



# Palm Beach County, FL

FY 2021 Proposed Budget

Budget Workshop  
June 16, 2020

# Important Meeting Dates

Meeting	Date	Time
Budget Retreat	November 26, 2019	9:30 AM
Initial Budget Workshop	June 16, 2020	6:00 PM
Board Sets Millage Rate	July 7, 2020	Regular BCC Meeting
1 <sup>st</sup> Public Hearing	September 3, 2020	6:00 PM
2 <sup>nd</sup> Public Hearing	September 15, 2020	6:00 PM

# Strategic Priorities FY 2021

- **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 2021 Major Assumptions and Factors

- Countywide Budget is balanced at the current rate of 4.7815 mills
  - Proposed rate will generate \$1 billion, a 5.3% increase
- BCC Departments
  - Net Ad Valorem budgets for BCC Departments up \$25.4 million (6.6%)
  - Across the board 3% pay increase - \$7.0 million
  - Supplemental funding - \$6.9 million
  - FRS Rate Increases - \$3.1 million
  - Compensation Study - \$3.0 million
  - Includes 26 Ad Valorem funded positions and 88 non-Ad Valorem funded positions
- Sheriff
  - Net Budget increase of \$31.8 million – includes \$8.6 million of capital equipment
- Capital Project Funding - \$39 million – an increase of \$0.9 million over FY 2020
  - Primarily R&R Projects
  - Not included in this number is the Sheriff's capital request of \$8.6 million and Palm Tran replacement vehicles of \$3.6 million, and other non-Ad Valorem funding for projects

