



Palm Beach County, FL

FY 2024 Proposed Budget

Budget Workshop
June 13, 2023

Important Meeting Dates

Meeting	Date	Time
Budget/Strategic Priority Workshop	November 22, 2022	9:30 AM
Initial Budget Workshop	June 13, 2023	4:00 PM
Board Sets Millage Rate	July 11, 2023	Regular BCC Meeting
1 st Public Hearing	September 7, 2023	5:05 PM
2 nd Public Hearing	September 26, 2023	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



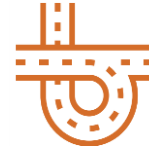
Housing/ Homelessness

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*

\$4.3 million



Housing/ Homelessness

Affordable Housing Projects*

\$15 million

Non-Congregate Shelter (Glades)

\$2.9 million

Homeless Resource Centers

\$12.5 million



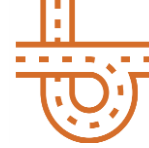
Environmental Protection

Natural Areas*

\$4 million

Manatee Protection*

\$750k



Infrastructure

Capital Projects

\$84.6 million

Palm Tran Operations/
Vehicles

\$79.7 million



Substance Use and Behavior Disorder

Addiction Stabilization Center*

\$1 million

Recovery Support*

\$1.4 million

FAAs

\$6.3 million

CBAs

\$2.1 million



Public Safety

Sheriff - Net

\$777.5 million

Animal Care and Control

\$11.4 million

Emergency Management

\$2.8 million

Victims Services

\$3.8 million

* Does not include staff costs



FY 2024 Proposed Budget Major Assumptions and Factors

Millage Rate

Countywide Budget is balanced at the current rate of 4.7150 mills
Proposed rate will generate \$1.361 billion, a 13.1% increase

BCC Departments

Across the board 6% pay increase - \$17.0 million
FRS Increases (regular rate increased from 11.96% to 13.95%) - \$5.0 million
Supplemental funding - \$10.0 million
Includes 23 Ad Valorem funded positions and 44 non-Ad Valorem funded positions

Sheriff

The Sheriff's total expense budget is \$877.0 million, after \$99.5 million in revenue - this represents a net budget increase of \$53.5 million over FY 2023

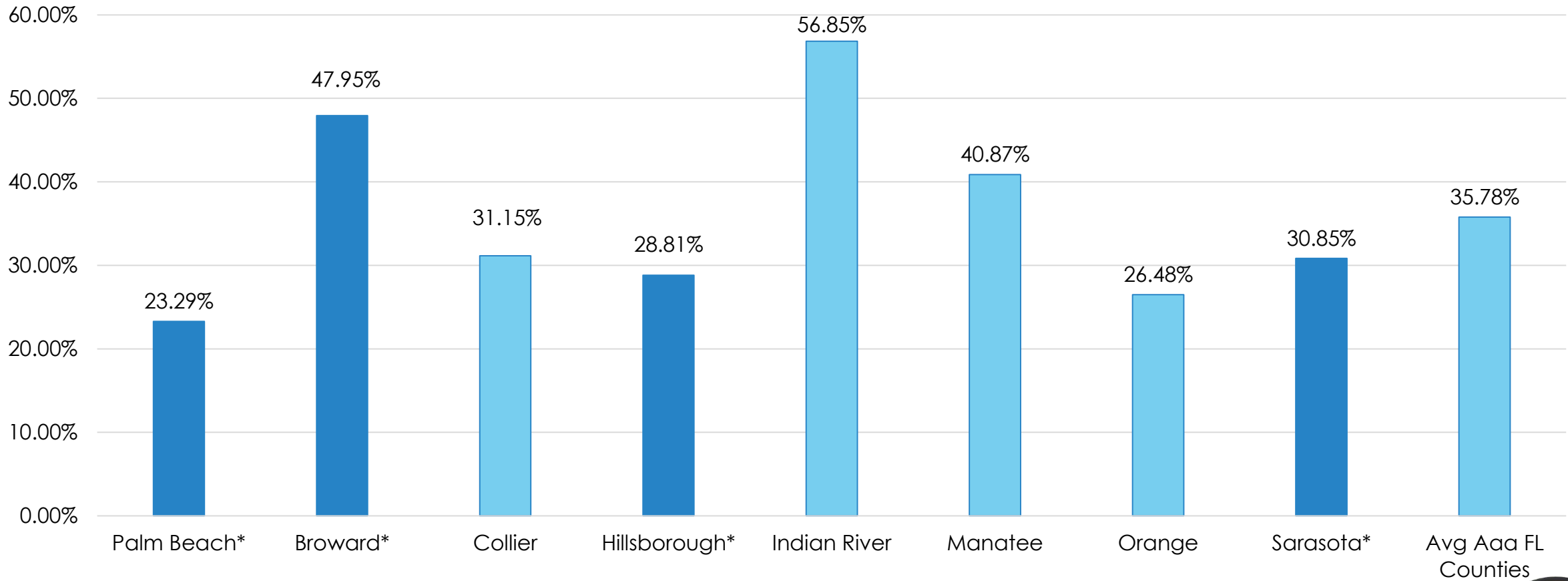
Capital Project Funding

FY 2024 is \$84.6 million, an increase of \$25.6 million over FY 2023
Primarily R&R Projects
In addition, Palm Tran replacement vehicles is \$3.6 million, and there are other projects funded with non-Ad Valorem dollars.



Fund Balance History – FY 2022

Percentage Fund Balance to Revenue



* These counties have a Aaa rating by all three ratings agencies. The others have a Aaa rating by one or two of the ratings agencies.



Palm Beach County Bonded Debt – Bond Ratings

General Obligation Bonds (GO)

- AAA Rated by Standard & Poors, Fitch, and Moodys

Non-Ad Valorem Bonds (NAV)

- AAA Rated by Standard & Poors
- AA+ Rated by Fitch
- Aaa Rated by Moodys

Revenue Bonds

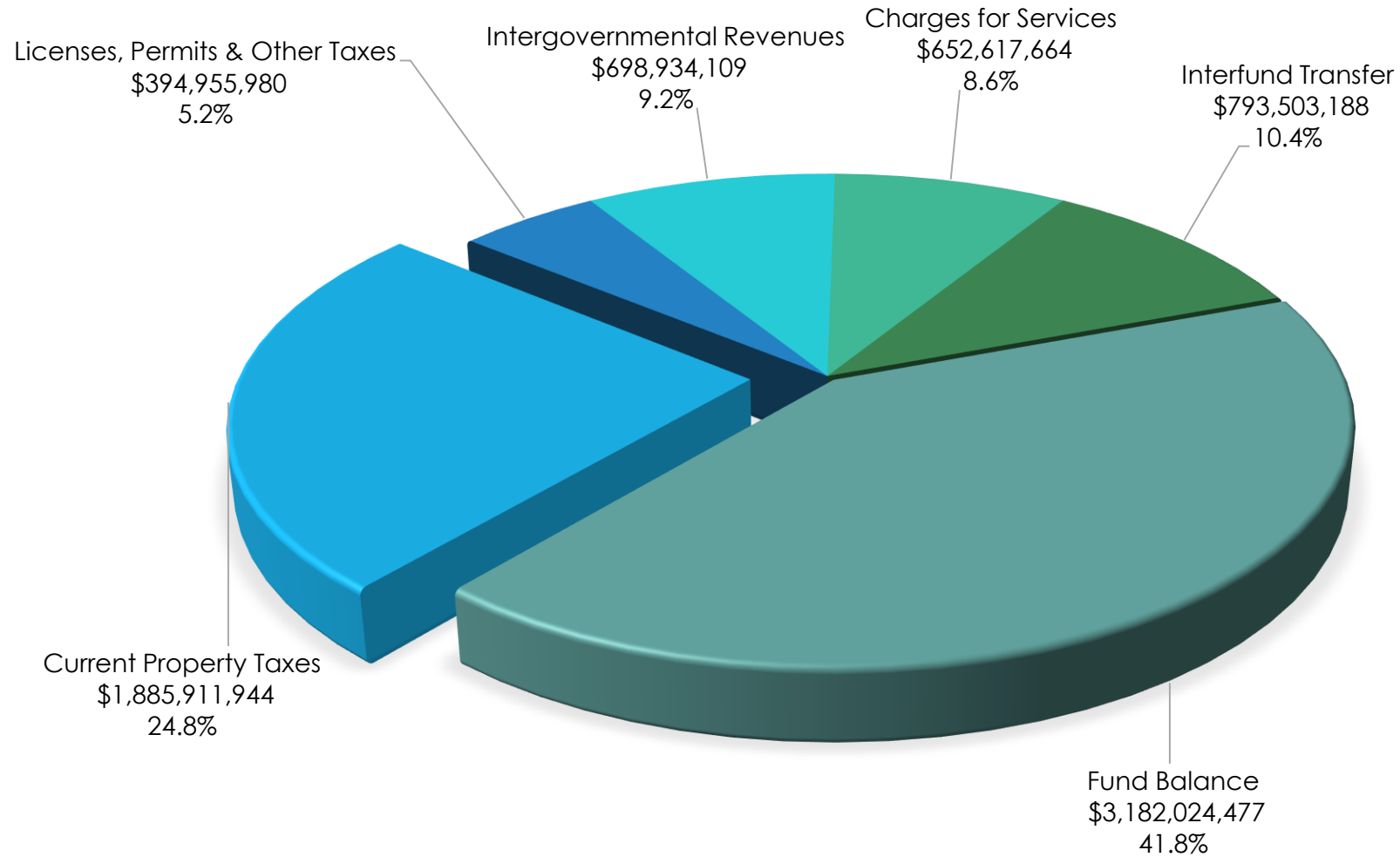
- Water Utility Bonds
 - AAA Rated by Standard & Poors, Fitch, and Moodys
- Airport Bonds
 - A+ Rated by Standard & Poors and Fitch
 - A1 Rated by Moodys

