Thursday, October 29, 2009

Palm Beach Civic Association Symposium

"Where Your Money Goes"

Town of Palm Beach
TAXES & FINANCES

Guest Speaker

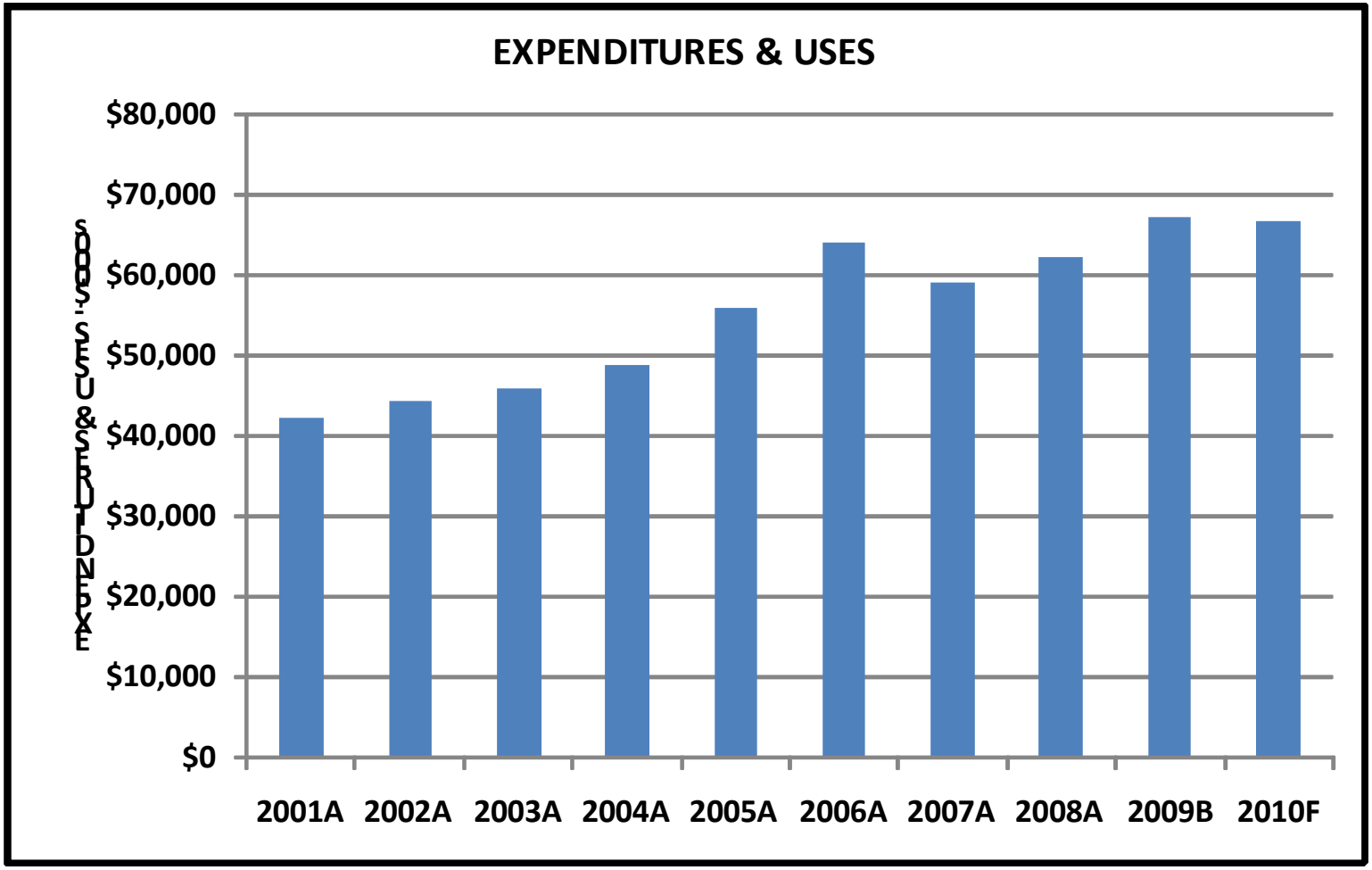
Robert Wildrick

Town Councilman
Tax & Finance Chair

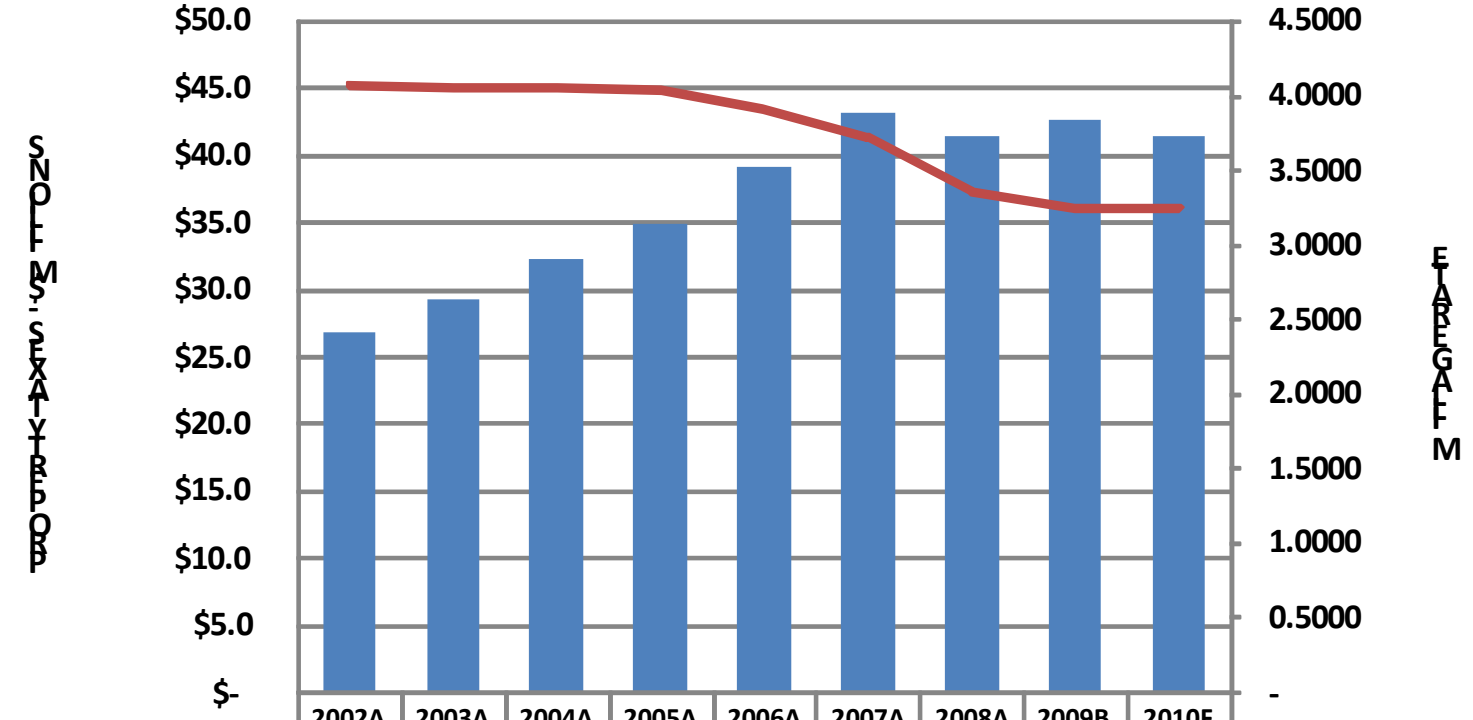
Challenges for FY10 and Beyond

- *Declining Property Tax Values*
- *Poor Economy*
- *Insufficient Funding for Capital Projects*
- *Market Losses and Pension Funding Increases*
- *Deficits Projected for FY12 and Beyond*

