



# Palm Beach County, FL

## FY 2022 Proposed Budget

Budget Workshop

July 13, 2021

# Proposed Millage Rates and Public Hearing Dates

Millage Rates	
Countywide	4.7815
Library	0.5491
Fire Rescue MSTU	3.4581
Jupiter Fire MSTU	1.7880
Aggregate Millage Rate	6.5836

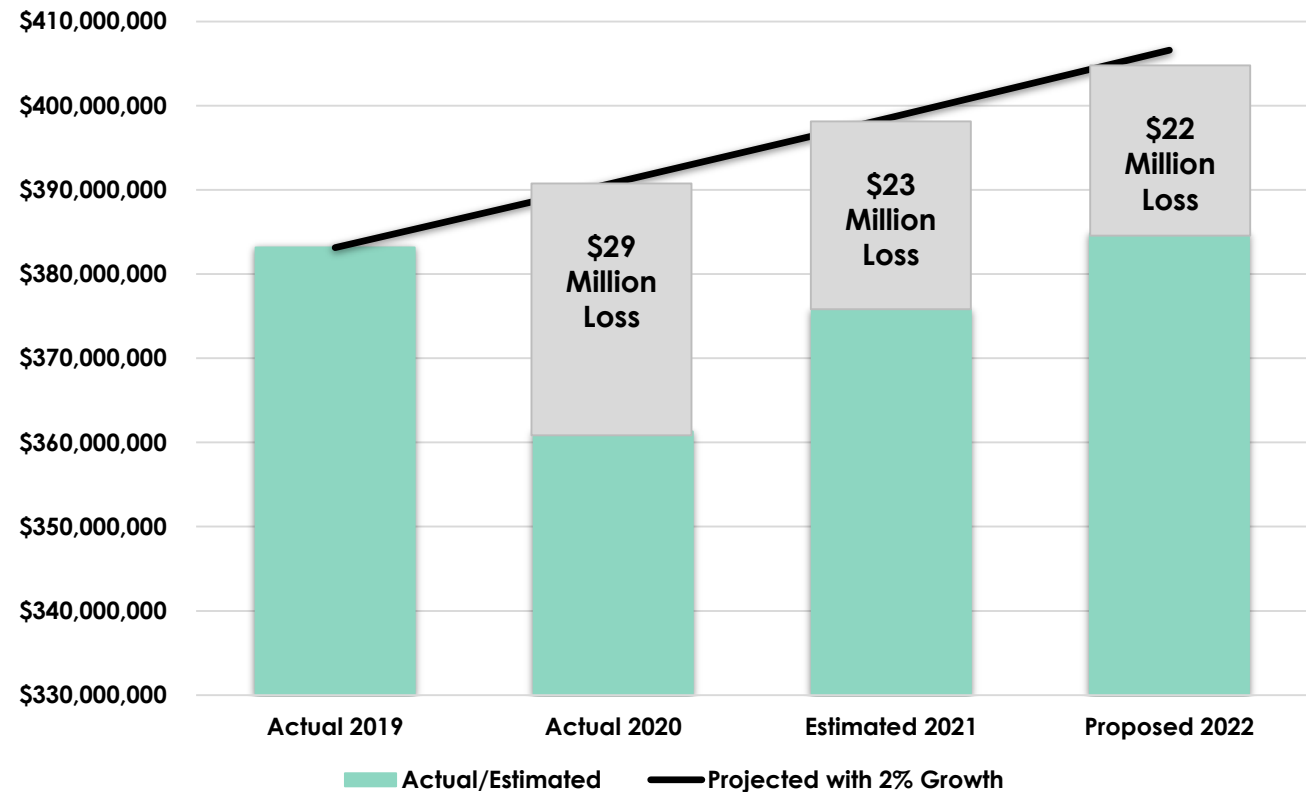
Public Hearing Dates		
1 <sup>st</sup> Public Hearing	September 9	5:05 PM
2 <sup>nd</sup> Public Hearing	September 20	5:05 PM