Moody's	Standard & Poor's	Fitch	Rating Grade Description	
Aaa	AAA	AAA	Investment Grade	Highest Grade Credit
Aa1	AA+	AA+		Very High Grade Credit
Aa2	AA	AA		
Aa3	AA-	AA-		
A1	A+	A+		High Grade Credit
A2	A	A		
A3	A-	A-		
Baa1	BBB+	BBB+		Good Grade Credit
Baa2	BBB	BBB		
Baa3	BBB-	BBB-		
Ba1	BB+	BB+	Speculative Grade	Speculative Grade Credit
Ba2	BB	BB		
Ba3	BB-	BB-		
B1	B+	B+		Very Speculative Credit
B2	B	B		
B3	B-	B-		
Caa1	CCC+	CCC+		Substantial Risk - In Default
Caa2	CCC	CCC		
Caa3	CCC-	CCC-		
Ca	CC	CC		
C	C	C		



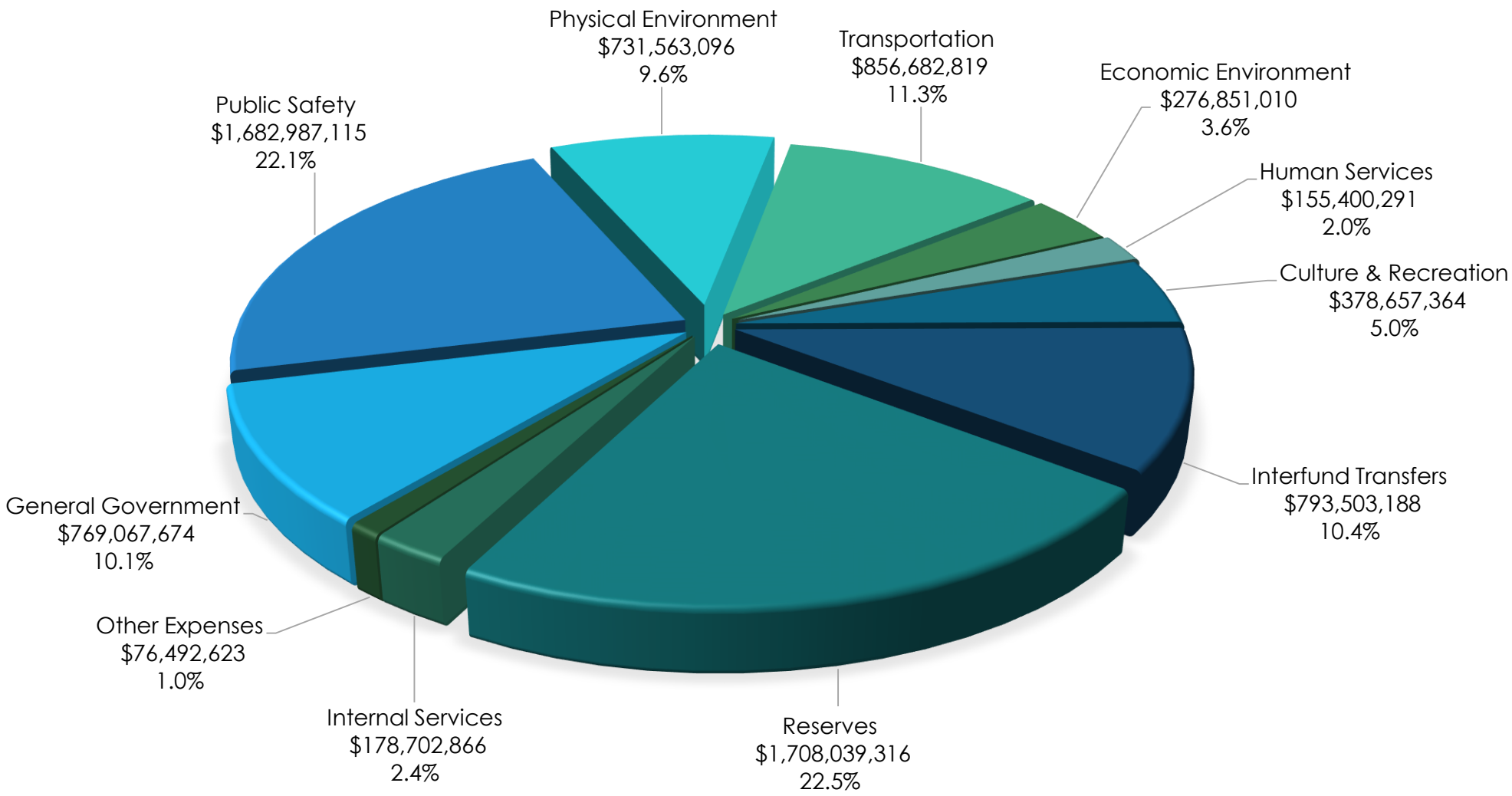
FY 2024 Proposed Budget - Total Revenue Sources by Category

Total Budget - \$7,607,947,362



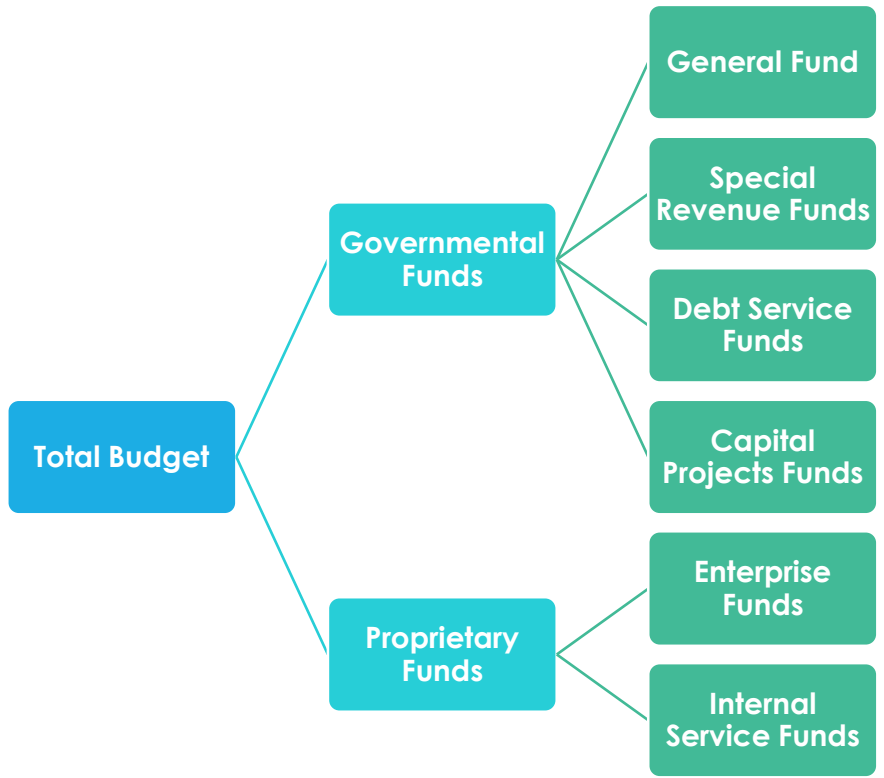
FY 2024 Proposed Budget - Total Expenses by Activity Type

Total Budget - \$7,607,947,362



What is a Fund?