General Fund Budget Trends

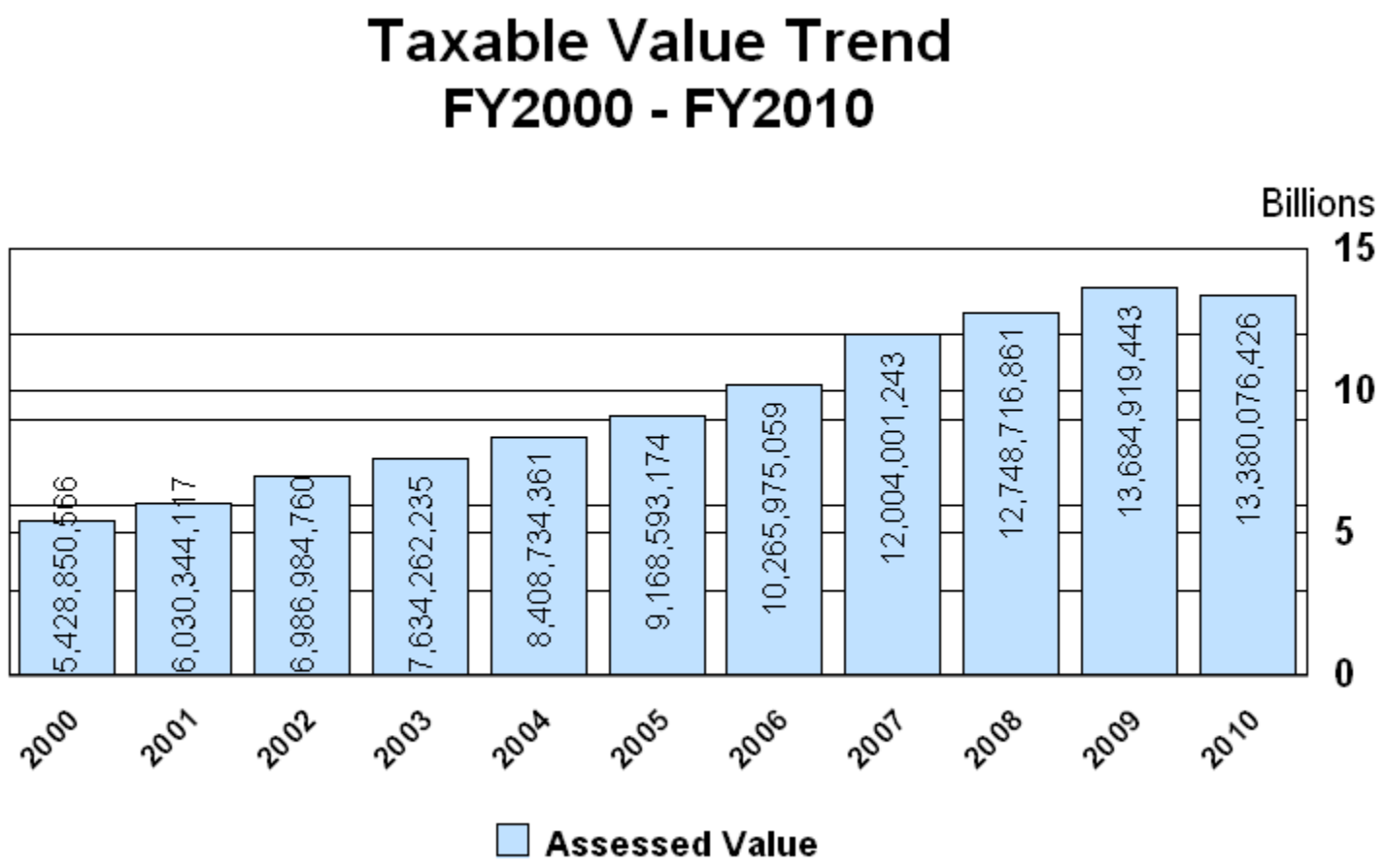


Property Tax Revenue Trends



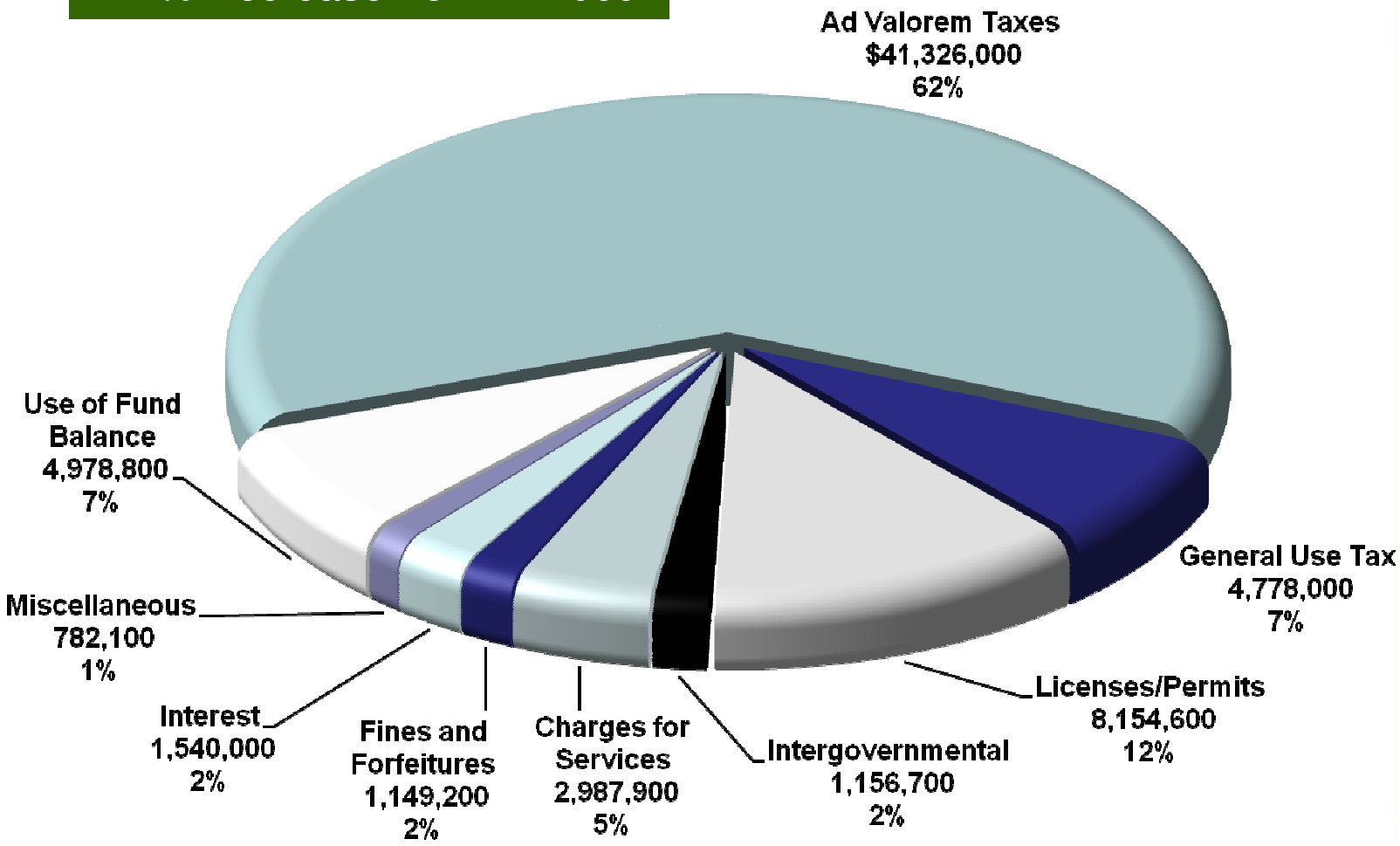
	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009B	2010F
PROPERTY TAXES	$26.7	$29.2	$32.2	$34.9	$39.0	$43.1	$41.5	$42.5	$41.3
MILLAGE RATE	4.0641	4.0541	4.0529	4.0287	3.9080	3.7273	3.3637	3.2512	3.2512