Millage Rates	
Countywide Voted Debt	0.0334
Library Voted Debt	0.0333



# General Fund Revenue Impacts

Excluding Property Taxes and One Time Transfers From Other Funds



- Actual FY 2020 Revenue is down \$21.8 million from FY 2019
- Estimated FY 2021 Revenue is down \$7.4 million from FY 2019
- Proposed FY 2022 Revenue assumes return to pre-pandemic levels
- Typical revenue growth is approximately 2%
- Including revenue growth assumption, Revenues are down \$74 million since FY 2019



# Specific Revenue Sources

	Actual	Actual	Difference	Estimated	Difference	Proposed	Difference
	FY 2019	FY 2020		FY 2021	From FY 2019	FY 2022	From FY 2019
State Revenue Sharing	34,782,859	32,408,470	(2,374,389)	33,303,000	(1,479,859)	33,303,000	(1,479,859)
Half-Cent Sales Tax	93,058,320	87,267,100	(5,791,220)	96,576,000	3,517,680	104,576,000	11,517,680
Franchise Fees - Electricity	35,378,969	34,469,370	(909,599)	35,059,000	(319,969)	37,059,000	1,680,031
Communications Services Tax	19,893,751	18,499,599	(1,394,152)	17,958,000	(1,935,751)	17,958,000	(1,935,751)
Utility Service Tax - Gas	1,925,374	1,902,891	(22,483)	1,900,000	(25,374)	1,900,000	(25,374)
Gas Taxes	72,410,678	64,680,723	(7,729,954)	64,433,000	(7,977,678)	65,723,000	(6,687,678)
Parks & Recreation Fees	9,724,852	5,467,101	(4,257,750)	6,670,855	(3,053,997)	10,208,589	483,737
<b>Total</b>	<b>267,174,802</b>	<b>244,695,255</b>	<b>(22,479,547)</b>	<b>255,899,855</b>	<b>(11,274,947)</b>	<b>270,727,589</b>	<b>3,552,787</b>



# Original June 15 Budget Presentation

	FY 2021 Adopted	FY 2021 Estimate	FY 2022 Proposed	FY 2023 Projection
<b>Revenues</b>				
Property Tax	1,005,656,949	963,541,315	1,054,405,928	1,096,563,117
Other Revenues	380,150,782	394,675,980	391,944,942	395,934,159
ARPA Revenue Replacement	-	62,000,000	-	-
Statutory Reserves	(69,161,756)	-	(72,125,610)	(74,745,960)
Fund Balance	264,067,862	270,897,556	291,667,781	294,667,781
<b>Total Revenues</b>	<b>1,580,713,837</b>	<b>1,691,114,851</b>	<b>1,665,893,041</b>	<b>1,712,419,097</b>
<b>Expenses</b>				
BCC	399,017,922	379,578,479	423,167,183	443,778,117
Constitutionals	75,074,123	72,911,673	81,856,184	84,807,693
PBSO	740,180,972	762,649,970	773,695,772	808,512,082
Capital	38,975,000	38,975,000	40,975,000	42,409,125
Debt Service	55,875,426	54,804,801	57,826,898	56,826,898
Other	95,965,687	90,527,147	94,427,795	98,677,046
Reserves	175,624,707	-	193,944,209	201,944,209
<b>Total Expenses</b>	<b>1,580,713,837</b>	<b>1,399,447,070</b>	<b>1,665,893,041</b>	<b>1,736,955,170</b>
<b>Net Income/(Loss)</b>	<b>-</b>	<b>291,667,781</b>	<b>-</b>	<b>(24,536,073)</b>

- Includes \$62 million of ARPA Revenue Replacement
- Fund Balance **Increased** \$21 million
- BCC Departments Increased \$19.3 million net (4.70%)
- PBSO Increased \$33.1 million net (5.07%)
- SOE Increased \$4.4 million net (28.24%)
- Increased Capital \$2 million
- Balanced Budget