- A separate fiscal and budgetary entity, required by Governmental Accounting Standards Board (GASB)
- Each fund must be balanced per Florida Statute – Revenues = Expenditures
- Used to maintain control over resources that have been segregated for specific activities or objectives



General Fund – Used to account for financial transactions which are applicable to the general financial requirements of the County

Special Revenue Funds – Used to account for and report the proceeds of specific revenue sources that are restricted or committed for a specific purpose

Debt Service Funds – Used to account for and report financial resources that are restricted, committed, or assigned to expenditures for debt service

Capital Projects Funds – Used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays

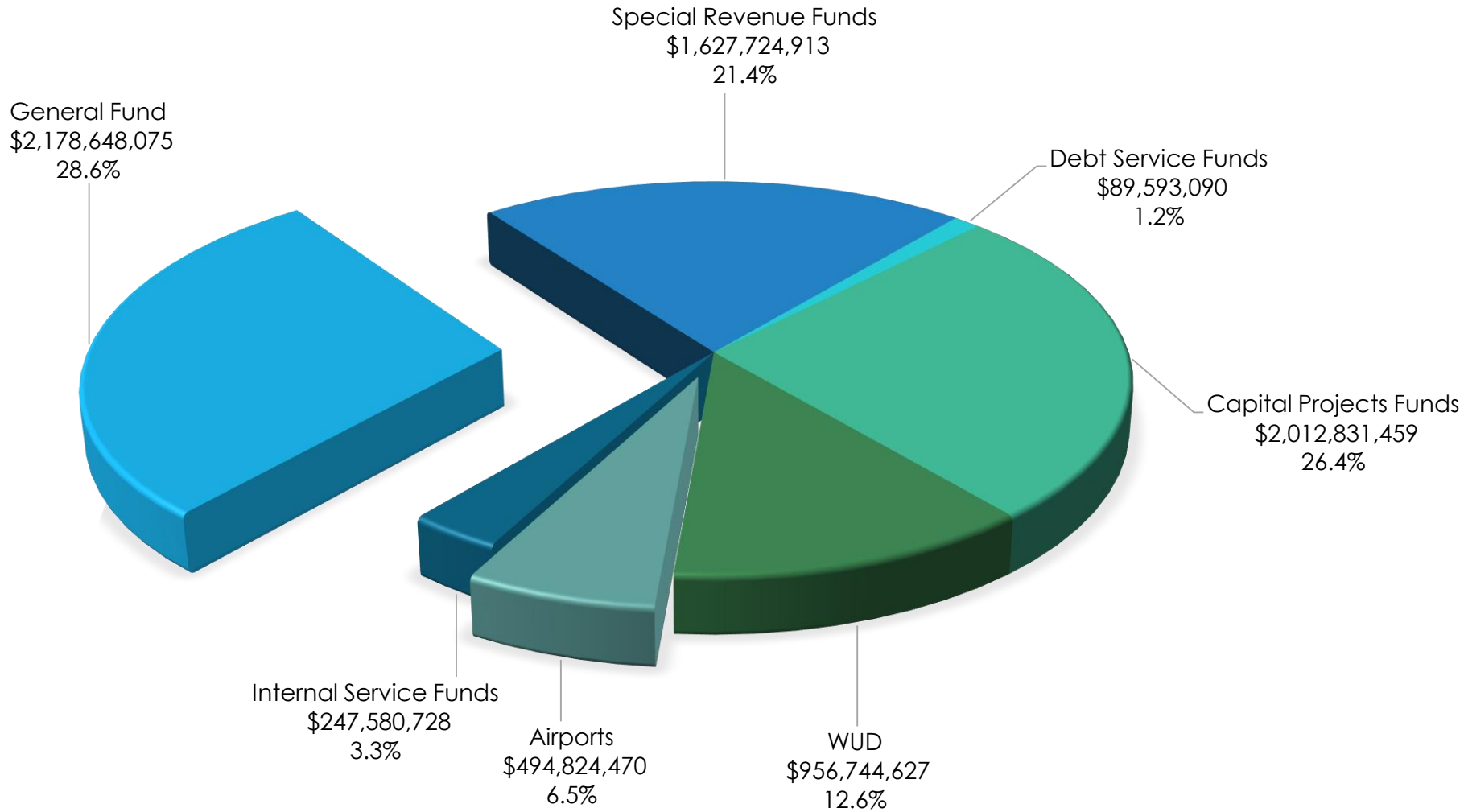
Enterprise Funds – Used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing goods or services to the general public are financed or recovered primarily through user charges (Airports, Water Utilities)

Internal Service Funds – Used to account for the goods and services which are provided by departments for the benefit of other County departments on a cost reimbursement basis (Fleet Management, Risk Management)