Taxable Value



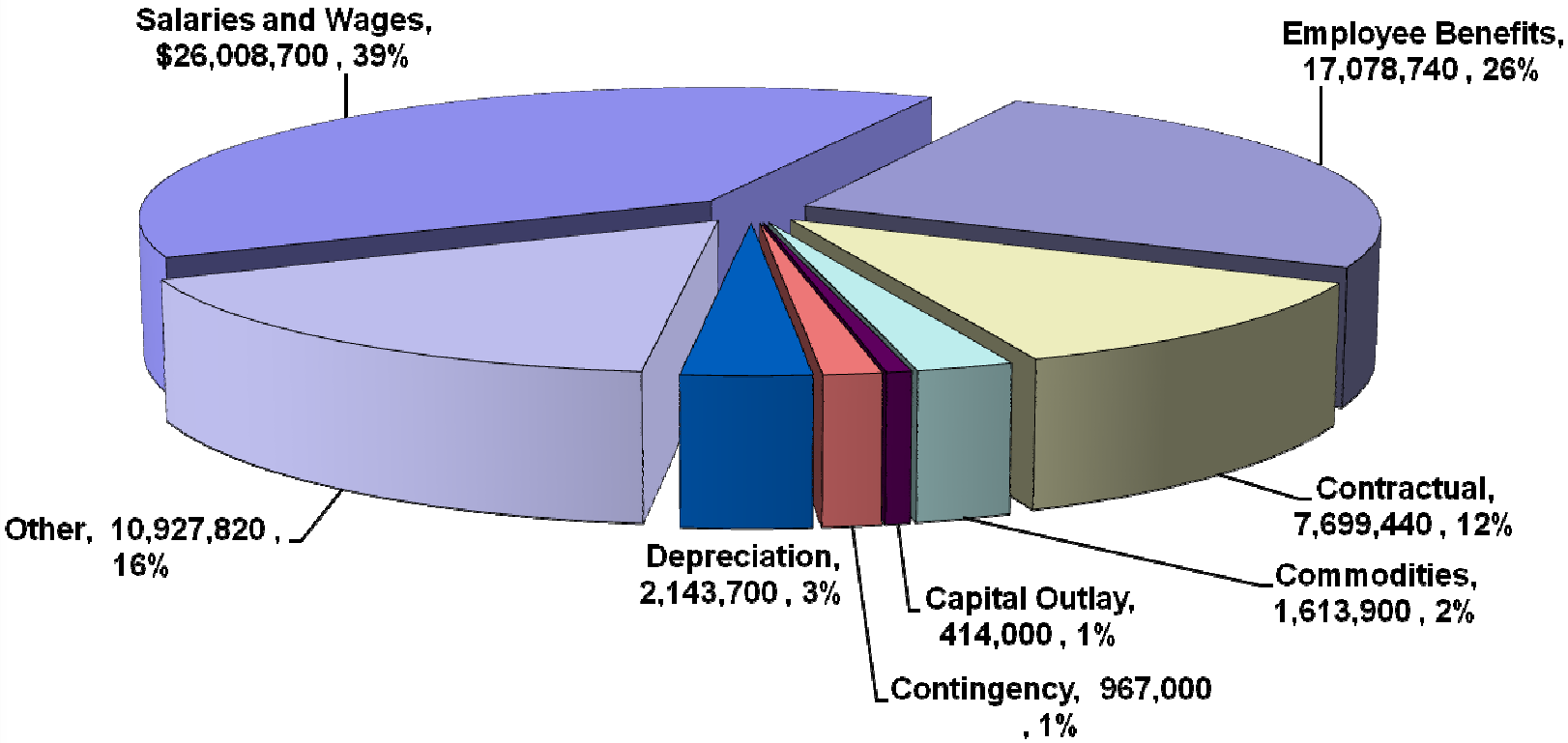
General Fund Revenues $66,853,300

.72% Decrease from FY2009

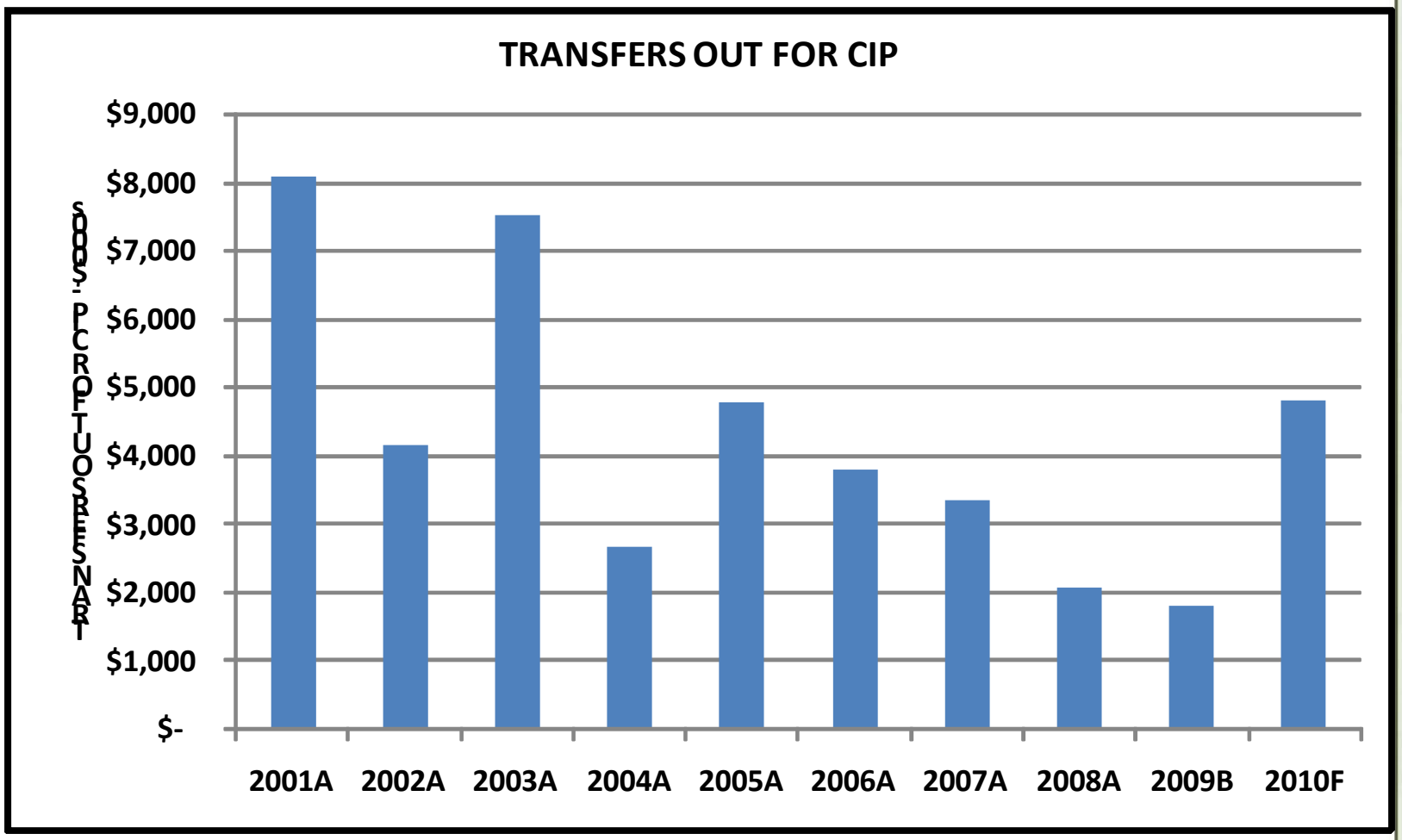


General Fund Expenditures $66,853,300

.72% Decrease from FY2009



Capital Improvement Transfer



Capital Improvement Fund

Projects for FY10

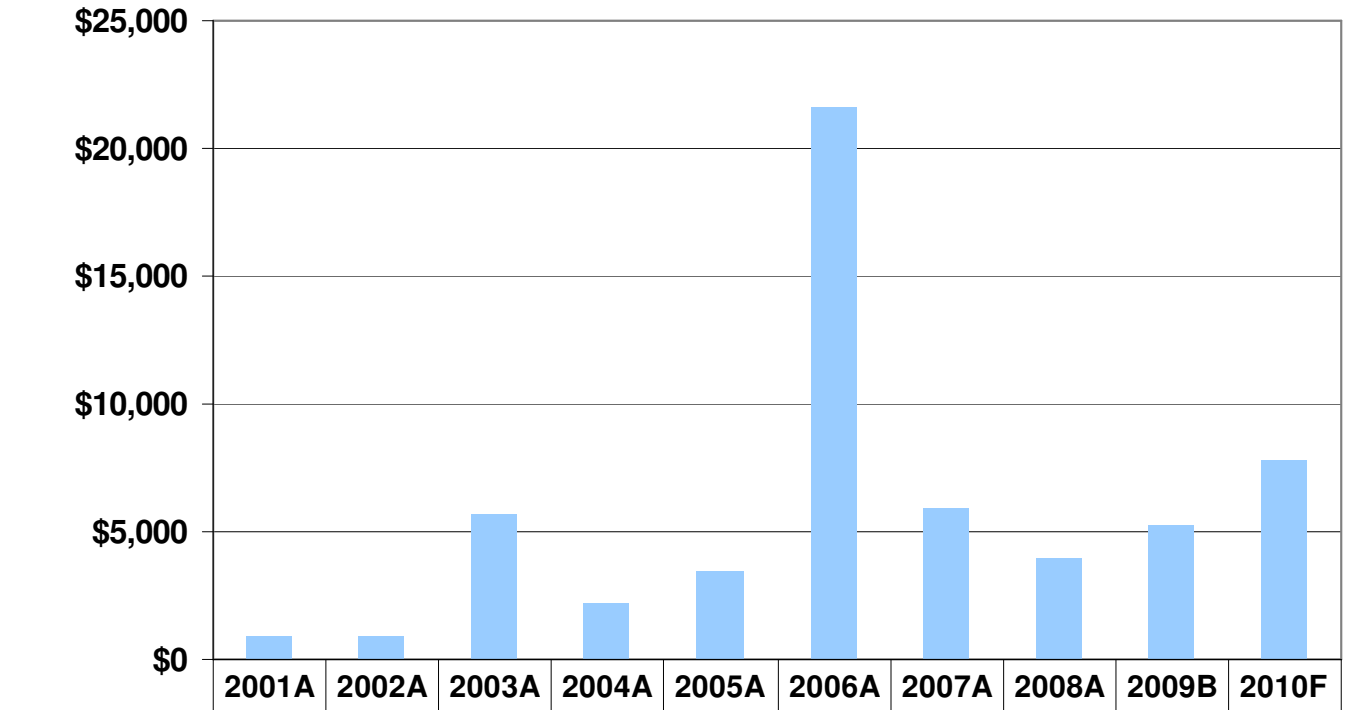
Storm Water Projects	$ 777,000
Sanitary Sewer System Projects	1,276,957
Milling and Resurfacing Projects	250,000
Water main Improvement Projects	500,000
North Fire Station Signal	65,000
Reserve for 20 Year CIP	2,600,000
Total	$5,468,957

Coastal Protection Fund

FY10 Proposed Projects

Mandatory Items	$687,480
(Including Sea Turtle Monitoring, Beach Tilling, Escarpment Reduction, and Biological Monitoring)	
FEMA/Dune enhancement sand placement	5,495,520
(FEMA/State Reimbursement - $4,027,172)	
Permitting for Phase II Sand Transfer Plant	350,000
Planning and Permitting for Dredging	150,000
Coastal Structure Study and Permitting for Reach 7	400,000
Reach 8 Structure Study	500,000
Other:	200,000
North Ocean Blvd Seawall - $50,000	
General Coastal Engineering - $100,000	
USACE Lawsuit – Technical Asst. - $50,000	
Total	$7,783,000

Coastal Protection Expenditure Trends



	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009B	2010F
Proj. Exps.	908	971	5,642	2,240	3,484	21,613	5,939	4,020	5,264	7,783

Major Cuts in FY10 Budget

- *Cut 10.41 Positions Townwide w/out Layoffs*
- *Total Wage Freeze for All Employees*
- *Health Insurance Program Changes*
- *Reductions in Overtime*
- *Elimination of Extraordinary Longevity*
- *Non-Personnel Savings in Every Department*
- *Final Year of Software Upgrade*