# Revised June 15 Budget Presentation

	FY 2021 Adopted	FY 2021 Estimate	FY 2022 Proposed	FY 2023 Projection
<b>Revenues</b>				
Property Tax	1,005,656,949	963,541,315	1,054,405,928	1,096,563,117
Other Revenues	380,150,782	394,675,980	391,944,942	395,934,159
ARPA Revenue Replacement	-	-	-	-
Statutory Reserves	(69,161,756)	-	(72,125,610)	(74,745,960)
Fund Balance	264,067,862	270,897,556	234,667,781	237,667,781
<b>Total Revenues</b>	<b>1,580,713,837</b>	<b>1,629,114,851</b>	<b>1,608,893,041</b>	<b>1,655,419,097</b>
<b>Expenses</b>				
BCC	399,017,922	374,578,479	423,167,183	443,778,117
Constitutionals	75,074,123	72,911,673	81,856,184	84,807,693
PBSO	740,180,972	762,649,970	773,695,772	808,512,082
Capital	38,975,000	38,975,000	40,975,000	42,409,125
Debt Service	55,875,426	54,804,801	57,826,898	56,826,898
Other	95,965,687	90,527,147	94,427,795	98,677,046
Reserves	175,624,707	-	183,352,139	191,352,139
<b>Total Expenses</b>	<b>1,580,713,837</b>	<b>1,394,447,070</b>	<b>1,655,300,971</b>	<b>1,726,363,100</b>
<b>Net Income/(Loss)</b>	<b>-</b>	<b>234,667,781</b>	<b>(46,407,930)</b>	<b>(70,944,003)</b>

- No ARPA Revenue Replacement
- Fund Balance **Decreased** \$36 million
- BCC Departments Increased \$19.3 million net (4.70%)
- PBSO Increased \$33.1 million net (5.07%)
- SOE Increased \$4.4 million net (28.24%)
- Increased Capital \$2 million
- \$46.4 million shortfall



# Summary of Changes To Balance Revised Budget

Items Used to Balance	Amount	Net (Shortfall)/ Surplus
June Revised Budget Out of Balance		\$ (46,407,930)
2022 Additional Property Values (Net of Statutory Reserves)	\$ 7,248,417	\$ (39,159,513)
Increase to CRAs	\$ (796,900)	\$ (39,956,413)
BCC Departments Base Budget Cuts	\$ 7,952,160	\$ (32,004,253)
Cut BCC Supplemental Requests	\$ 583,037	\$ (31,421,216)
BCC Departments Hiring Freeze (starting July 15)	\$ 3,200,000	\$ (28,221,216)
Cut Reserves	\$ 7,724,746	\$ (20,496,470)
FAA Supplemental Cut	\$ 389,301	\$ (20,107,169)
Judicial Supplemental Cut	\$ 107,169	\$ (20,000,000)
Cut SOE Budget Request	\$ 3,000,000	\$ (17,000,000)
PBSO Budget Cut	\$ 17,000,000	\$ -
(Shortfall)/Surplus		\$ -



# July 13 Budget Presentation

	FY 2021 Adopted	FY 2021 Estimate	FY 2022 Proposed	FY 2023 Projection
<b>Revenues</b>				
Property Tax	1,005,656,949	963,541,315	1,062,035,841	1,104,471,759
Other Revenues	380,150,782	394,675,980	393,712,356	396,415,472
ARPA Revenue Replacement	-	-	-	-
Statutory Reserves	(69,161,756)	-	(72,555,477)	(75,118,493)
Fund Balance	264,067,862	270,897,556	237,867,781	240,867,781
<b>Total Revenues</b>	<b>1,580,713,837</b>	<b>1,629,114,851</b>	<b>1,621,060,501</b>	<b>1,666,636,519</b>
<b>Expenses</b>				
BCC	399,017,922	371,378,479	416,351,029	436,905,236
Constitutionals	75,074,123	72,911,673	78,749,015	82,292,721
PBSO	740,180,972	762,649,970	756,695,772	790,747,082
Capital	38,975,000	38,975,000	40,975,000	42,409,125
Debt Service	55,875,426	54,804,801	57,826,898	57,826,898
Other	95,965,687	90,527,147	94,835,394	99,102,987
Reserves	175,624,707	-	175,627,393	183,627,393
<b>Total Expenses</b>	<b>1,580,713,837</b>	<b>1,391,247,070</b>	<b>1,621,060,501</b>	<b>1,692,911,442</b>
<b>Net Income/(Loss)</b>	<b>-</b>	<b>237,867,781</b>	<b>-</b>	<b>(26,274,923)</b>