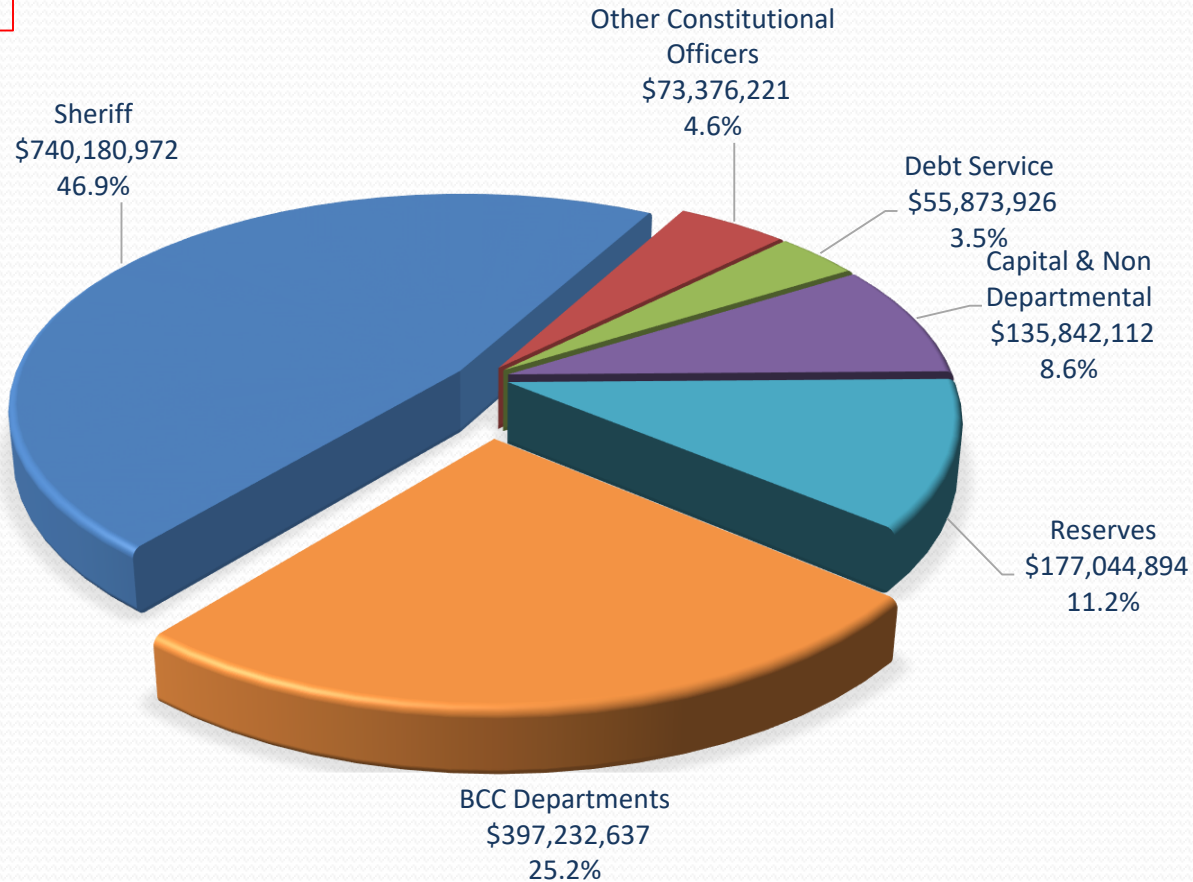
# FY 2021 Budget Highlights

- **Economic Development**
  - Business Incentives\* - \$3.4 million
- **Housing/Homelessness**
  - Temporary Homeless Resource Center - \$6 million
  - Glades Non-Congregate Shelter - \$2 million
  - Homeless Resource Centers - \$10.6 million
  - Affordable Housing\* - \$5 million
- **Environmental Protection**
  - Natural Areas\* - \$3.85 million
  - Manatee Protection\* - \$750k
- **Infrastructure**
  - Capital Projects - \$39.0 million
  - Palm Tran Operations/Vehicles - \$50.2 million (includes Holiday Service - \$1.2 million)
- **Substance Use and Behavior Disorder**
  - Addiction Stabilization Center\* - \$1.0 million
  - Recover Support\* - \$1.5 million
- **Public Safety**
  - Fire Rescue (3 FF on truck) - \$12 million