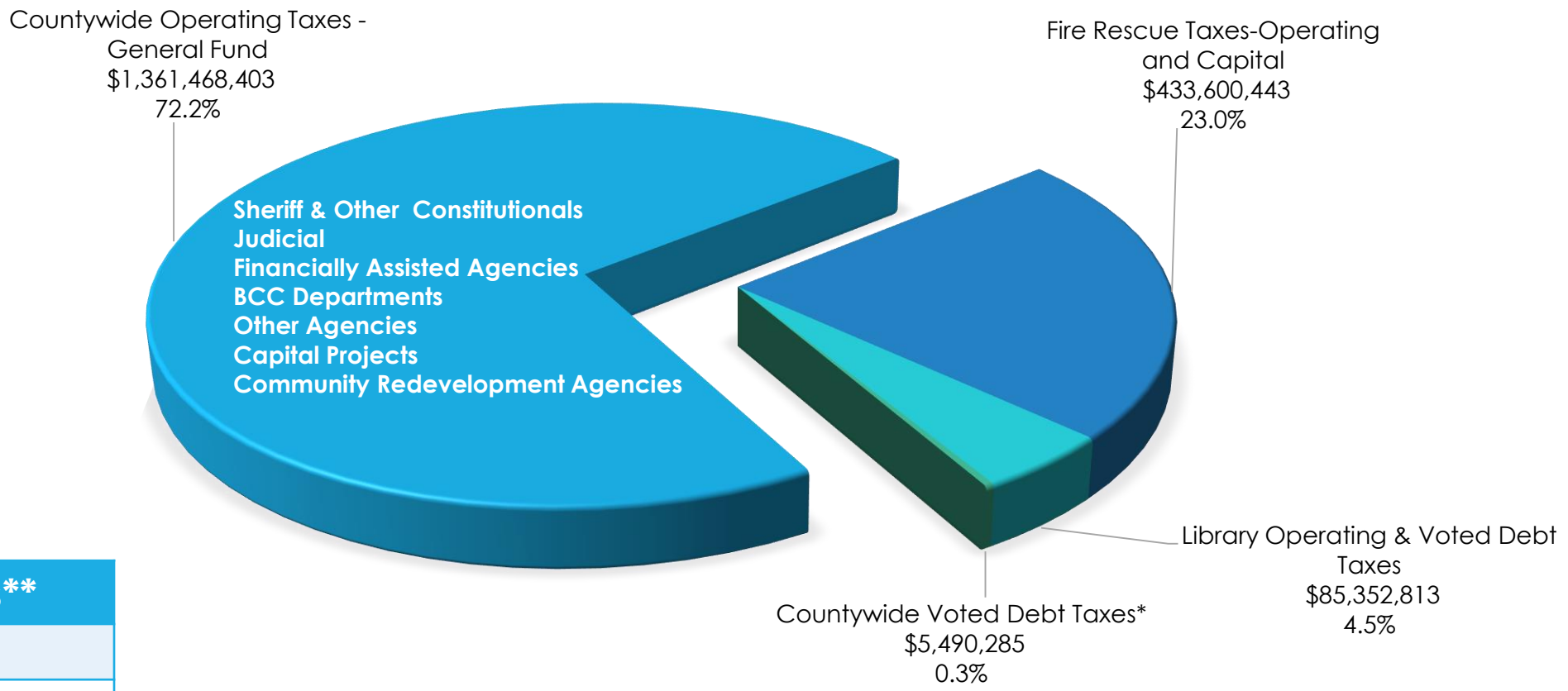
FY 2024 Proposed Budget by Fund

Total Budget - \$7,607,947,362



FY 2024 Proposed Budget - Property Tax Revenue

Total Property Taxes - \$1,885,911,944



Millage Rates**	
Countywide	4.7150
Fire Rescue	3.4581
Jupiter Fire	1.7951
Library	0.5491

* Note – Countywide Voted Debt Taxes does not include new Housing Bonds

** Countywide, Fire Rescue, and Library millage rates are expected to require a supermajority vote



Ad Valorem Taxes – FY 2023 vs FY 2024

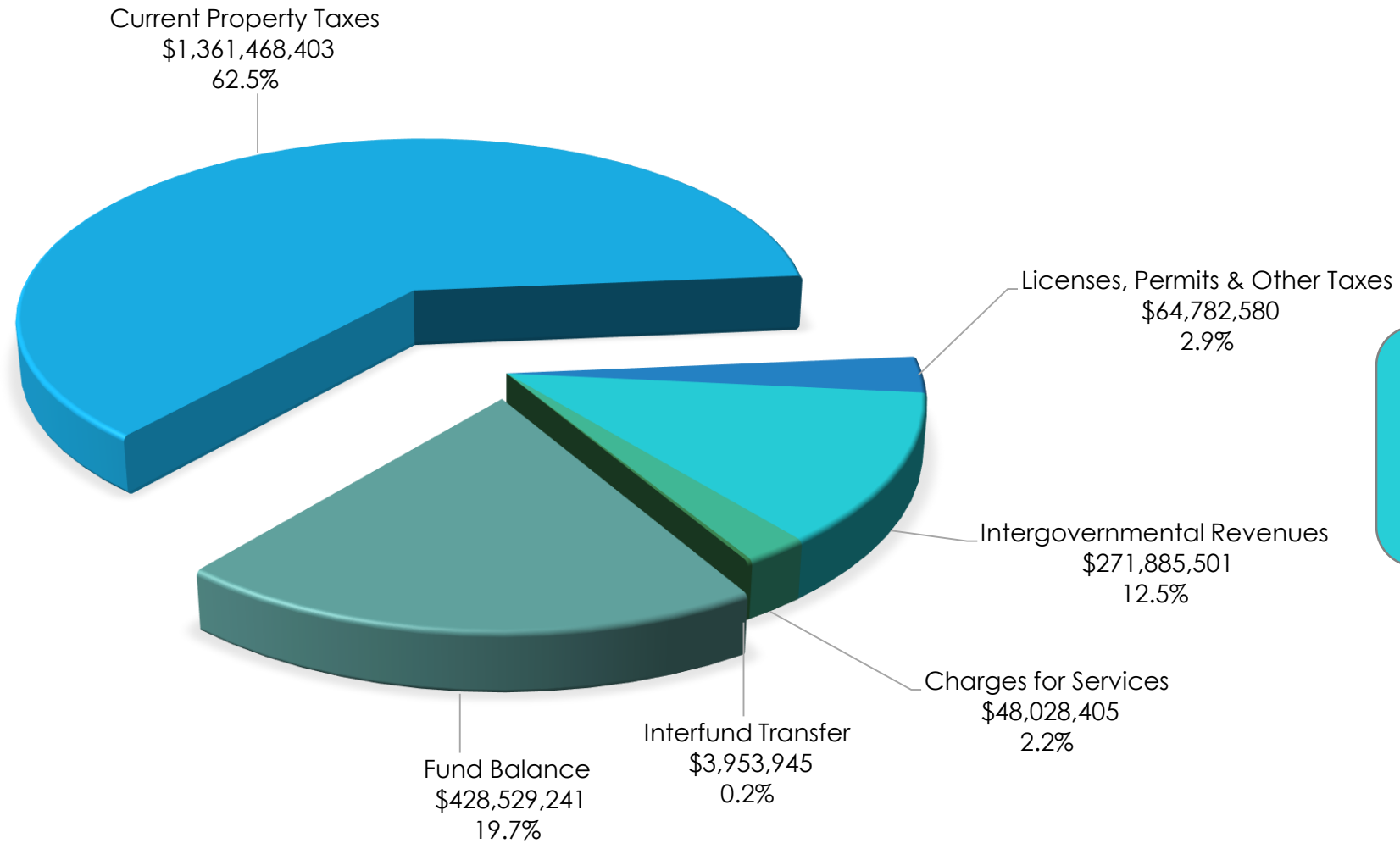
	2023	2024	2023-2024	
			Amount	%
Countywide - Operating	\$1,203,884,310	\$1,361,468,403	\$157,584,093	13.1%
Countywide - Voted Debt	7,384,943	5,490,285	(1,894,658)	(25.7%)
Total Countywide	\$1,211,269,253	\$1,366,958,688	\$155,689,435	12.9%
Dependent Districts:				
Palm Beach County Library*	\$77,703,341	\$85,352,813	\$7,649,472	9.8%
Fire Rescue MSTU	357,798,230	405,205,859	47,407,629	13.2%
Jupiter Fire MSTU	26,418,473	28,394,584	1,976,111	7.5%
Gross: Total Dependent Districts	461,920,044	518,953,256	\$57,033,212	12.3%
Total Countywide Funds & Dependent Districts	\$1,673,189,297	\$1,885,911,944	\$212,722,647	12.7%

* Includes Voted Debt



FY 2024 Proposed Budget - General Fund Revenues by Category

Total General Fund Budget - \$2,178,648,075



Includes Sheriff Revenues of \$99.5 million



General Fund Major Revenues History

	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Budget FY 2023	Estimated FY 2023	FY 2023 Est vs FY 2022 Act	Proposed FY 2024	FY 2024 Proposed vs FY 2022 Act
State Revenue Sharing	34,782,859	32,408,470	37,413,680	47,570,350	39,082,320	48,300,000	729,650	49,300,000	1,729,650
Half-Cent Sales Tax*	93,058,320	87,267,100	102,561,675	121,261,115	121,050,540	127,000,000	5,738,885	129,500,000	8,238,885
Franchise Fees - Electricity	35,378,969	34,469,370	36,176,334	42,086,225	40,770,420	46,300,000	4,213,775	47,300,000	5,213,775
Utility Tax - Electricity	42,081,335	43,184,286	43,954,616	46,245,276	45,137,840	51,500,000	5,254,724	52,500,000	6,254,724
Communications Services Tax	19,893,751	18,499,599	18,639,394	19,737,930	19,417,740	20,500,000	762,070	20,500,000	762,070
Utility Service Tax - Gas	1,925,374	1,805,650	2,089,647	2,329,674	1,900,000	2,400,000	70,326	2,400,000	70,326
Total Major Revenues	227,120,608	217,634,475	240,835,346	279,230,570	267,358,860	296,000,000	16,769,430	301,500,000	22,269,430
Local Option Gas Tax	53,445,286	47,671,712	49,458,926	51,926,373	53,740,000	52,462,000	535,627	53,510,000	1,583,627
Constitutional/County Gas Tax	18,965,393	17,009,010	17,946,107	18,507,703	17,152,000	18,986,000	478,297	19,366,000	858,297
Total Gas Taxes	72,410,678	64,680,723	67,405,033	70,434,076	70,892,000	71,448,000	1,013,924	72,876,000	2,441,924
Total GF Revenues	299,531,286	282,315,198	308,240,379	349,664,646	338,250,860	367,448,000	17,783,354	374,376,000	24,711,354