- No ARPA Revenue Replacement
- Property Taxes Increased \$7.2 million from June
- Fund Balance **Decreased** \$33 million
- BCC Departments Increased \$11.5 million net (2.81%)
  - Includes proposed 3% pay increase \$7.3 million
  - Includes Compensation Study Phase II \$3.2 million
- PBSO Increased \$16.1 million net (2.46%)
- SOE Increased \$1.4 million net (8.95%)
- FY 2022 Capital Increased \$2 million
- FY 2022 Reserves Flat with FY 2021
- FY 2022 Balanced Budget





# July 13 Budget Presentation Scenario

Includes \$46.4 Million ARPA Revenue Replacement

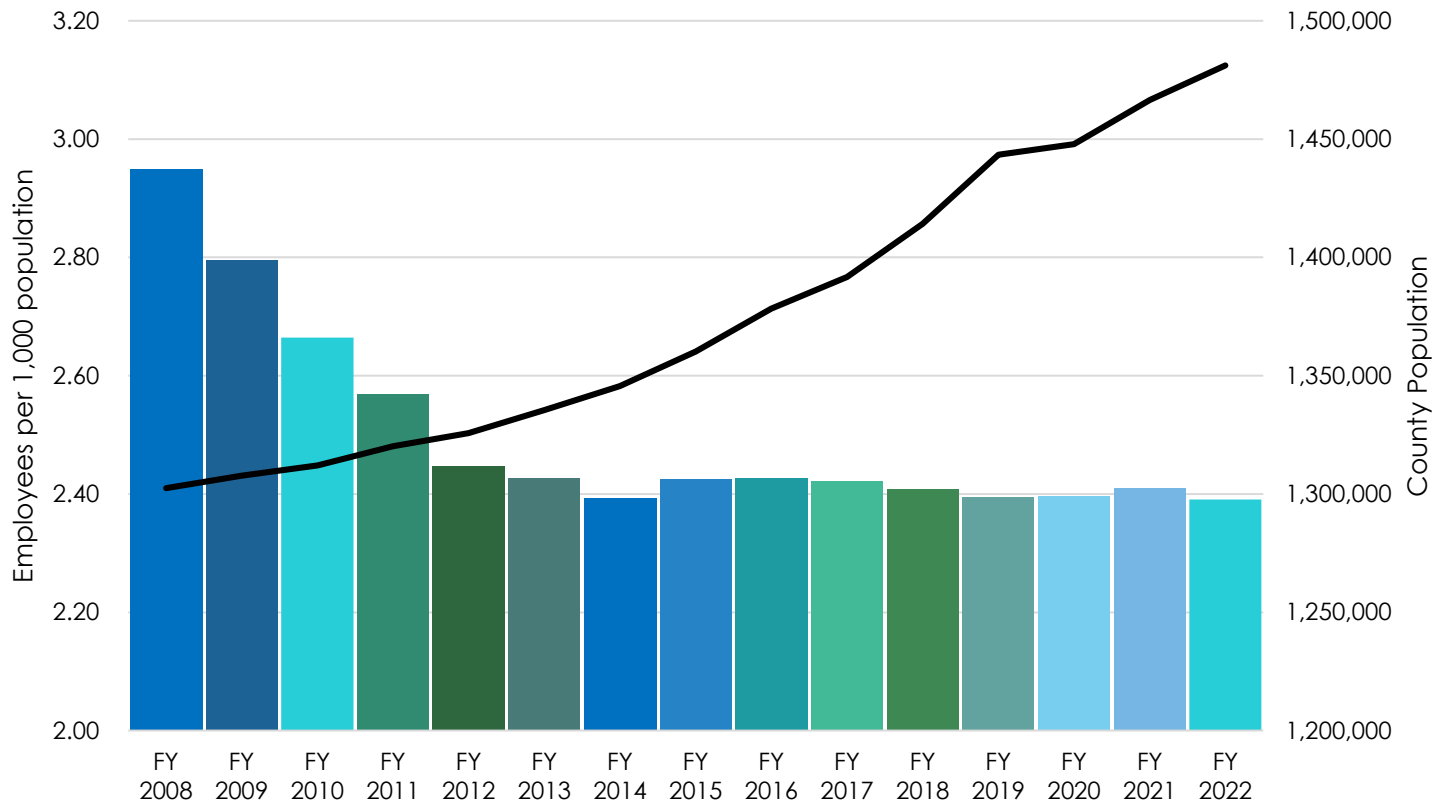
	FY 2021 Adopted	FY 2021 Estimate	FY 2022 Proposed	FY 2023 Projection	
<b>Revenues</b>					• \$46.4 million ARPA Revenue Replacement
Property Tax	1,005,656,949	963,541,315	1,062,035,841	1,104,471,759	• Property Taxes Increased \$7.2 million from June
Other Revenues	380,150,782	394,675,980	392,912,356	396,415,472	• Fund Balance <b>Increases</b> \$10 million
ARPA Revenue Replacement*	-	46,400,000	-	-	• BCC Departments Increase \$18.3 million net (4.46%)