# FY 2021

## General Fund Total Gross Appropriation Budget \$1,579,550,762

Sheriff Net Budget  
\$652.9 million



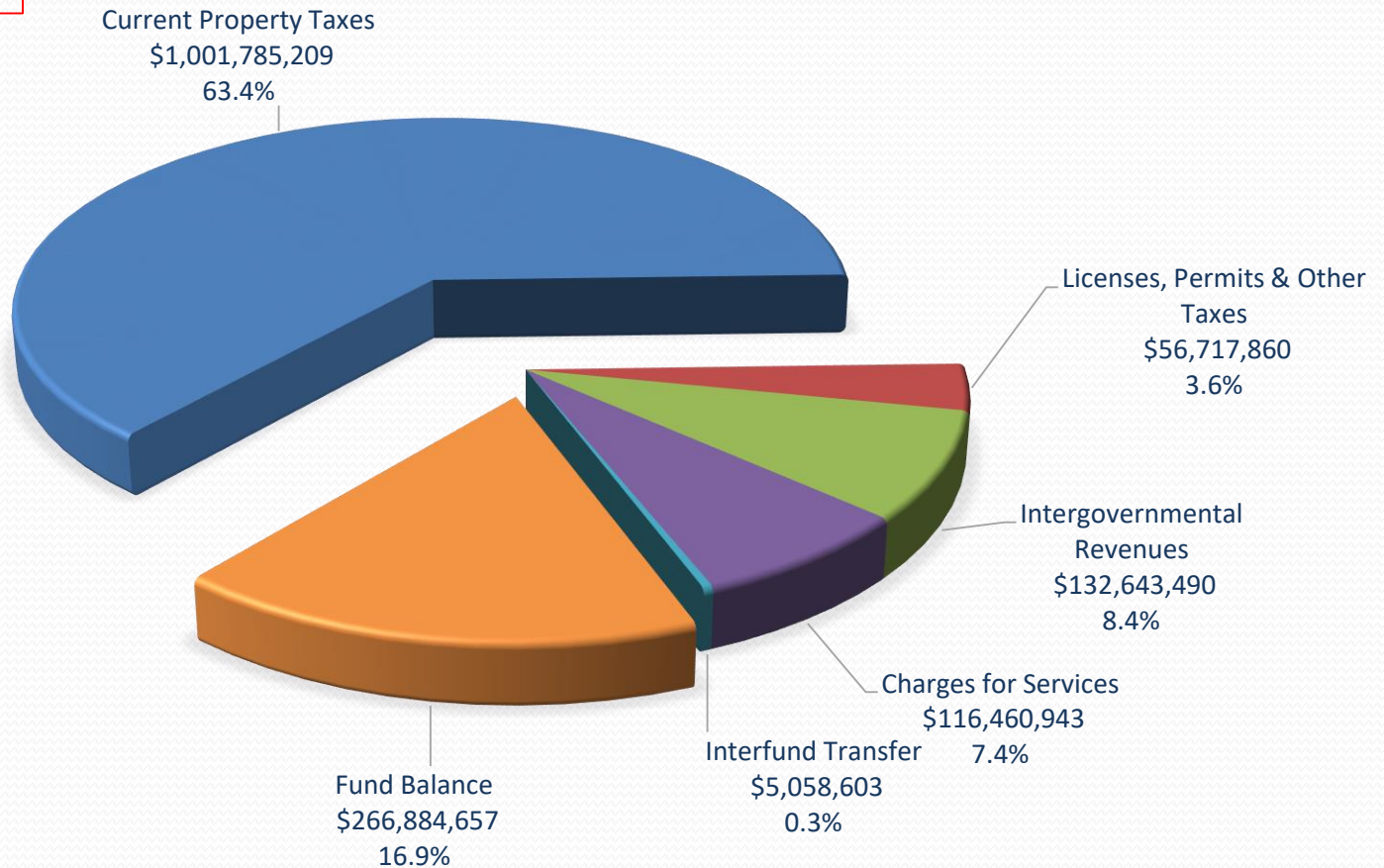


# FY 2021

## General Fund Sources of Funds by Category

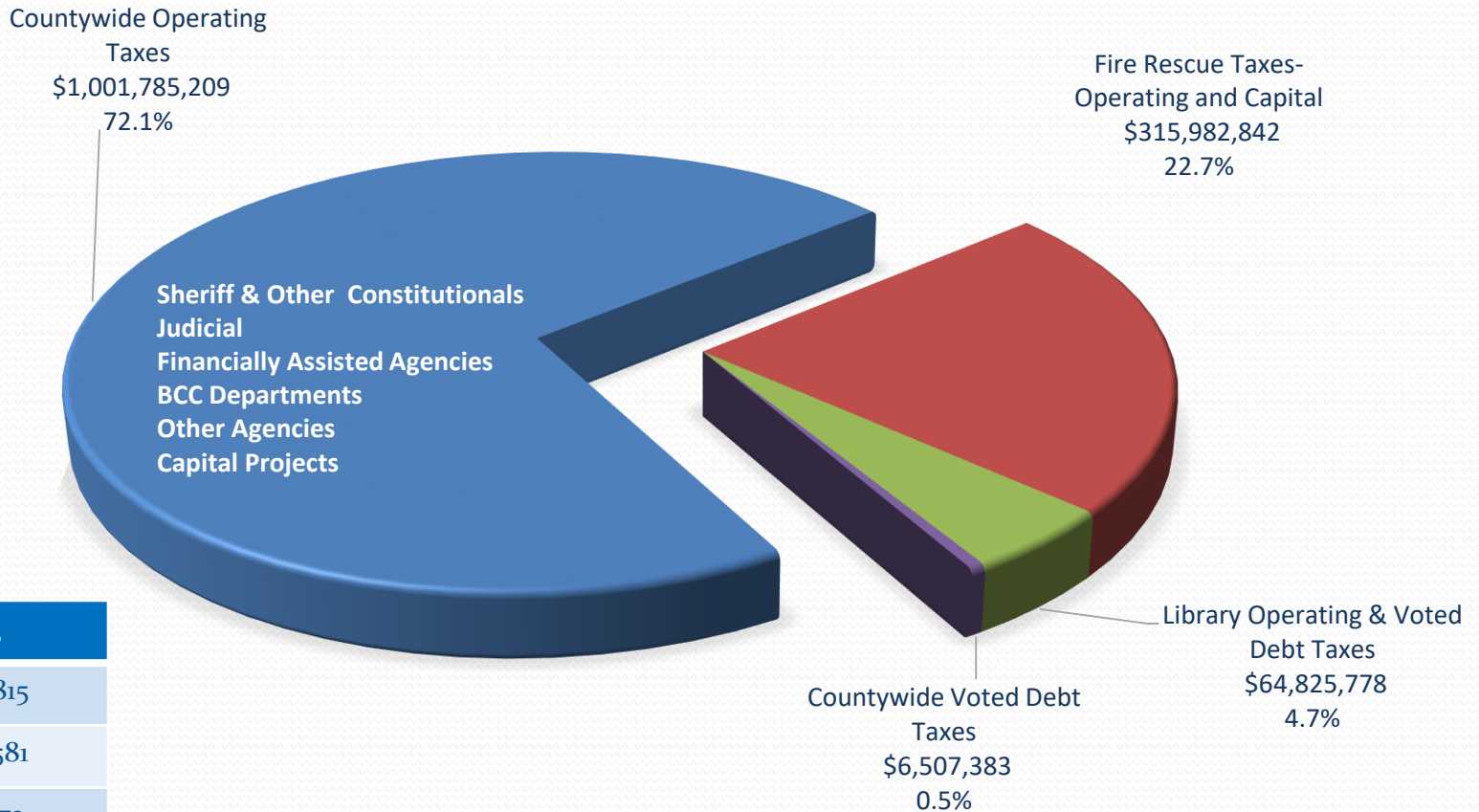
### \$1,579,550,762

Includes Sheriff Revenues of \$87.3 million



# FY 2021 Proposed Property Taxes

## \$1,389,101,212



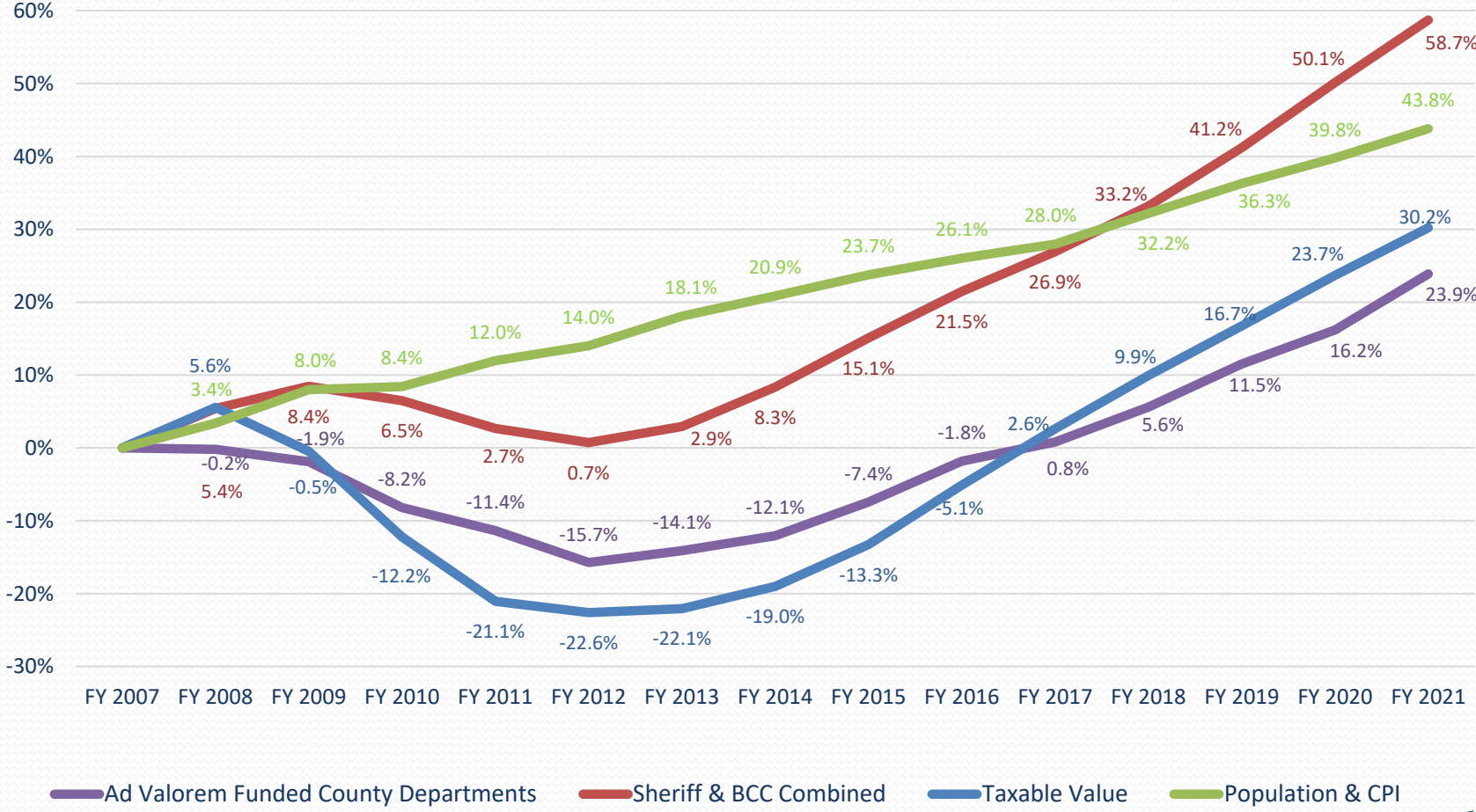
Millage Rates	
Countywide	4.7815
Fire Rescue	3.4581
Jupiter Fire	1.8572
Library	0.5491



# Major Revenue Forecasts

		FY 2021	
	BCC Proposed	PFM Forecast	Difference
State Revenue Sharing	34,230,000	30,516,325	(3,713,675)
Half-Cent Sales Tax	94,290,000	93,140,962	(1,149,038)
Franchise Fees - Electricity	35,245,000	32,084,551	(3,160,449)
Utility Tax - Electricity	42,790,000	44,188,065	1,398,065
Communications services Tax	17,412,000	17,771,772	359,772
Utility Service Tax - Gas	1,900,000	1,900,000	0
<b>Total Major Revenues</b>	<b>225,867,000</b>	<b>219,601,675</b>	<b>(6,265,325)</b>
<b>Gas Taxes</b>	<b>71,204,000</b>	<b>69,955,648</b>	<b>(1,248,352)</b>
<b>Total Revenues</b>	<b>297,071,000</b>	<b>289,557,323</b>	<b>(7,513,677)</b>