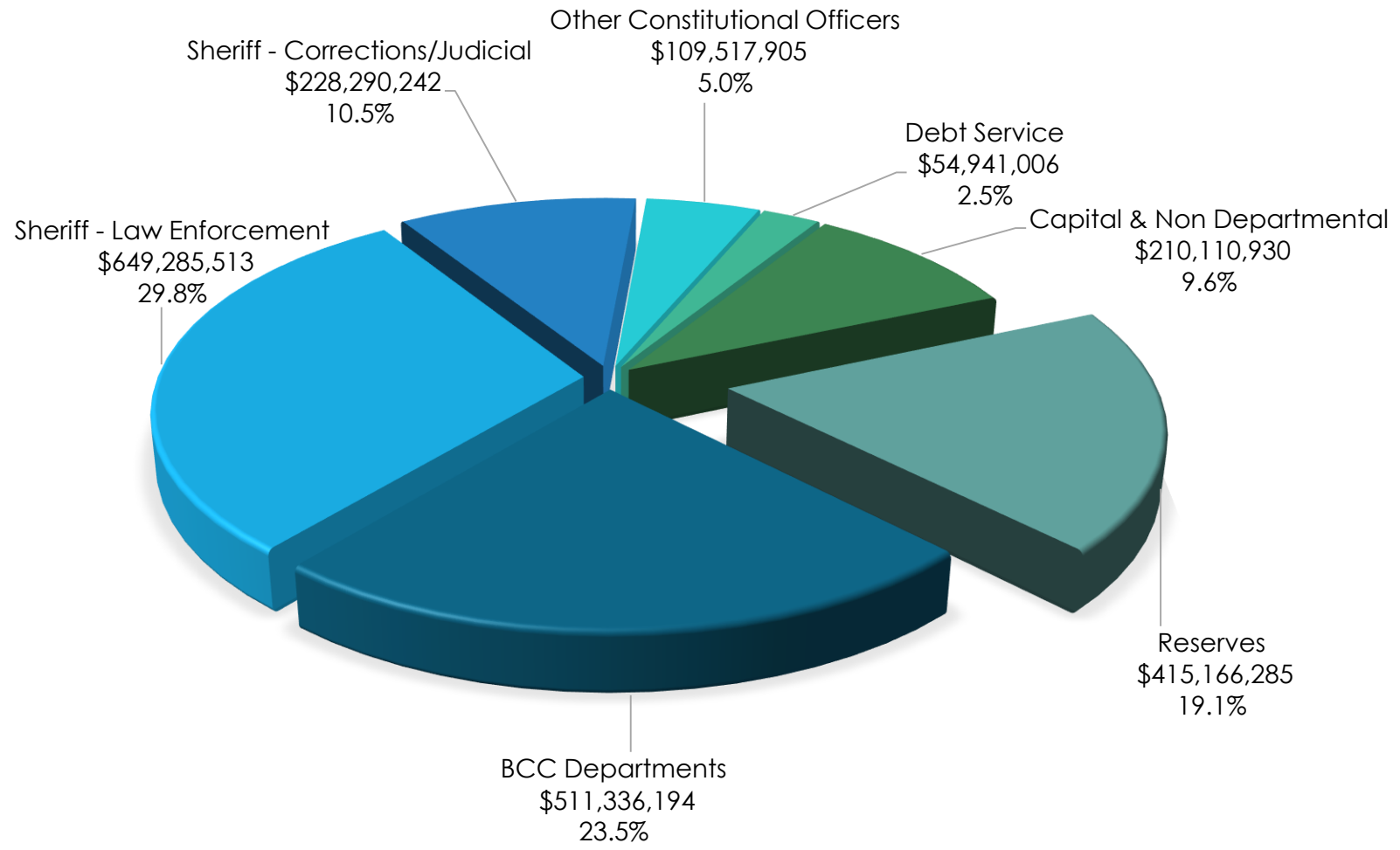
* A portion of the increase in Half-Cent Sales Tax is related to online sales tax collection that began in July 2021.



FY 2024 Proposed Budget - General Fund Expenses by Function

Total General Fund Budget - \$2,178,648,075

Sheriff Net Budget \$778.1 million

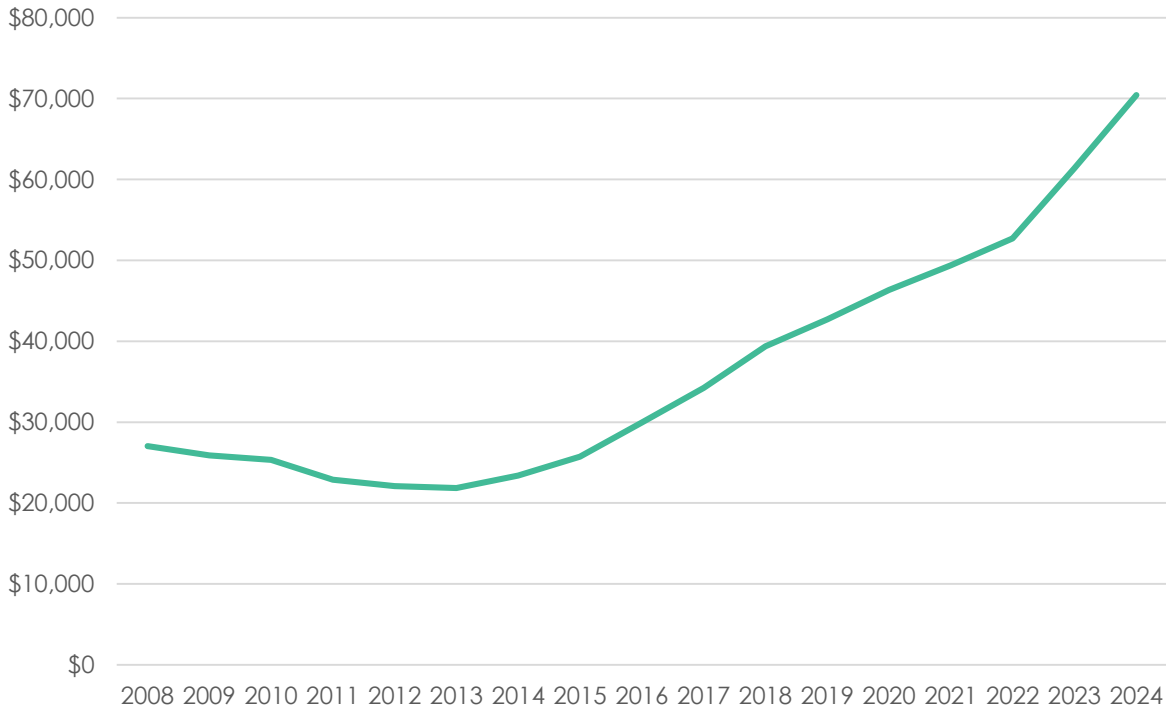


General Fund Expense History

	Actual	Actual	Actual	Actual	Budget	Estimate	Budget	Budget Difference	
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2023	FY 2024	\$	%
BCC Departments	319,304,575	321,253,203	327,079,389	371,109,190	479,613,510	447,916,646	511,336,194	31,722,684	6.6%
Sheriff	670,250,501	722,193,959	762,364,970	789,957,798	835,135,815	835,732,843	877,025,755	41,889,940	5.0%
Other Constitutional Officers	69,625,206	66,304,923	72,221,469	78,111,982	93,464,903	92,376,796	109,517,905	16,053,002	17.2%
Debt Service	58,913,296	57,285,448	54,702,878	57,718,080	57,768,210	57,768,210	54,941,006	(2,827,204)	-4.9%
CRAs	41,715,729	45,308,287	48,224,416	51,471,950	61,379,899	61,379,899	70,441,024	9,061,125	14.8%
Reserves	-	-	-	-	260,409,090	-	415,166,285	154,757,195	59.4%
Capital	37,363,000	42,008,736	38,975,000	40,975,000	59,015,000	59,865,000	84,623,000	25,608,000	43.4%
Non-Departmental	35,717,934	38,585,866	21,969,413	287,571,064	51,101,515	47,419,629	55,596,906	4,495,391	8.8%
Total	1,232,890,241	1,292,940,422	1,325,537,535	1,676,915,064	1,897,887,942	1,602,459,023	2,178,648,075	280,760,133	14.8%