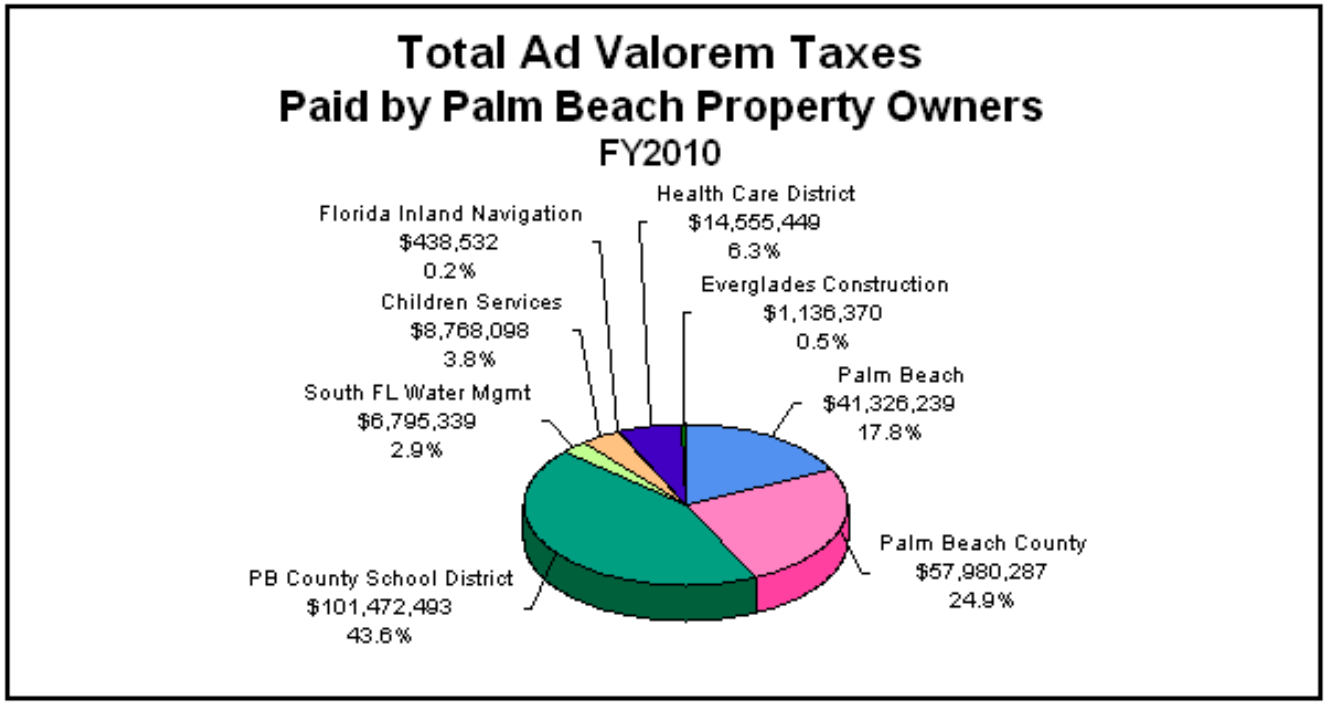
FY10 Budget Summary

- *FY10 Budget is .7% Lower than FY09*
- *Increased Investment in Capital Improvements from $1.8 Million to $4.8 Million*
- *Maintained Levels of Service*
- *No Fee Increases (Except in Recreation)*
- *Maintained FY09 Millage rate of 3.2512*
- *Ad Valorem Tax Revenue is $1,217,000 Less than FY09*
- *Reduced Future Deficits*

What FY10 Budget Means to Taxpayers

Maintained FY09 Millage Rate of 3.2512

- "Average" Taxpayer pays 2.3% less than FY09
- Town millage rate historically has represented 20% of total property tax bill. For FY10 Palm Beach represents 17.8%.



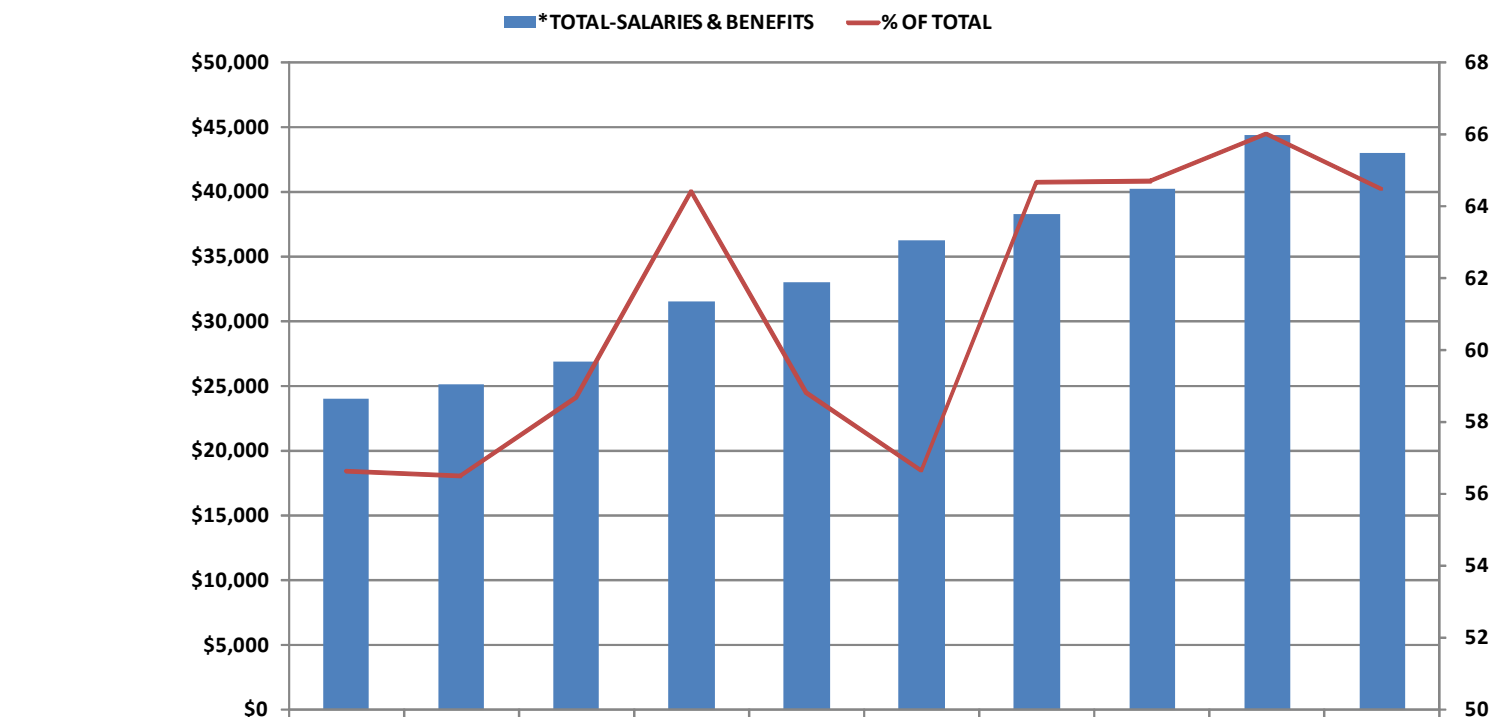
Taxes Paid by Palm Beach Property Owners

		Millage Rate	Taxes Paid	% of Total
Palm Beach Taxable Value	***$13,380,076,426***			
Town of Palm Beach		**3.2512**	**$41,326,239**	**17.78%**
Palm Beach County		4.5614	57,980,287	24.94%
PB County School District		7.9830	101,472,493	43.65%
South FL Water Mgnt		.5346	6,795,339	2.92%
Children Services		.6898	8,768,098	3.77%
FIND		.0345	438,532	0.19%
Health Care Dist		1.1451	14,555,449	6.26%
Everglades Construction		.0894	1,136,370	0.49%
Total for All Taxing Districts		**18.2890**	**$232,472,807**	**100.00%**