# Cumulative Percentage Increase in Ad Valorem Support



# Ad Valorem Taxes

	2007	2020	2021	2007-2021	
				Amount	%
<b>Countywide - Operating</b>	\$688,623,243	\$951,376,856	\$1,001,785,209	\$313,161,966	45.5%
Countywide - Voted Debt	31,793,080	15,237,865	6,507,383	(25,285,697)	(79.5%)
<b>Total Countywide</b>	<b>\$720,416,323</b>	<b>\$966,614,721</b>	<b>\$1,008,292,592</b>	<b>\$287,876,269</b>	<b>40.0%</b>
<b>Dependent Districts:</b>					
Palm Beach County Library	\$53,088,448	\$61,919,310	\$64,825,778	\$11,737,330	22.1%
Fire Rescue MSTU	189,205,947	277,582,505	293,865,094	104,659,147	55.3%
Glades Regional Fire MSTU	1,428,525	-	-	(1,428,525)	(100.0%)
Jupiter Fire MSTU	13,009,290	21,768,240	22,117,748	9,108,458	70.0%
<b>Gross: Total Dependent Districts</b>	<b>256,732,210</b>	<b>361,270,055</b>	<b>380,808,620</b>	<b>\$124,076,410</b>	<b>48.3%</b>
<b>Total Countywide Funds &amp; Dependent Districts</b>	<b>\$977,148,533</b>	<b>\$1,327,884,776</b>	<b>\$1,389,101,212</b>	<b>\$411,952,679</b>	<b>42.2%</b>

# Millage Rate Impact on Homestead Property

	<u>FY 2020</u>	<u>Proposed FY 2021</u>	<u>FY 2020 - FY 2021</u>	
			<u>Amount</u>	<u>%</u>
<b>Property Values</b>				
Median Assessed Value	\$ 274,000	\$ 280,261	\$ 6,261	2.3%
Homestead Exemptions	(50,000)	(50,000)	-	0.0%
Taxable Value	\$ 224,000	\$ 230,261	\$ 6,261	2.8%
<b>Countywide Millage Rates</b>				
Operating	4.7815	4.7815	-	0.0%
Voted Debt Service	0.0765	0.0310	(0.0455)	(59.5%)
Total	4.8580	4.8125	(0.0455)	(0.9%)
<b>Property Taxes</b>				
Operating	\$ 1,071.06	\$ 1,100.99	\$ 29.93	
Voted Debt Service	17.14	7.14	(10.00)	
<b>Total</b>	<b>\$ 1,088.20</b>	<b>\$ 1,108.13</b>	<b>\$ 19.93</b>	<b>1.8%</b>

# Historical Trends

	Adopted	Adopted	Proposed	Increase/(Decrease)	
	2007	2020	2021	2007-2021 Amount	%
<b>Countywide Millage Rate</b>	4.2800	4.7815	4.7815	0.5015	11.7%
<b>Taxable Property Values (in Billions)</b>	\$ 160.9	\$ 199.0	\$ 209.5	\$ 48.6	30.2%
<b>Countywide Property Taxes (in Millions)</b>	\$688.6	\$951.4	\$1,001.8	\$313.2	45.5%
<b>Total Property Taxes Including Debt (in Millions)</b>	\$977.1	\$1,327.9	\$1,389.1	\$412.0	42.2%
<b>BCC Funded Positions</b>					
BCC Countywide Ad Valorem Funded	4,156	3,471	3,526	(630)	(15.2%)
Other Departments & Agencies *	2,753	3,126	3,214	461	16.7%
<b>Total</b>	<b>6,909</b>	<b>6,597</b>	<b>6,740</b>	<b>(169)</b>	<b>(2.4%)</b>
* Airports, Building Division, Library, Fire-Rescue, Fleet, TDC, Water Utilities, Ethics, OIG					
<b>General Fund Appropriated Reserves (in Millions)</b>	\$ 124.9	\$ 155.7 *	\$ 177.0	\$ 52.1	41.7%
CPI	196.800	251.233	256.974	60.174	30.6%
Population (BEBR)	1,291,426	1,447,857	1,462,336 **	170,910	13.2%

\* Current reserves are \$181.5 million

\*\* FY 2021 population assumes a 1% increase - actual values will be available in September

# Future Funding/Budget Issues

## Maximum Millage Rate

For FY 2021, maintaining the current millage rate will require a super-majority vote. Based on projected property values increases of 0% for FY 2022, the current millage rate will drop below maximum millage rate with a simple majority vote. If we assume future property value increases of 3% FY 2023 and FY 2024, the current millage rate will remain below the maximum millage rate with a simple majority vote.