Statutory Reserves	(69,161,756)	-	(72,555,477)	(75,118,493)	• Includes proposed 3% pay increase \$7.3 million
Fund Balance	264,067,862	270,897,556	281,067,781	284,067,781	• Includes Compensation Study Phase II \$3.2 million
<b>Total Revenues</b>	<b>1,580,713,837</b>	<b>1,675,514,851</b>	<b>1,663,460,501</b>	<b>1,709,836,519</b>	• PBSO Increases \$33.1 million net (5.07%)
<b>Expenses</b>					• SOE Increases \$4.4 million net (28.24%)
BCC	399,017,922	374,578,479	423,139,184	443,998,858	• FY 2022 Capital Increases \$2 million
Constitutionals	75,074,123	72,911,673	81,856,184	85,539,713	• FY 2022 Reserves Increases \$15 million
PBSO	740,180,972	754,149,970	773,695,772	808,512,082	• FY 2022 Balanced Budget
Capital	38,975,000	1,075,000	40,975,000	42,409,125	
Debt Service	55,875,426	54,804,801	57,826,898	57,826,898	
Other	95,965,687	90,527,147	95,224,695	99,509,806	
ARPA Projects*	-	46,400,000	-	-	
Reserves	175,624,707	-	190,742,768	198,742,768	
<b>Total Expenses</b>	<b>1,580,713,837</b>	<b>1,394,447,070</b>	<b>1,663,460,501</b>	<b>1,736,539,250</b>	
<b>Net Income/(Loss)</b>	<b>-</b>	<b>281,067,781</b>	<b>-</b>	<b>(26,702,731)</b>	