Plan of Action for Future

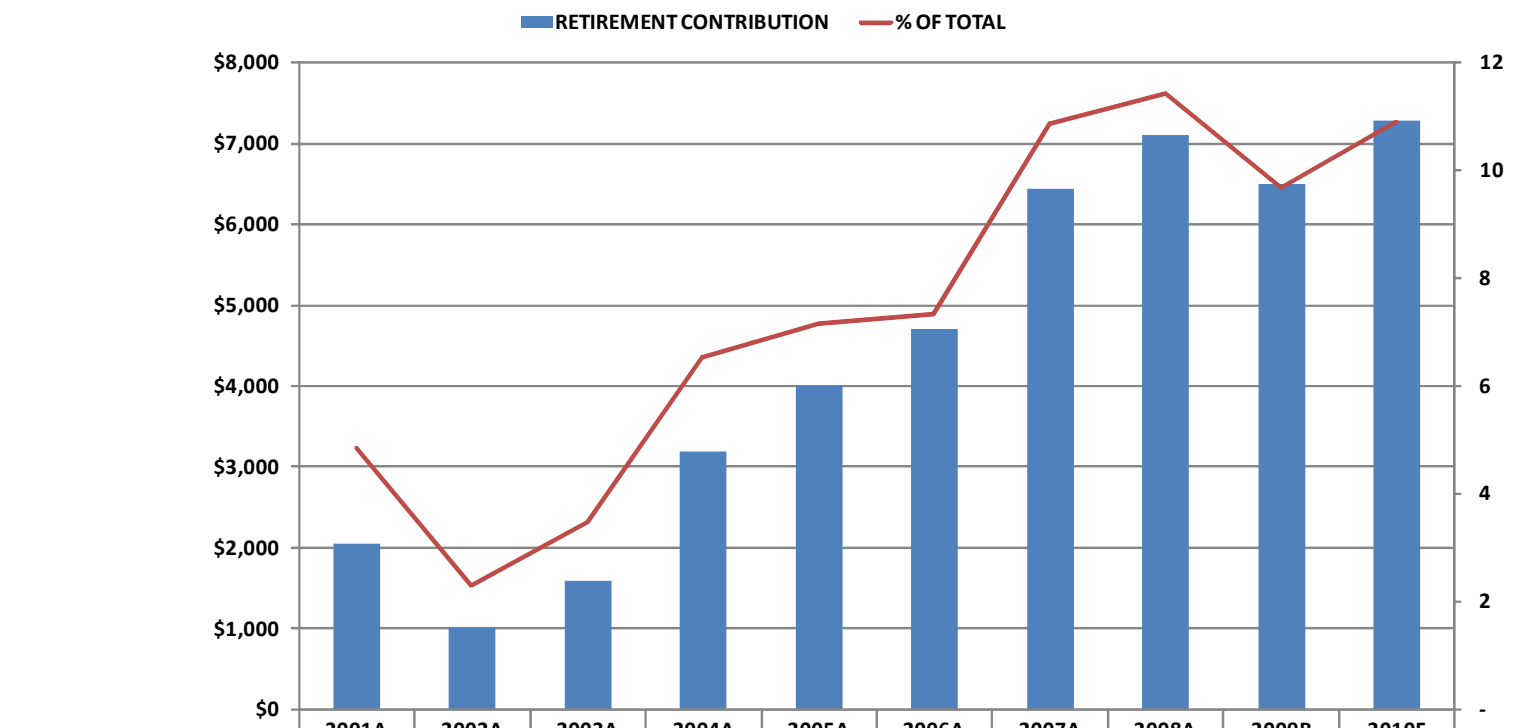
- *Pension Benefit Review*
- *Further Review of Health Insurance Program*
- *Review Town Compensation Program*
- *Consider Contracting for Some Services*
- *Consider Other Opportunities for Staff Reduction*
- *Increase Level of Collaboration in Vehicle Maintenance*
- *Create an Erosion Control District*
- *Analyze Debt vs. PAYGO for Capital Projects*
- *Consider other Options from Comprehensive Review of Town Operations conducted in 2008 (Including Revenue Options)*

Total Pay and Benefits Trends



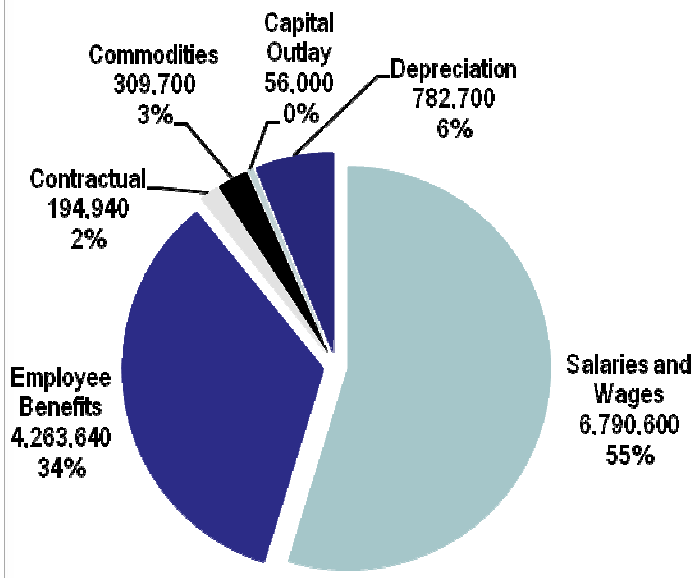
	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009B	2010F
*TOTAL-SALARIES & BENEFITS	24,031	25,190	26,980	31,587	33,020	36,328	38,377	40,289	44,441	43,087
% OF TOTAL	57	56	59	64	59	57	65	65	66	64

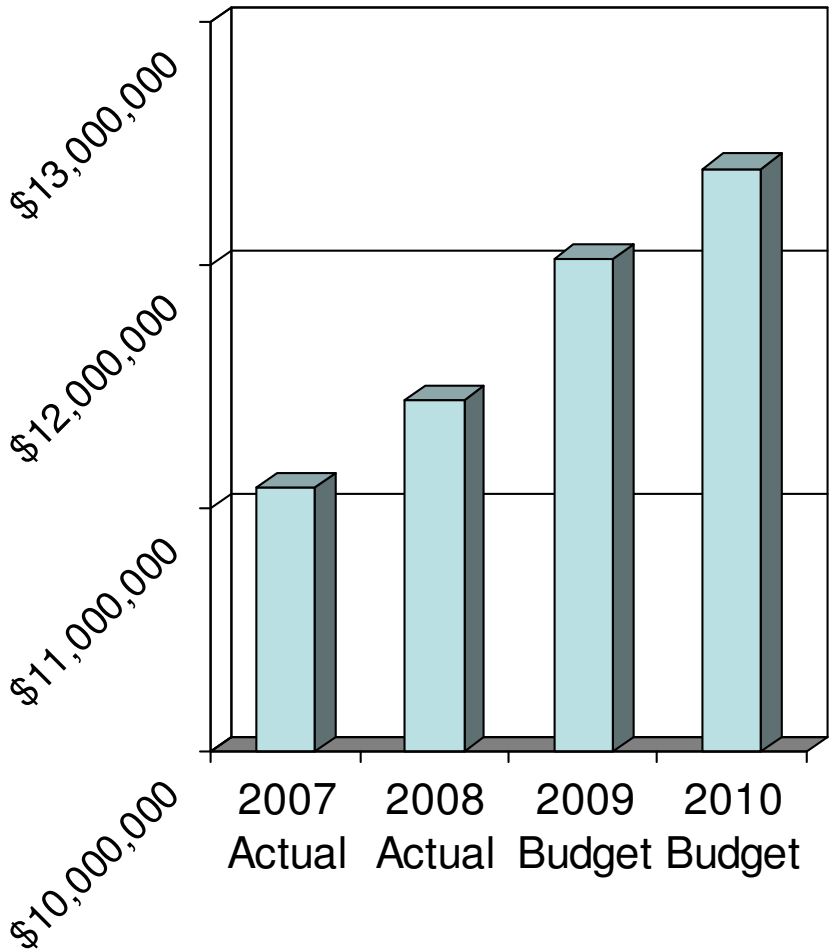
Pension Trends



	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009B	2010F
RETIREMENT CONTRIBUTION	2,059	1,019	1,599	3,205	4,014	4,707	6,452	7,116	6,502	7,286
% OF TOTAL	5	2	3	7	7	7	11	11	10	11

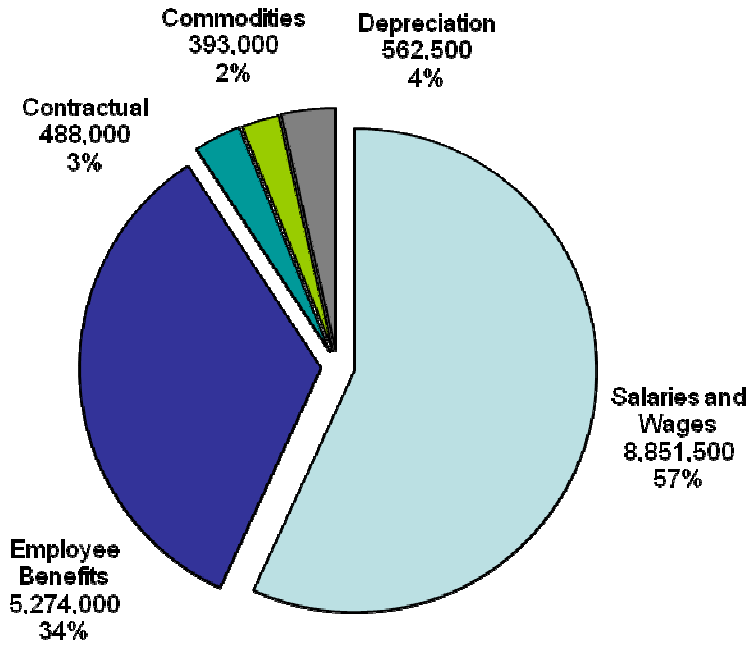
Fire-Rescue $12,397,580
18.54% of Total Budget