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Roll-Back Rate	4.5697	4.6015	4.8703	4.7230	4.7247
<b>Adopted Millage Rate</b>	<b>4.7815</b>	<b>4.7815</b>	<b>4.7815</b>	<b>4.7815</b>	<b>4.7815</b>

## Maximum Millage (MM) Rate

Prior Year	4.8220	4.7666	4.7497	5.0339	5.1137
Roll-Back MM	4.6103	4.6015	4.8703	4.9861	5.0725
Per Capita Florida Income	3.39%	3.22%	3.36%	2.56%	2.73%
<b>Majority Vote MM</b>	<b>4.7666</b>	<b>4.7497</b>	<b>5.0339</b>	<b>5.1137</b>	<b>5.2110</b>
2/3 Vote Maximum Millage *	5.2433	5.2247	5.5373	5.6251	5.7321

\* Unanimous vote above this amount



# FY 2022 Budget Projection Scenarios

## General Fund

	FY 2021 Proposed Budget	FY 2022 Projected Budget 0%	FY 2022 Projected Budget 2.5%
<b>Property Values</b>	\$ 209,512,748,976	\$ 209,512,748,976	\$ 214,750,567,700
<b>Revenues</b>			
Ad Valorem Taxes at current rate of 4.7815	\$ 1,001,785,209	\$ 1,001,785,209	\$ 1,026,829,839
Major Revenue	225,867,000	225,867,000	230,321,116
Sheriff Revenue	87,281,984	87,281,984	89,027,624
BCC Dept. Revenue	44,696,846	44,696,846	45,590,783
Balance Brought Forward	266,884,657	269,884,657	269,884,657
Other Revenues	21,988,545	19,438,545	19,438,545
Statutory Reserve	(68,953,479)	(68,953,479)	(70,428,417)
<b>Total Net Revenue at Simple Majority Vote</b>	<u>\$ 1,579,550,762</u>	<u>\$ 1,580,000,762</u>	<u>\$ 1,610,664,147</u>
<b>Appropriations</b>			
Sheriff	\$ 731,627,286	\$ 764,636,051	\$ 764,636,051
Sheriff - Projected Operating Capital	8,553,686	8,853,065	8,853,065
Total Sheriff	<u>\$ 740,180,972</u>	<u>\$ 773,489,116</u>	<u>\$ 773,489,116</u>
BCC Departments	397,232,637	424,388,379	424,388,379
Other Constitutional Officers	67,092,815	69,441,064	69,441,064
Judicial	6,283,406	6,566,159	6,566,159
Non Departmental	96,867,112	101,226,132	101,226,132
Capital	38,975,000	40,339,125	40,339,125
Reserves - Undesignated	177,044,894	185,044,894	185,044,894
Debt Service (excludes voted)	55,873,926	54,873,926	54,873,926
<b>Total Appropriations</b>	<u>\$ 1,579,550,762</u>	<u>\$ 1,655,368,795</u>	<u>\$ 1,655,368,795</u>
<b>Projected Shortfall at Simple Majority Vote</b>	\$ (6,662,505)		
<b>Projected Shortfall Current Millage 4.7815</b>	\$ (0)	\$ (75,368,033)	\$ (44,704,648)
<b>Current Millage Millage</b>	4.7815	4.7815	4.7815
<b>MM Rate with Simple Majority Vote</b>	4.7497	5.0339	4.9043
<b>MM Rate with Super Majority Vote</b>	5.2247	5.5373	5.3947