CRA Payments by Fiscal Year

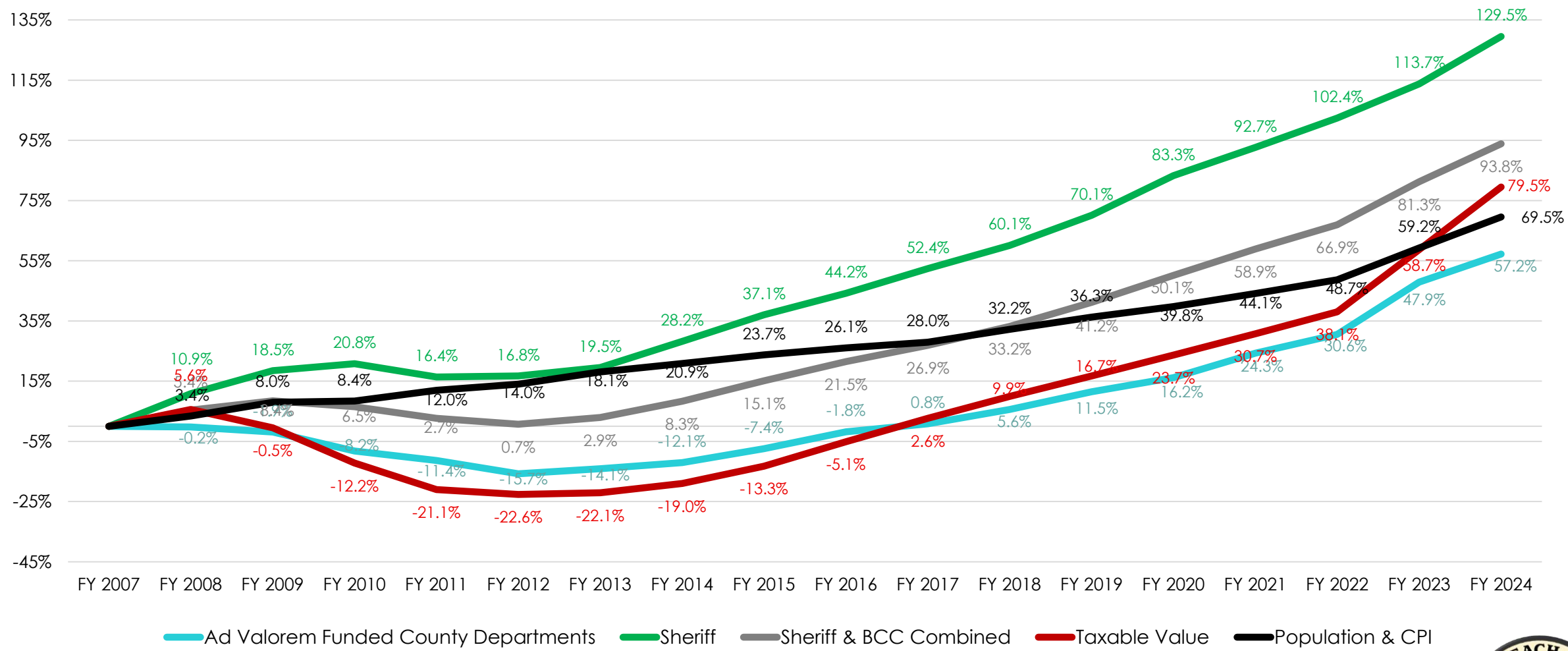


(\$ in thousands)

Agency	Est.	Base Value	FY 2024 Values	FY 2024 Payment	
Boca Raton	1981	73,763,740	2,522,729,902	10,969,532	
Boynton Beach	1984	309,821,849	2,154,584,340	8,263,152	
West Palm Beach	1984	251,511,950	4,714,513,144	19,990,898	
Riviera Beach	1984	132,767,499	1,132,277,676	4,477,056	
Delray Beach	1985	245,631,067	3,744,271,307	15,671,284	
Westgate/Belvedere Homes	1988	190,169,267	715,278,115	2,352,094	
Lake Worth	1989	174,564,277	850,993,372	3,029,895	
Northwood/Pleasant City	1994	86,933,276	598,013,027	2,289,254	
Lake Park	1997	56,070,754	219,037,934	729,971	
Jupiter	2003	167,553,151	641,124,863	2,121,246	
Belle Glade	2004	14,849,115	30,369,059	69,518	
Lake Clark Shores	2016	24,686,639	39,076,379	64,455	
Palm Springs	2019	289,153,656	413,264,644	412,669	
			2,017,476,240	17,775,533,762	70,441,024