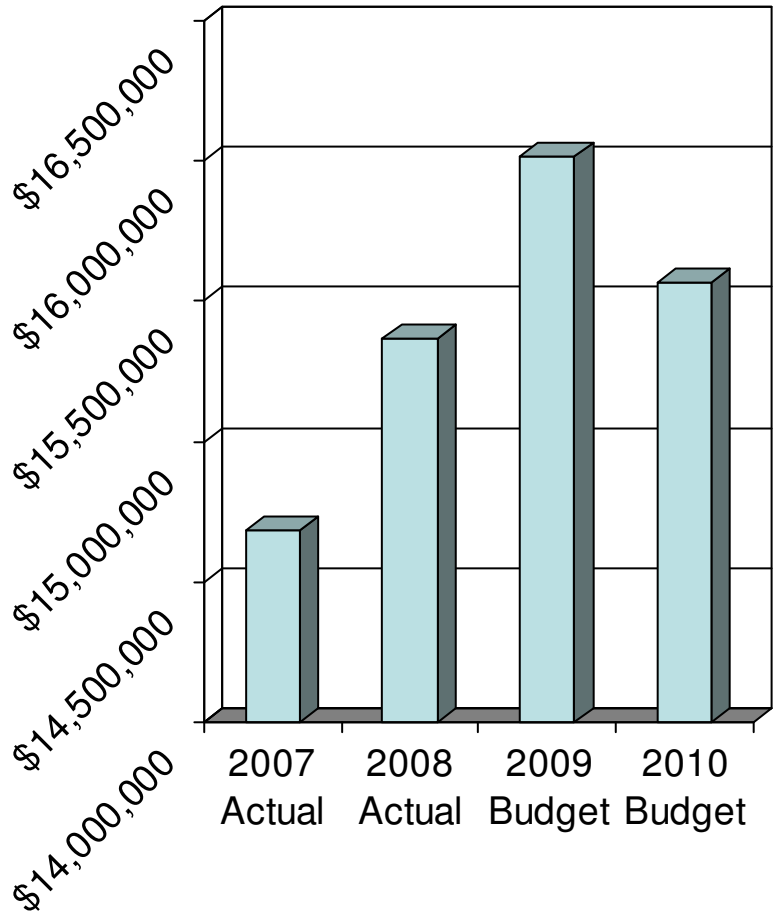




3.10% Increase over FY2009

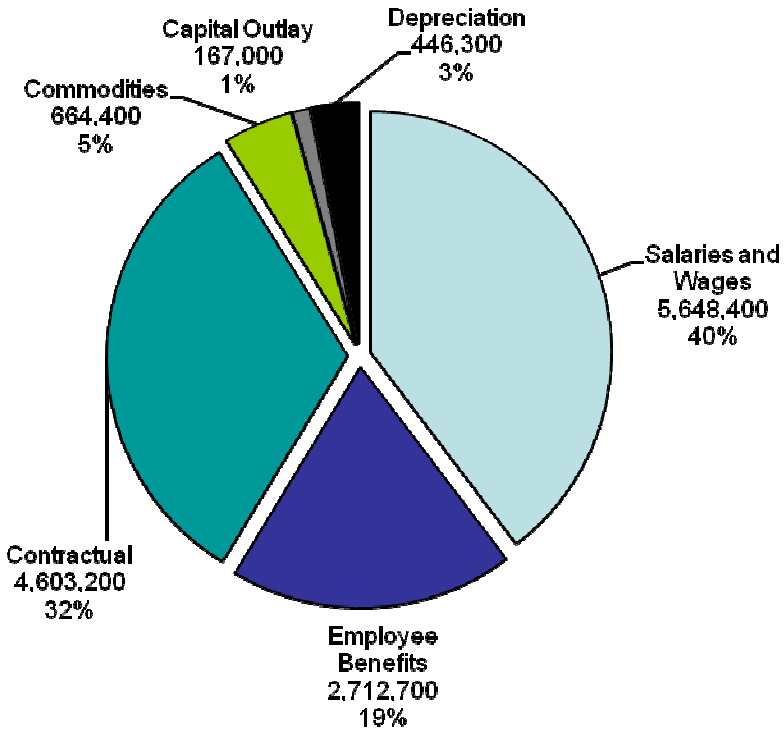
Police $15,569,000
$23.29% of Total Budget