# FY 2020 – FY 2024 Budget Projection

## General Fund

	FY 2020 Adopted Budget	FY 2021 Proposed Budget	FY 2022 Projected Budget	FY 2023 Projected Budget	FY 2024 Projected Budget
<b>Property Values*</b>	\$ 198,970,376,584	\$ 209,512,748,976	\$ 209,512,748,976	\$ 215,798,131,445	\$ 222,272,075,389
<b>Revenues</b>					
Ad Valorem Taxes at current rate of 4.7815	\$ 951,376,856	\$ 1,001,785,209	\$ 1,001,785,209	\$ 1,031,838,766	\$ 1,062,793,928
Major Revenue	230,851,000	225,867,000	225,867,000	229,998,100	236,318,683
Sheriff Revenue	84,167,104	87,281,984	87,281,984	87,281,984	87,281,984
BCC Dept. Revenue	43,923,839	44,696,846	44,696,846	44,696,846	44,696,846
Balance Brought Forward	231,822,269	266,884,657	269,884,657	272,884,657	275,884,657
Other Revenues	19,188,184	21,988,545	19,438,545	19,674,231	19,916,988
Statutory Reserve	(66,427,217)	(68,953,479)	(68,953,479)	(70,888,038)	(72,983,911)
<b>Total Net Revenue at Simple Majority Vote</b>	<u>\$ 1,494,902,035</u>	<u>\$ 1,579,550,762</u>	<u>\$ 1,580,000,762</u>	<u>\$ 1,615,486,546</u>	<u>\$ 1,653,909,175</u>
<b>Appropriations</b>					
Sheriff	\$ 715,404,204	\$ 731,627,286	\$ 764,636,051	\$ 799,133,204	\$ 835,185,827
Sheriff - Projected Operating Capital	o	8,553,686	8,853,065	9,162,922	9,483,625
Total Sheriff	<u>\$ 715,404,204</u>	<u>\$ 740,180,972</u>	<u>\$ 773,489,116</u>	<u>\$ 808,296,126</u>	<u>\$ 844,669,452</u>
BCC Departments	368,439,548	397,232,637	424,388,379	452,430,555	472,834,903
Other Constitutional Officers	67,277,855	67,092,815	69,441,064	71,871,501	74,387,003
Judicial	5,723,433	6,283,406	6,566,159	6,861,636	7,170,410
Non Departmental	86,852,729	96,867,112	101,226,132	105,781,308	110,541,467
Capital	38,050,000	38,975,000	40,339,125	41,750,994	43,212,279
Reserves - Undesignated	155,723,196	177,044,894	185,044,894	193,044,894	201,044,894
Debt Service (excludes voted)	57,431,070	55,873,926	54,873,926	54,873,926	50,873,926
<b>Total Appropriations</b>	<u>\$ 1,494,902,035</u>	<u>\$ 1,579,550,762</u>	<u>\$ 1,655,368,795</u>	<u>\$ 1,734,910,940</u>	<u>\$ 1,804,734,334</u>
<b>Projected Shortfall at Simple Majority Vote</b>		\$ (6,662,505)			
<b>Projected Shortfall Current Millage 4.7815</b>		\$ (o)	\$ (75,368,033)	\$ (119,424,394)	\$ (150,825,159)
<b>Current Millage Millage</b>	4.7815	4.7815	4.7815	4.7815	4.7815
<b>MM Rate with Simple Majority Vote</b>		4.7497	5.0339	5.1137	5.2110
<b>MM Rate with Super Majority Vote</b>		5.2247	5.5373	5.6251	5.7321