Cumulative Percentage Increase in Ad Valorem Support

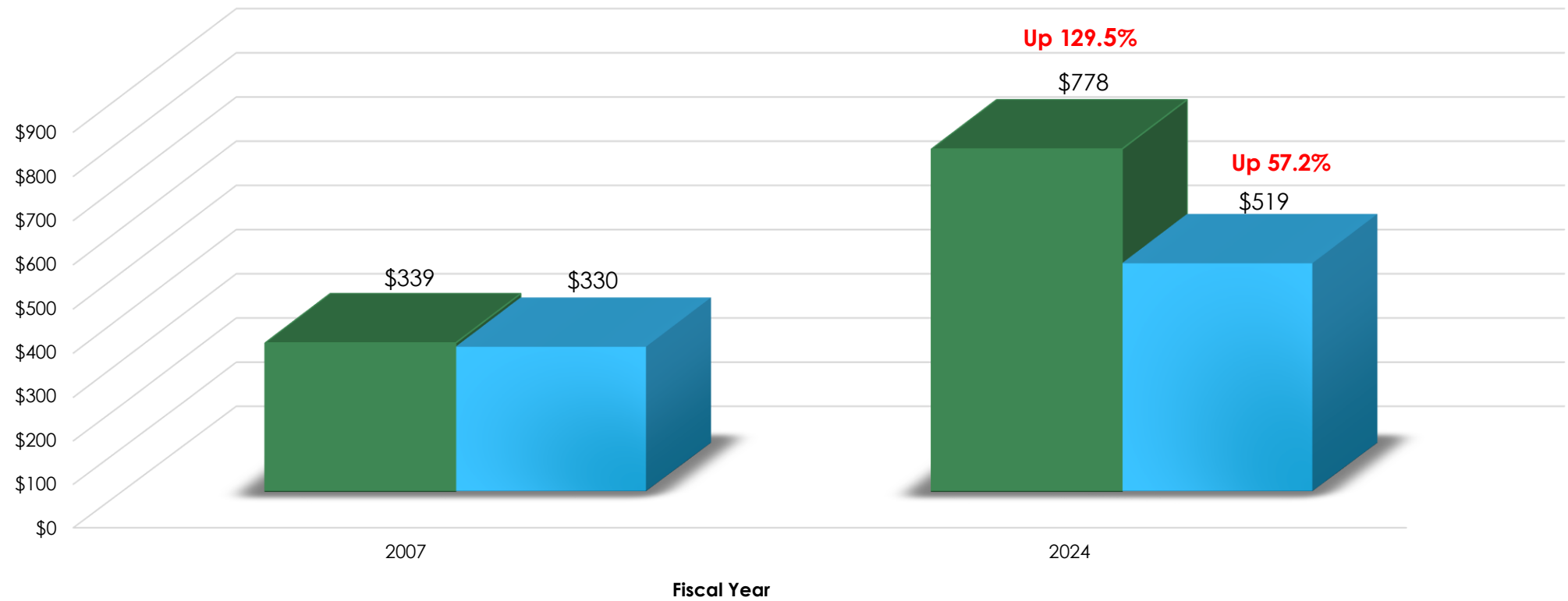


During this period, inflation was up 50.8% and population was up 18.7%



Changes in Net Operating Budget

In Millions



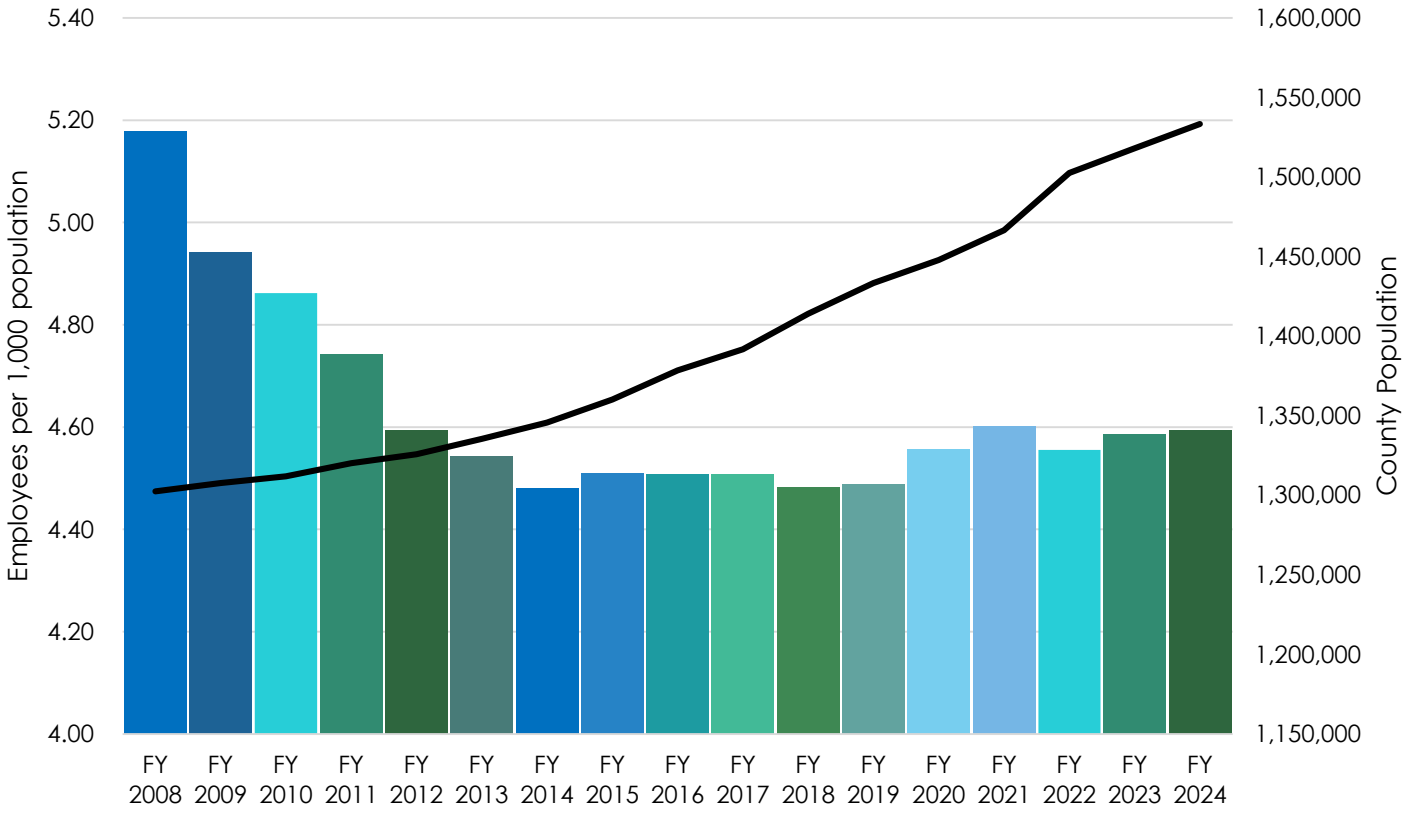
During this period, inflation was up 50.8% and population was up 18.7%

■ Sheriff ■ Ad Valorem Funded County Departments



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	1,433,417	4.49
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	6,960	1,518,152	4.58
FY 2024	7,043	1,533,334	4.59