\* Any ARPA Funds not spent would carry forward to the next year. ARPA Projects include PBSO Capital and Certain eligible BCC capital projects



# Employees per 1,000 Population\*

BCC Ad Valorem Funded Departments Only

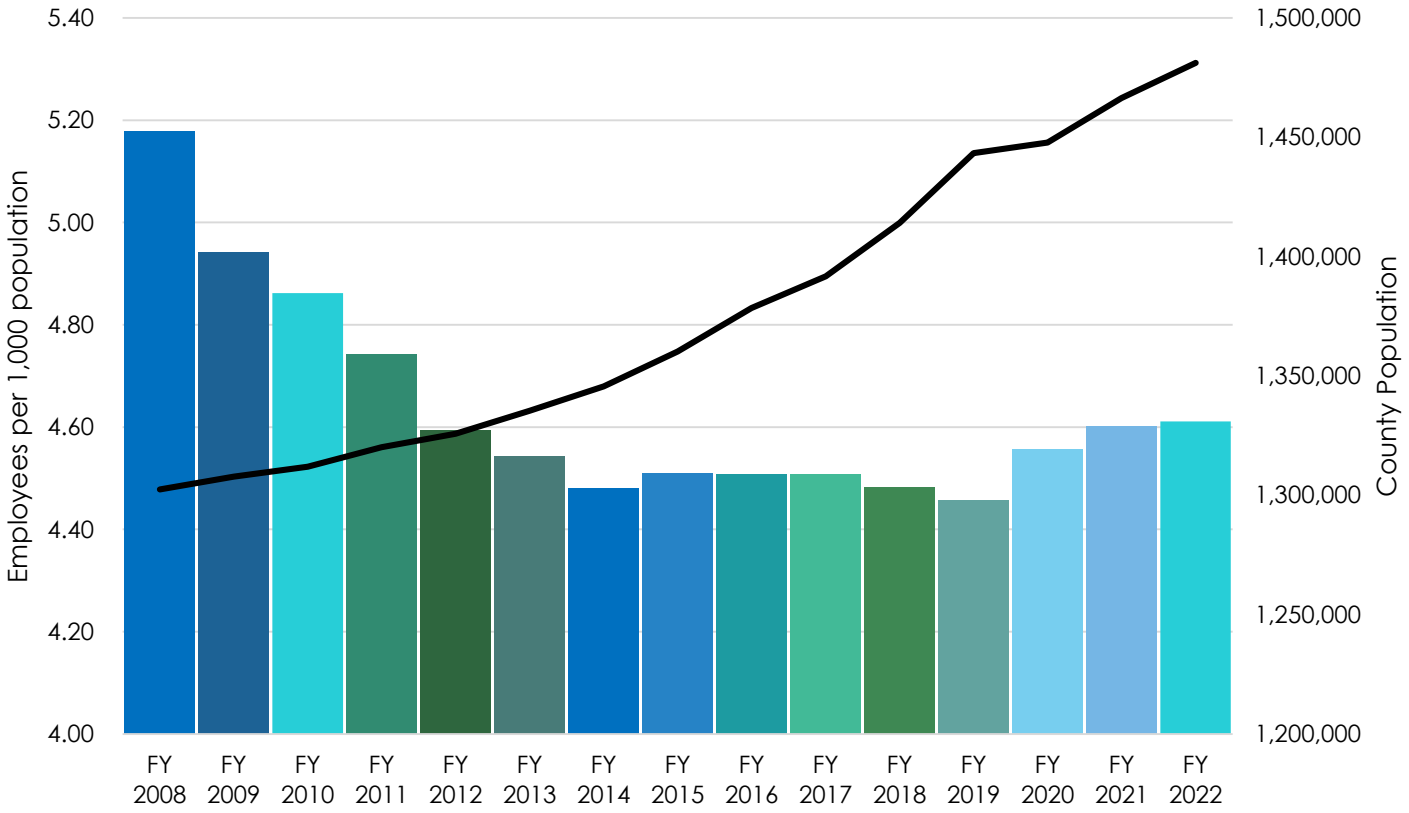


	Employees	County Population	Employees per 1,000 population
FY 2008	3,842	1,302,451	2.95
FY 2009	3,655	1,307,784	2.79
FY 2010	3,496	1,312,016	2.66
FY 2011	3,392	1,320,134	2.57
FY 2012	3,245	1,325,758	2.45
FY 2013	3,242	1,335,415	2.43
FY 2014	3,220	1,345,652	2.39
FY 2015	3,298	1,360,238	2.42
FY 2016	3,345	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	1,443,417	2.40
FY 2020	3,471	1,447,857	2.40
FY 2021	3,534	1,466,494	2.41
FY 2022	3,535	1,481,159	2.39

