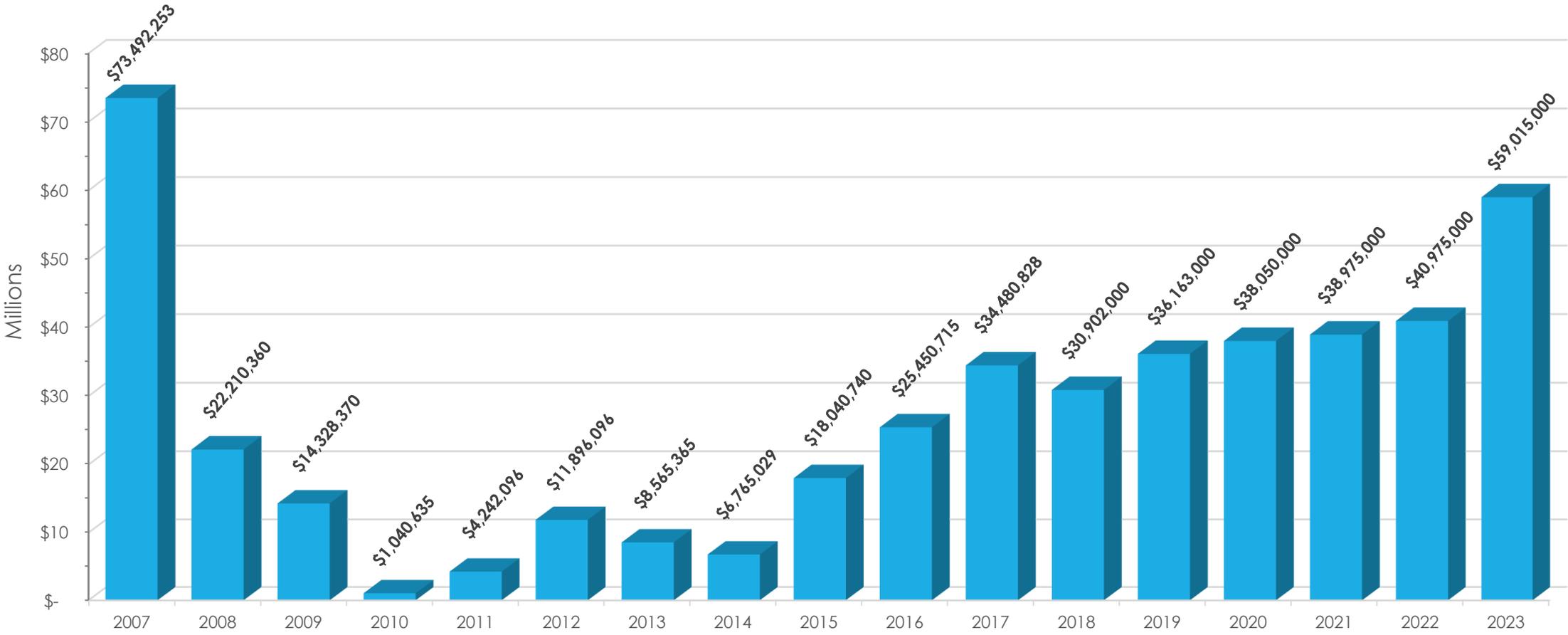


Capital Renewal/Replacement

- Ensures continued operations and reliability
- Reduces liability
- Relieves more costly and /or numerous repairs
- Reduces downtime for programs and services by pre-planning/coordinating the work to minimize service delivery and operational impacts
- “Pay as you go”



History of Ad Valorem Funding for Capital



Capital Project Funding

- Ad Valorem – Primarily annual renewal/replacement
 - FY 2022 - \$41M
 - FY 2023 - \$59M
- Non-Ad Valorem (NAV) Bonds – FY 2023 Proposed Projects \$47.37M
 - Generators/Hardening at Critical Facilities - \$9.85M
 - Medical Examiner Office Expansion - \$14.15M
 - Mosquito Control Redevelopment - \$17.27M
 - SOE Exterior Hardening and Repurposing - \$6.1M



NAV Bonds

Paramount Public Purpose

County bonds must be scrutinized under the “paramount public purpose” test adopted by the Florida courts to determine the constitutionality of public financings.

In determining whether a project serves a predominately public purpose, the Florida Supreme Court has applied the following test (the “Paramount Public Purpose Test”), 1) the public purpose is predominantly public in nature and 2) the public gain is not inconsequential in comparison to the private gain. *Poe v. Hillsborough County*, 695 So. 2d 672, 676-679 (Fla. 1997).