\* Assumed increase of 0% for FY 2022, 3% for FY 2023 and FY 2024

# Palm Beach County Tourism Revenue Tourist Development Tax (Bed Tax)

Most Likely: FY 2020 down 33% - FY 2021 Recovery 25%

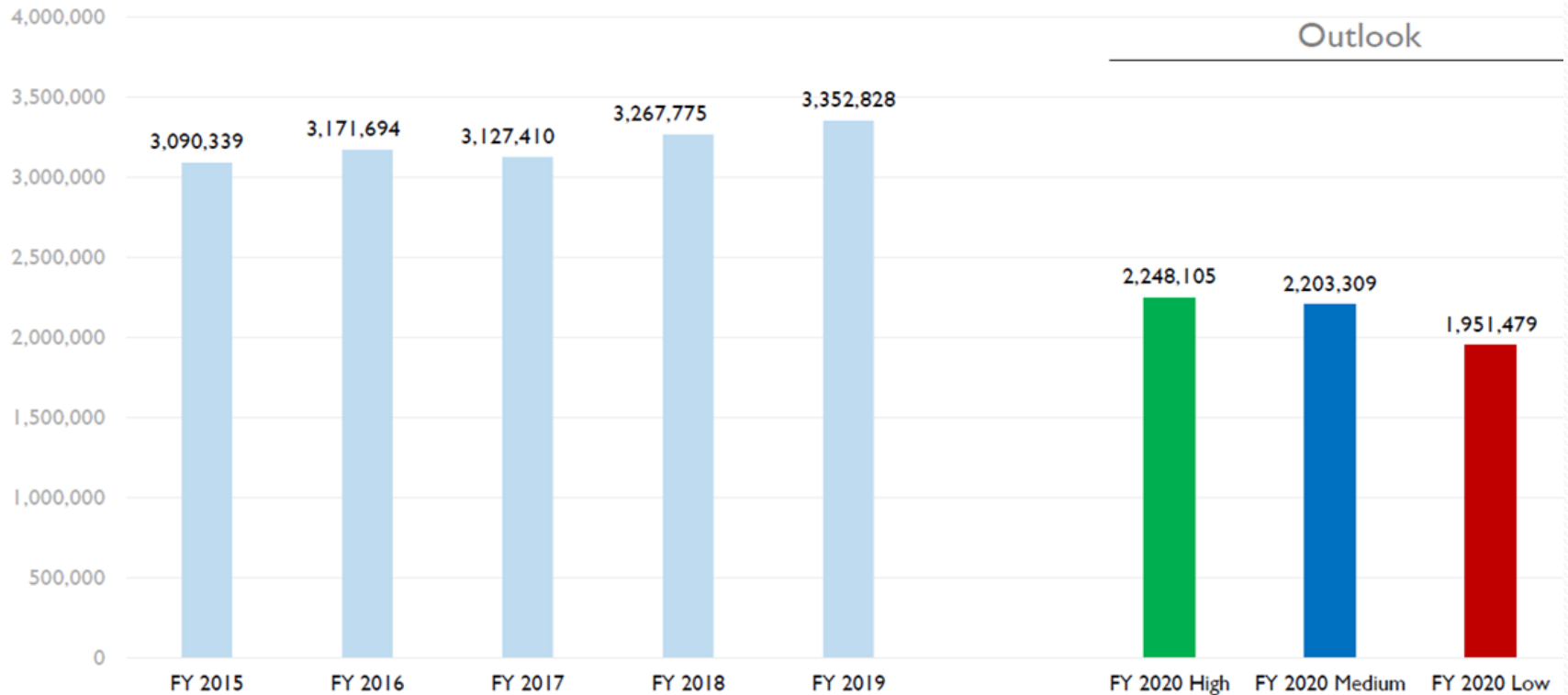
TDT (BED TAX) REVENUES	ACTUAL		PRE COVID-19 FORECAST	POST COVID-19 REBUDGET	PRE COVID-19 BUDGET	POST COVID-19 REBUDGET	POST COVID-19 OUTLOOK	POST COVID-19 OUTLOOK	POST COVID-19 OUTLOOK
	2019	2020	2020	2020	2021	2021	2022	2023	2024
	% INCREASE REVENUES		0.70%	4.00%	-33.00%	3.00%	25.00%	10.00%	7.50%
BED TAX REV. 2ND, 3RD, 5TH & 6th	\$ 36,134,810	\$ 37,580,202	\$ 24,210,324	\$ 38,708,189	\$ 30,262,905	\$ 33,289,196	\$ 35,785,885	\$ 37,575,179	
BED TAX REV. 4TH CENT	\$ 9,033,974	\$ 9,395,333	\$ 6,052,762	\$ 9,677,046	\$ 7,565,953	\$ 8,322,548	\$ 8,946,739	\$ 9,394,076	
BED TAX REV. 1ST CENT	\$ 9,033,974	\$ 9,395,333	\$ 6,052,762	\$ 9,677,046	\$ 7,565,953	\$ 8,322,548	\$ 8,946,739	\$ 9,394,076	
<b>GRAND TOTAL</b>	<b>\$ 54,202,758</b>	<b>\$ 56,370,868</b>	<b>\$ 36,315,848</b>	<b>\$ 58,062,281</b>	<b>\$ 45,394,810</b>	<b>\$ 49,934,291</b>	<b>\$ 53,679,363</b>	<b>\$ 56,363,331</b>	
			Lower Revenues than 2015				Revenues Recover to 2019 Levels		

Agencies have driven cost reductions and cost deferral initiatives to reach lower budgets for a 33% reduction in Bed tax Revenues in FY 2020 from prior year.

# PBI Enplanement Forecast FY 2020

## PBI HISTORICAL ENPLANEMENTS AND OUTLOOK (FISCAL YEARS)

Annual PBI Enplaned Passengers



Compared to FY 2019:

-33%

-34%

-42%

# Department of Airports

- Major Assumptions

- 25% decline in revenues in FY2021 based on current forecasting
- \$37 Million CARES Act used for debt service & O&M Costs in FY2020-2022
- 25-30% increase in enplanements in FY2021 over FY2020
- Anticipated recovery to FY2019 levels - FY2023/2024

- Strategy During Recovery

- Reducing FY2021 operating budget by 25% from FY2020 (approx. \$26 Million)
- Conserving reserves (approx. \$10 Million) while monitoring recovery
- Delaying/reprioritizing capital projects with significant local match, focusing on safety, security & preservation of assets (estimated savings = \$10 Million)
- Modeling impacts to airline rates & charges to reduce potential increases to Cost Per Enplanement (CPE) to avoid loss of service
- Closing of underutilized facilities until demand returns to reduce costs
- Slowing cash burn rate by delaying certain expenditures

# Outstanding Budget Issues 2021

- Reserves
- Future Property Value Increases
- General Revenues
  - PFM projections for FY 2021 are approximately \$7.5 million less than what is in current proposed budget due to the timing of the report
- July 1<sup>st</sup> Property Values
  - We typically add \$3 -4 million in property tax revenues with July Values
- As we continue to monitor the budget, if indicators are still on a downward trend, we will make adjustments in FY 2021
  - Freeze Hiring
  - Only move forward with projects that have complete funding



# Questions/Comments