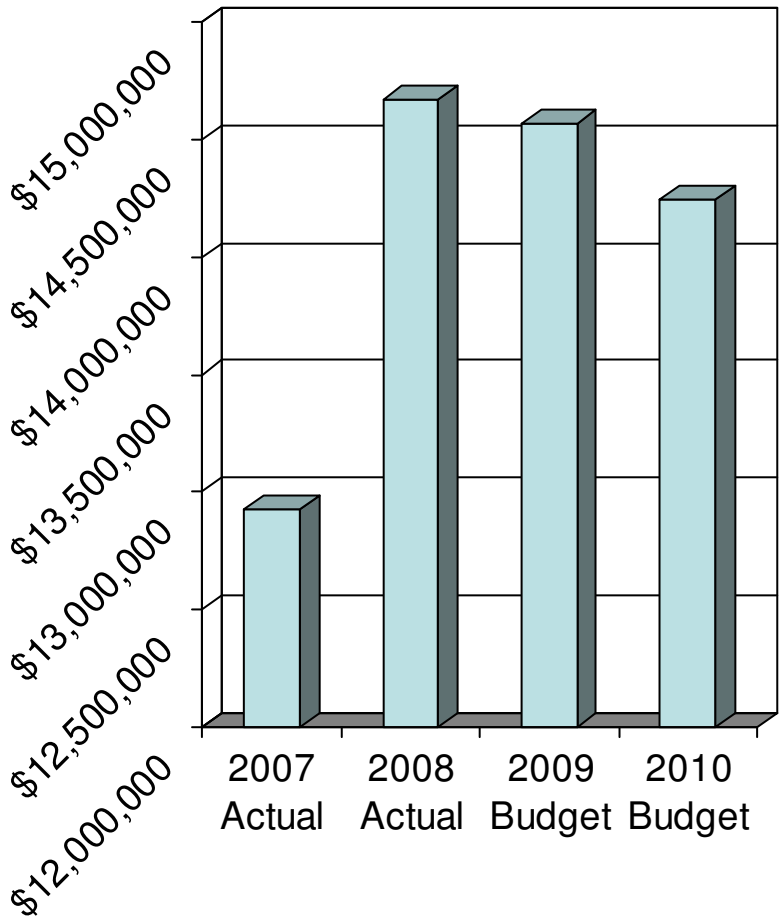




2.80% Decrease from FY2009

Public Works $14,242,000
21.30% of Total Budget





2.25% Decrease from FY2009

Revenue and Expenditure Forecast

Town of Palm Beach
Revenue and Expenditure Forecast

	FY09 Budget	*FY10 Budget*	*FY11*	*FY12*	*FY13*	*FY14*	*FY15*	*FY16*	*FY17*	*FY18*
Revenues										
Ad Valorem Taxes	42,543,000	41,326,000	42,565,780	43,842,752	45,158,036	46,512,777	47,908,160	49,345,405	50,825,767	52,350,540
Non Ad Valorem Taxes	7,043,000	7,258,000	7,472,540	7,693,452	7,920,926	8,155,158	8,396,349	8,644,707	8,900,444	9,163,782
Licenses & Permits	5,612,900	5,607,300	5,724,300	5,869,508	6,035,620	6,205,806	6,381,238	6,562,098	6,748,574	6,940,860
Intergovernmental	1,261,400	1,156,700	1,131,225	1,155,812	1,186,286	1,217,675	1,250,005	1,283,305	1,317,604	1,352,932
Charges for Services	3,158,400	2,987,900	3,016,767	3,077,061	3,139,134	3,224,224	3,311,351	3,401,291	3,493,400	3,588,471
Fines and Forefeitures	1,521,200	1,149,200	1,271,000	1,306,000	1,346,000	1,372,920	1,400,378	1,428,386	1,456,954	1,486,093
Investment Earnings	1,201,300	1,540,000	1,650,000	1,720,000	1,737,200	1,754,572	1,772,118	1,789,839	1,807,737	1,825,815
Miscellaneous and Transfers	859,300	849,400	858,228	860,935	863,723	871,470	879,424	887,593	895,980	904,594
Total Revenues	63,200,500	61,874,500	63,689,840	65,525,520	67,386,925	69,314,602	71,299,023	73,342,624	75,446,460	77,613,087
Transfers from Fund Balance	4,135,100	4,978,800	1,583,000	1,646,000	1,712,000	1,712,000	1,712,000	1,712,000	1,712,000	1,712,000
Expenditures										
Salaries and Wages	28,624,800	27,208,500	27,941,685	29,308,769	30,744,208	32,251,418	33,833,989	35,495,688	37,240,473	39,072,497
Employee Benefits	14,167,430	14,368,940	15,986,335	17,656,907	19,373,158	21,184,549	23,055,144	24,496,091	26,041,794	27,703,261
Contractual	7,588,890	7,659,440	7,848,924	8,044,644	8,248,858	8,458,177	8,672,729	8,892,644	9,118,058	9,349,107
Commodities	1,698,390	1,613,900	1,654,233	1,695,573	1,737,948	1,781,381	1,825,901	1,871,533	1,918,307	1,966,249
Capital Outlay	2,804,666	2,557,700	2,478,823	2,527,621	2,589,939	2,653,815	2,719,287	2,786,397	2,855,185	2,925,692
Library Services	272,400	272,400	286,020	300,321	315,337	331,104	347,659	365,042	383,294	402,459
Transfer to Capital Improvement	3,817,000	4,828,957	3,400,000	3,400,000	3,400,000	4,000,000	4,500,000	5,000,000	5,500,000	6,000,000
Transfer to Equip Replacement	-	-	-	-	-	-	-	-	-	-
Debt Service	3,790,000	3,922,000	1,135,000	1,262,000	1,243,000	1,207,876	1,183,659	1,169,027	1,148,985	1,128,519
Retiree Health	1,649,000	1,550,000	1,581,000	1,612,620	1,644,872	1,677,770	1,711,325	1,745,552	1,780,463	1,816,072
Transfer to Risk Insurance Fund	1,918,000	1,904,463	2,025,567	2,198,856	2,404,273	2,620,658	2,856,517	3,113,603	3,393,828	3,699,272
Contingency	1,005,024	967,000	975,074	1,036,235	1,097,972	1,163,949	1,234,903	1,310,876	1,392,411	1,480,040
Total Expenditures	67,335,600	66,853,300	65,312,661	69,043,546	72,799,565	77,330,697	81,941,113	86,246,453	90,772,798	95,543,168
Surplus/(Deficit)	-	-	(39,821)	(1,872,026)	(3,700,640)	(6,304,095)	(8,930,090)	(11,191,829)	(13,614,338)	(16,218,081)

Revenue and Expenditure History

Town of Palm Beach
Revenue and Expenditure History

	FY01 Actual	*FY02 Actual*	*FY03 Actual*	*FY04 Actual*	*FY05 Actual*	*FY06 Actual*	*FY07 Actual*	*FY08 Actual*
Revenues								
Ad Valorem Taxes	25,674,254	26,688,138	29,201,359	32,162,957	34,928,389	39,008,774	43,096,605	41,457,250
Non Ad Valorem Taxes	5,951,844	6,089,775	6,106,741	6,084,211	6,372,391	6,961,865	6,945,297	7,281,836
Licenses & Permits	6,236,113	5,503,582	5,654,137	6,116,488	6,913,397	6,473,831	7,104,528	7,773,244
Intergovernmental	1,074,631	1,199,669	1,277,658	3,295,937	5,211,639	4,222,145	1,329,328	1,248,316
Charges for Services	2,309,480	2,227,358	2,560,809	2,054,191	2,097,306	2,487,444	2,449,038	2,808,506
Fines and Forefeitures	758,453	550,322	863,474	1,046,677	811,038	770,067	1,541,448	1,183,318
Investment Earnings	1,782,377	665,829	583,091	527,686	905,025	1,902,793	2,287,127	1,368,751
Miscellaneous and Transfers	1,633,333	1,046,746	797,067	2,793,106	746,326	776,632	829,587	924,286
Total Revenues	45,420,485	43,971,419	47,044,336	54,081,253	57,985,511	62,603,551	65,582,958	64,045,507
Transfers from Fund Balance								-
Expenditures								
Salaries and Wages	16,795,733	18,743,700	19,506,156	21,576,296	22,395,643	24,318,537	24,543,973	25,280,657
Employee Benefits	6,555,973	5,755,802	6,720,105	9,246,551	9,912,445	11,090,705	12,839,652	13,541,919
Contractual	4,508,277	4,622,614	4,694,741	6,208,969	7,747,325	9,689,924	7,488,710	8,169,201
Commodities	1,096,258	1,191,164	1,248,220	1,504,576	1,745,212	2,237,009	2,027,884	2,051,710
Capital Outlay	1,311,779	1,288,797	1,343,673	1,530,007	1,664,443	1,888,647	2,067,233	3,375,524
Library Services	125,000	235,000	235,000	235,000	335,000	235,000	247,000	259,350
Transfer to Capital Improvement	8,096,679	4,162,125	7,525,700	2,682,000	4,788,000	3,812,491	3,378,801	2,096,000
Transfer to Equip Replacement	-	4,382,972	-	-	-	4,205,523	-	-
Debt Service	1,309,802	1,211,858	1,211,858	2,480,000	2,572,810	3,402,060	3,529,000	3,652,000
Retiree Health	693,003	697,609	760,330	769,262	714,067	918,991	993,700	1,466,000
Transfer to Risk Insurance Fund	1,948,065	2,292,624	2,746,915	2,810,033	4,294,410	2,390,000	2,220,201	2,392,000
Contingency								-
Total Expenditures	42,440,569	44,584,265	45,992,698	49,042,694	56,169,355	64,188,887	59,336,154	62,284,361
Surplus/(Deficit)	***2,979,916***	***(612,846)***	***1,051,638***	***5,038,559***	***1,816,156***	***(1,585,336)***	***6,246,804***	***1,761,146***

Tax Rate Forecast

FY09 Total Tax Rate	16.7247
FY10 Total Tax Rate	18.2890
% Increase FY09 vs. FY10	9.35%
FY18 Rate Assuming 9.35% Increase Per Year	37.3887

	Taxable Value	Total Taxes at FY10 Millage	Total Taxes at FY18 Estimate
Taxpayer A	$8,000,000	$146,312	$299,110
Taxpayer B	2,500,000	45,723	93,472
Taxpayer C	250,000	4,572	9,347