- NAV Revenue Bond proceeds are **not** backed by ad valorem tax revenues
- NAV Revenue Bonds are funded by **all** unrestricted revenues in the General Fund
- Bond proceeds must be used for a paramount public purpose



Total NAV Bonds Outstanding as of 10/1/2022

Issue/Purpose	Amount Issued	Maturity Date	Outstanding as of 10/1/22
11.6M Taxable Public Imp Rev. Bonds Series 2010 Permanent Financing Convention Ctr. Hotel Land initially paid for with Bond anticipation note	11,598,107	11/1/24	3,035,368
16.2M Capital Improvement Refunding Bonds, Series 2012 Refund BAN for public building improvements - Four Points	16,189,340	3/1/27	5,737,600
13.2M Public Improvement Rev. Bonds, Series 2013 For a grant to Max Planck	13,180,000	12/1/28	6,775,699
28.1M Taxable Public Improvement Rev. Bonds, Series 2013 To construct the Convention Center Hotel	28,075,000	11/1/23	1,310,000
72.4M Public Improvement Rev. Refunding Bonds, Series 2014A Refund Series 2006, 2007A, 2007B and 2007C	72,445,000	11/1/27	46,630,000
63.6M Public Improvement Rev. Refunding Bonds, Series 2015 Refund Series 2008A and 2008-2	63,635,000	11/1/28	41,085,000
63.2M Public Improvement Rev. Bonds, Series 2015A To construct Convention Center Parking Garage and Airport Center improvements	63,155,000	11/1/35	48,200,000
18.8M Taxable Public Improvement Rev. Bonds, Series 2015B For a grant to Max Planck	18,805,000	12/1/25	8,135,000



Total NAV Bonds Outstanding as of 10/1/2022 (continued)

Issue/Purpose	Amount Issued	Maturity Date	Outstanding as of 10/1/22
65.4M Taxable Public Improve. Rev. Bonds, Series 2015C			
To construct Ballpark of the Palm Beaches	65,360,000	12/1/45	54,670,000
121.0M Public Improvement Rev. Refunding Bonds, Series 2016			
Partial Refunding of Public Improvement Revenue Bonds for the Jail Expansion Project/Public Buildings	121,035,000	5/1/38	105,255,000
22.5M Revenue Improvement Refunding Bonds, Series 2018			
Refunding of Public Improvement Revenue Bonds for the Ocean Avenue Bridge and Max Planck, Florida Corporation Projects	22,540,000	8/1/31	16,195,000
41.8M Taxable Public Improve. Rev. Refunding Bonds, Series 2019A			
Refund portion of Series 2011 Public Improvement Revenue Refunding Bonds for the Convention Center Project	41,830,000	11/1/30	40,835,000
25.2M Taxable Public Improve. Rev. Refunding Bonds, Series 2019B			
Refund portion of Series 2013 Taxable Public Improvement Revenue Bonds for the Convention Center Hotel Project	25,180,000	11/1/43	24,480,000
51.1M Public Improve. Rev. Bonds, Series 2021A			
To construct Supervisor of Elections Operations Building	51,050,000	12/1/40	49,665,000
44.7M Taxable Public Improve. Rev. Refunding Bonds, Series 2021B			
Refund portion of Series 2012 Public Improvement Revenue Refunding Bonds	44,705,000	12/1/24	43,355,000
69.2M Taxable Public Improve. Rev. Refunding Bonds, Series 2021C			
Taxable Refunding of Series 2015D Public Improvement Revenue Refunding Bonds	69,235,000	12/1/45	68,285,000
	\$728,017,447		\$563,648,667



Current NAV Bond Debt Service Forecast

Principal and Interest Only

Source	NAV Debt Service FY2023	NAV Debt Service FY2024	NAV Debt Service FY2025	NAV Debt Service FY2026	NAV Debt Service FY2027	NAV Debt Service FY2028
General Fund	57,758,239	51,151,931	51,081,154	37,594,824	35,443,926	33,068,980
Tourist Development Tax	14,215,473	14,221,725	14,203,495	14,831,971	15,141,945	15,129,168
Transportation Improvement Fund	1,035,388	1,031,693	1,024,982	1,020,225	1,012,451	1,006,632
Total Annual NAV Debt Service	\$73,009,100	\$66,405,349	\$66,309,631	\$53,447,020	\$51,598,322	\$49,204,780



Proposed Capital Bonding Program

FY 2023 – FY 2027

(\$ in millions)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Generators/Hardening at Critical Facilities	9.85				
Medical Examiner Office Expansion	14.15				
Mosquito Control Redevelopment	17.27				
SOE Exterior Hardening	6.10				
South County Administrative Complex			80.00		
Infrastructure Surtax Shortfall				30.00	
Total Projects	47.37	-	80.00	30.00	-

Debt Service:

Current Debt Service	73	66.4	66.3	53.4	51.6
Bond FY 2023 Project		3.5	3.5	3.5	3.5
Bond FY 2025 Project				5.9	5.9
Bond FY 2027 Project					2.3
Total Debt Service	73	69.9	69.8	62.8	63.3