* Net of 250 Head Start positions eliminated in FY 2014



FY 2023 – FY 2027 Projection

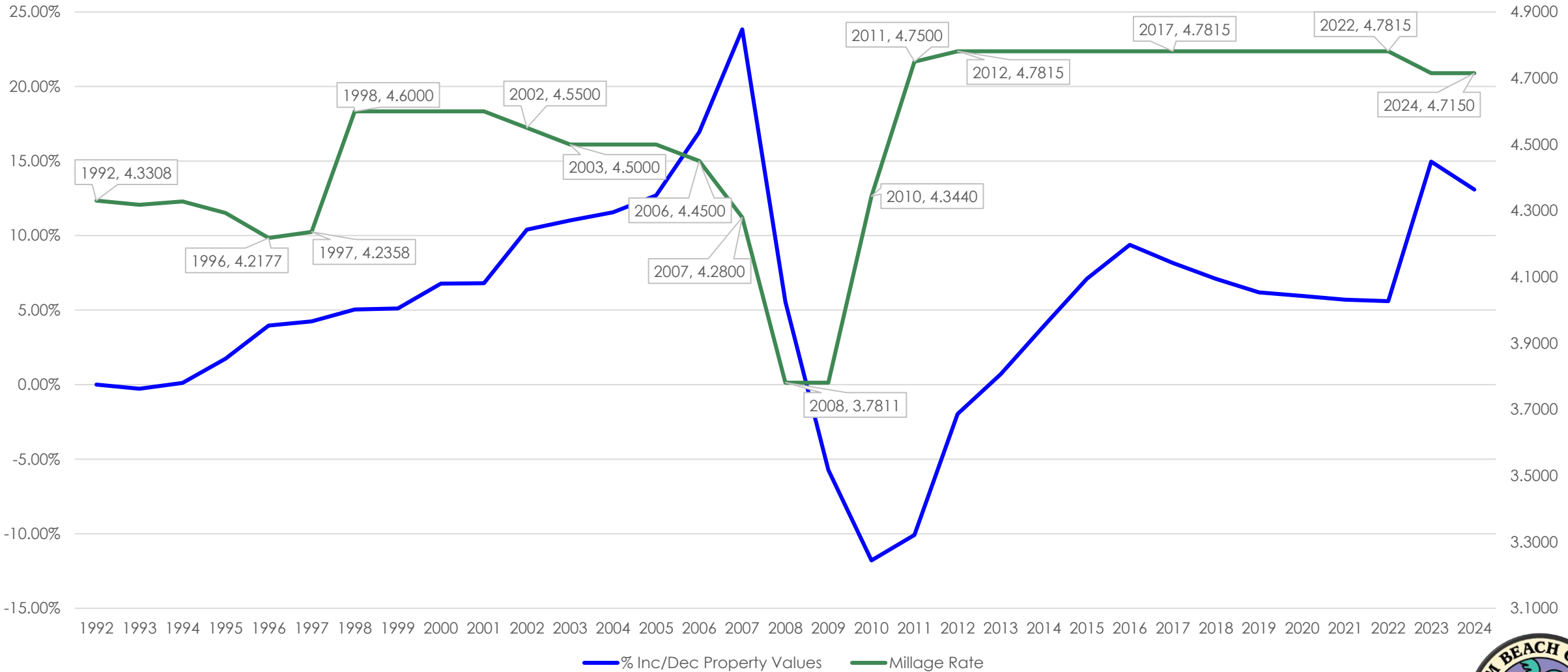
General Fund

	FY 2023 Adopted Budget	FY 2024 Proposed Budget	FY 2025 Projected Budget	FY 2026 Projected Budget	FY 2027 Projected Budget
Property Values*	\$ 255,330,712,693	\$ 288,752,577,607	\$ 303,188,415,556	\$ 318,352,956,481	\$ 334,283,055,248
Revenues					
Ad Valorem Taxes at current rate of 4.715	\$ 1,203,884,310	\$ 1,361,468,403	\$ 1,429,533,379	\$ 1,501,034,190	\$ 1,576,144,605
Major Revenue	267,358,860	301,500,000	307,072,000	312,755,440	318,552,549
Sheriff Revenue	91,881,504	99,495,543	101,485,454	103,515,163	105,585,466
BCC Dept. Revenue	47,142,132	50,248,286	51,253,252	52,278,317	53,323,883
Balance Brought Forward	345,725,127	428,529,241	449,955,703	472,453,488	496,076,163
Other Revenues	23,104,059	29,462,324	28,637,736	28,880,338	29,130,218
Statutory Reserve	(81,208,050)	(92,055,722)	(96,002,989)	(100,135,584)	(104,462,543)
Total Net Revenue at Simple Majority Vote	\$ 1,897,887,942	\$ 2,178,648,075	\$ 2,271,934,535	\$ 2,370,781,352	\$ 2,474,350,341
Appropriations					
Sheriff	\$ 835,420,815	\$ 877,575,755	\$ 969,169,946	\$ 974,921,864	\$ 1,017,281,870
BCC Departments	479,613,510	511,336,194	536,903,004	563,748,154	591,935,562
Other Constitutional Officers	84,776,880	101,014,558	106,065,286	111,368,550	116,936,978
Judicial	8,688,023	8,503,347	8,928,514	9,374,940	9,843,687
Non Departmental	112,196,414	125,487,930	131,762,327	138,350,443	145,267,965
Capital	59,015,000	84,623,000	88,854,150	93,296,858	97,961,700
Reserves - Undesignated	260,409,090	415,166,285	434,924,599	455,670,829	477,454,371
Debt Service (excludes voted)	57,768,210	54,941,006	54,859,153	45,473,073	49,223,674
Total Appropriations	\$ 1,897,887,942	\$ 2,178,648,075	\$ 2,331,466,979	\$ 2,392,204,711	\$ 2,505,905,807
Projected Shortfall at Simple Majority Vote		\$ (105,481,317)	\$ (52,559,110)	\$ (27,599,406)	\$ (43,389,086)
Projected Shortfall Current Millage 4.715		\$ -	\$ (59,532,444)	\$ (21,423,359)	\$ (31,555,466)
Current Millage Millage	4.7150	4.7150	4.7150	4.7150	4.7150
MM Rate with Simple Majority Vote		4.3497	4.7380	4.6956	4.6796
MM Rate with Super Majority Vote		4.7847	5.2118	5.1652	5.1476

* Assumes 5% increase in Property Values in FY 2025 and each year after



History of Changes in Property Values and Millage Rates



Property Values

Total Just Value	481,467,712,919	100.00%	
Less:			
Homestead Cap (3%)	108,668,129,455		
Non-Homestead Cap (10%)	26,554,750,036		
Other	<u>15,889,797,958</u>		
Total Differentials	151,112,677,449		
Total Assessed Value	330,355,035,470	68.61%	100.00%
Less Exemptions:			
\$25k Homestead	9,017,343,832		
Additional \$25k Homestead	8,261,676,058		
Other Exemptions	<u>24,323,437,973</u>		
Total Exemptions	41,602,457,863		
Total Taxable Value	288,752,577,607	59.97%	87.41%



Millage Rate Impact on Homestead Property

	<u>FY 2023</u>	<u>Proposed FY 2024</u>	<u>FY 2023 - FY 2024</u>	
			<u>Amount</u>	<u>%</u>
Property Values				
Median Assessed Value	\$ 188,000	\$ 193,640	\$ 5,640	3.0%
Homestead Exemptions	(50,000)	(50,000)	-	0.0%
Median Taxable Value	<u>\$ 138,000</u>	<u>\$ 143,640</u>	<u>\$ 5,640</u>	<u>4.1%</u>
Countywide Millage Rates				
Operating	4.7150	4.7150	-	0.0%
Voted Debt Service	0.0289	0.0190	(0.0099)	(34.3%)
Total	<u>4.7439</u>	<u>4.7340</u>	<u>(0.0099)</u>	<u>(0.2%)</u>
Property Taxes				
Operating	\$ 650.67	\$ 677.26	\$ 26.59	
Voted Debt Service	3.99	2.73	(1.26)	
Total	\$ 654.66	\$ 679.99	\$ 25.33	3.9%



Millage Rate Impact Different Property Values

Property Value (Before \$50k Exemption)	FY 2023 Millage 4.715	FY 2024 Proposed 4.715	Increase	
			Amount	%
\$370,000	\$1,508.80	\$1,561.14	\$52.34	3.5%
\$500,000	\$2,121.75	\$2,192.48	\$70.72	3.3%
\$1,000,000	\$4,479.25	\$4,620.70	\$141.45	3.2%



Property Tax History of a Single Family Home

	2014	2015	2016	2017	2018	2019	2020	2021*	2022	2023 Prop	
Just Value	\$171,262	\$206,644	\$221,639	\$235,637	\$252,547	\$267,648	\$284,993	\$304,233	\$400,355	\$453,842	
% Increase		20.7%	7.3%	6.3%	7.2%	6.0%	6.5%	6.8%	31.6%	13.4%	
Assessed Value	\$150,094	\$151,295	\$152,354	\$155,553	\$158,820	\$161,838	\$165,560	\$304,233	\$313,360	\$322,761	
% Increase		0.8%	0.7%	2.1%	2.1%	1.9%	2.3%	83.8%	3.0%	3.0%	
Exemption	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
Taxable Value	\$100,094	\$101,295	\$102,354	\$105,553	\$108,820	\$111,838	\$115,560	\$254,233	\$263,360	\$272,761	
Millage Rate	4.7815	4.7815	4.7815	4.7815	4.7815	4.7815	4.7815	4.7815	4.7150	4.7150	
Taxes	\$478.60	\$484.34	\$489.41	\$504.70	\$520.32	\$534.75	\$552.55	\$1,215.62	\$1,241.74	\$1,286.07	
% Increase		1.2%	1.0%	3.1%	3.1%	2.8%	3.3%	120.0%	2.1%	3.6%	
									Taxes if millage did not decrease	\$1,259.26	\$1,304.21
									Homeowner savings due to lower millage	\$17.51	\$18.14
CPI		0.8%	0.7%	2.1%	2.1%	1.9%	2.3%	1.4%	7.0%	6.5%	
Value Loss due to Cap		\$55,349	\$69,285	\$80,084	\$93,727	\$105,810	\$119,433	\$0	\$86,995	\$131,082	
Tax Loss due to Cap		\$264.65	\$331.29	\$382.92	\$448.16	\$505.93	\$571.07	\$0.00	\$410.18	\$618.05	

* This home changed ownership in 2020, allowing for a revaluation in 2021, not subject to a cap (Assessed Value = Just Value)

2023 Proposed is equal to 2022 plus the average increase for all properties. Current Zillow Estimate = \$541,400



Future Funding/Budget Issues

Maximum Millage Rate

For FY 2024, 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 5% for FY 2025 through FY 2027 and per capita Florida income changing per current state estimates, FY 2025 would require a simple majority vote, but FY 2026 - FY 2027 are above the maximum millage rate and would require a super majority vote.

	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Roll-Back Rate	4.2392	4.2296	4.5588	4.5567	4.5548
Adopted Millage Rate	4.7150	4.7150	4.7150	4.7150	4.7150
Maximum Millage (MM) Rate					
Prior Year	4.7951	4.5124	4.3497	4.7380	4.6956
Roll-Back MM	4.2518	4.2296	4.5588	4.5802	4.5548
Per Capita Florida Income	6.13%	2.84%	3.93%	2.52%	2.74%
Majority Vote MM	4.5124	4.3497	4.7380	4.6956	4.6796
2/3 Vote Maximum Millage *	4.9636	4.7847	5.2118	5.1652	5.1476

* Unanimous vote above this amount



Outstanding Budget Issues FY 2024



Future Property Value Increases

Prepare for leveling off of future property value increases



July 1st Property Values

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



Future Expenses

Continue to build CIP
Continue to build Reserves
Affordable/Workforce Housing





Questions/Comments