FY 2022 – FY 2026 Budget Projection General Fund

	FY 2022 Adopted Budget	FY 2023 Proposed Budget	FY 2024 Projected Budget	FY 2025 Projected Budget	FY 2026 Projected Budget
Property Values*	\$ 222,113,529,357	\$ 251,696,877,168	\$ 271,826,531,068	\$ 285,430,237,264	\$ 299,693,770,821
Revenues					
Ad Valorem Taxes at current rate of 4.7815	\$ 1,062,035,841	\$ 1,203,488,618	\$ 1,299,738,558	\$ 1,364,784,679	\$ 1,432,985,765
Major Revenue	241,464,000	267,358,860	272,279,682	277,298,921	282,418,545
Sheriff Revenue	87,709,965	91,881,504	93,719,134	95,593,517	97,505,387
BCC Dept. Revenue	45,541,091	47,127,120	48,069,662	49,031,056	50,011,677
Balance Brought Forward	297,922,180	317,881,239	357,881,239	372,881,239	387,881,239
Other Revenues	17,749,707	23,104,059	14,129,737	14,372,338	14,622,218
Statutory Reserve	(72,533,097)	(81,187,515)	(86,473,607)	(90,211,256)	(94,118,704)
Total Net Revenue at Simple Majority Vote	\$ 1,679,889,687	\$ 1,869,653,885	\$ 1,999,344,405	\$ 2,083,750,494	\$ 2,171,306,127
Appropriations					
Sheriff	\$ 788,915,950	\$ 814,321,160	\$ 857,011,008	\$ 899,861,558	\$ 944,854,636
Sheriff - Projected Operating Capital	0	1,879,800	41,397,316	26,933,210	22,358,727
Total Sheriff	\$ 788,915,950	\$ 816,200,960	\$ 898,408,324	\$ 926,794,768	\$ 967,213,363
BCC Departments	424,928,962	478,217,871	502,128,765	527,235,203	553,596,963
Other Constitutional Officers	73,201,926	78,314,924	82,230,670	86,342,204	90,659,314
Judicial	8,654,258	8,688,023	9,122,424	9,578,545	10,057,473
Non Departmental	95,724,079	109,596,605	115,076,435	120,830,257	126,871,770
Capital	40,975,000	59,015,000	61,965,750	65,064,038	68,317,239
Reserves - Undesignated	189,662,614	261,852,292	281,407,632	294,669,983	308,762,535
Debt Service (excludes voted)	57,826,898	57,768,210	54,651,932	54,581,155	46,994,824
Total Appropriations	\$ 1,679,889,687	\$ 1,869,653,885	\$ 2,004,991,932	\$ 2,085,096,153	\$ 2,172,473,481
Projected Shortfall at Simple Majority Vote		\$ (51,597,860)			
Projected Shortfall Current Millage 4.7815		\$ (0)	\$ (5,647,527)	\$ (1,345,659)	\$ (1,167,354)
Current Millage Millage	4.7815	4.7815	4.7815	4.7815	4.7815
MM Rate with Simple Majority Vote		4.5765	4.5809	4.7681	4.7711
MM Rate with Super Majority Vote		5.0342	5.0390	5.2449	5.2482

* Assumed increase of 8% for FY 2024 and 5% for FY 2025 and FY 2026



Millage Rate Impact on Homestead Property

	FY 2022	Proposed FY 2023	FY 2022 - FY 2023	
			Amount	%
Property Values				
Median Value	\$ 365,000	\$ 375,950	\$ 10,950	3.0%
Homestead Exemptions	(50,000)	(50,000)	-	0.0%
Taxable Value	\$ 315,000	\$ 325,950	\$ 10,950	3.5%
Countywide Millage Rates				
Operating	4.7815	4.7815	-	0.0%
Voted Debt Service	0.0334	0.0293	(0.0041)	(12.3%)
Total	4.8149	4.8108	(0.0041)	(0.1%)
Property Taxes				
Operating	\$ 1,506.17	\$ 1,558.53	\$ 52.36	
Voted Debt Service	10.52	9.55	(0.97)	
Total	\$ 1,516.69	\$ 1,568.08	\$ 51.39	3.4%



Future Funding/Budget Issues

Maximum Millage Rate

For FY 2023, maintaining the current millage rate will require a super majority vote since the proposed millage rate is greater than the maximum millage rate. Based on projected property values increasing 8% for FY 2024, 5% for FY 2025 and FY 2026 and per capita Florida income changing per current state estimates, FY 2024 - FY 2026 are also above the maximum millage rate and would require a super majority vote.

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
Roll-Back Rate	4.5917	4.2994	4.4990	4.6319	4.6303
Adopted Millage Rate	4.7815	4.7815	4.7815	4.7815	4.7815
Maximum Millage (MM) Rate					
Prior Year	4.7340	4.7951	4.5765	4.5809	4.7681
Roll-Back MM	4.5917	4.3122	4.4990	4.6319	4.6303
Per Capita Florida Income	4.43%	6.13%	1.82%	2.94%	3.04%
Majority Vote MM	4.7951	4.5765	4.5809	4.7681	4.7711
2/3 Vote Maximum Millage *	5.2746	5.0342	5.0390	5.2449	5.2482

* Unanimous vote above this amount



Outstanding Budget Issues FY 2023



Future Property Value Increases



July 1st Property Values

We typically add \$3-4 million in property tax revenues with July Values



Major Revenues

Major revenues have rebounded to FY 2019 levels, but losses during the pandemic years are still a factor





Questions/Comments