\* Net of 250 Head Start positions eliminated in FY 2014



# Employees per 1,000 Population\*



	Employees	County Population	Employees per 1,000 population
<b>FY 2008</b>	<b>6,744</b>	<b>1,302,451</b>	<b>5.18</b>
<b>FY 2009</b>	<b>6,463</b>	<b>1,307,784</b>	<b>4.94</b>
<b>FY 2010</b>	<b>6,379</b>	<b>1,312,016</b>	<b>4.86</b>
<b>FY 2011</b>	<b>6,261</b>	<b>1,320,134</b>	<b>4.74</b>
<b>FY 2012</b>	<b>6,089</b>	<b>1,325,758</b>	<b>4.59</b>
<b>FY 2013</b>	<b>6,066</b>	<b>1,335,415</b>	<b>4.54</b>
<b>FY 2014</b>	<b>6,030</b>	<b>1,345,652</b>	<b>4.48</b>
<b>FY 2015</b>	<b>6,134</b>	<b>1,360,238</b>	<b>4.51</b>
<b>FY 2016</b>	<b>6,214</b>	<b>1,378,417</b>	<b>4.51</b>
<b>FY 2017</b>	<b>6,274</b>	<b>1,391,741</b>	<b>4.51</b>
<b>FY 2018</b>	<b>6,339</b>	<b>1,414,144</b>	<b>4.48</b>
<b>FY 2019</b>	<b>6,433</b>	<b>1,443,417</b>	<b>4.46</b>
<b>FY 2020</b>	<b>6,597</b>	<b>1,447,857</b>	<b>4.56</b>
<b>FY 2021</b>	<b>6,748</b>	<b>1,466,494</b>	<b>4.60</b>
<b>FY 2022</b>	<b>6,824</b>	<b>1,481,159</b>	<b>4.61</b>

\* Net of 250 Head Start positions eliminated in FY 2014



# Items Not Included in FY 2022 Proposed Budget

- ID Cards - \$75k



# FY 2021 – FY 2026 Projection

Excluding ARPA Revenue Replacement

	<b>FY 2021 Adopted</b>	<b>FY 2021 Estimate</b>	<b>FY 2022 Proposed</b>	<b>FY 2023 Projection</b>	<b>FY 2024 Projection</b>	<b>FY 2025 Projection</b>	<b>FY 2026 Projection</b>
<b>Revenues</b>							
Property Tax	1,005,656,949	963,541,315	1,062,035,841	1,104,471,759	1,148,617,384	1,194,541,743	1,242,316,648
Other Revenues	380,150,782	394,675,980	393,712,356	396,415,472	403,906,443	411,549,662	419,348,245
ARPA Revenue Replacement	-	-	-	-	-	-	-
Statutory Reserves	(69,161,756)	-	(72,555,477)	(75,118,493)	(77,778,015)	(80,537,781)	(83,401,675)
Fund Balance	264,067,862	270,897,556	237,867,781	240,867,781	243,867,781	246,867,781	249,867,781
<b>Total Revenues</b>	<b>1,580,713,837</b>	<b>1,629,114,851</b>	<b>1,621,060,501</b>	<b>1,666,636,519</b>	<b>1,718,613,593</b>	<b>1,772,421,405</b>	<b>1,828,130,999</b>
<b>Expenses</b>							
BCC	399,017,922	371,378,479	416,351,029	436,905,236	456,610,944	477,203,408	498,722,534
Constitutionals	75,074,123	72,911,673	78,749,015	82,292,721	85,995,893	89,865,708	93,909,666
PBSO	740,180,972	762,649,970	756,695,772	790,747,082	826,330,700	863,515,582	902,373,783
Capital	38,975,000	38,975,000	40,975,000	42,409,125	43,893,444	45,429,715	47,019,755
Debt Service	55,875,426	54,804,801	57,826,898	57,826,898	57,826,898	57,826,898	57,826,898
Other	95,965,687	90,527,147	94,835,394	99,102,987	103,562,621	108,222,939	113,092,971
ARPA Projects	-	-	-	-	-	-	-
Reserves	175,624,707	-	175,627,393	183,627,393	191,627,393	199,627,393	207,627,393
<b>Total Expenses</b>	<b>1,580,713,837</b>	<b>1,391,247,070</b>	<b>1,621,060,501</b>	<b>1,692,911,442</b>	<b>1,765,847,893</b>	<b>1,841,691,643</b>	<b>1,920,573,000</b>
<b>Surplus/(Shortfall)</b>	<b>-</b>	<b>237,867,781</b>	<b>-</b>	<b>(26,274,923)</b>	<b>(47,234,300)</b>	<b>(69,270,238)</b>	<b>(92,442,001)</b>

Assumes 4% increase in Property Values and 2% Increase in Other Revenues, 4.5% increase in Expenses and 3.5% increase in Capital



# FY 2021 – FY 2026 Projection

Includes \$46.4 Million ARPA Revenue Replacement

	<b>FY 2021 Adopted</b>	<b>FY 2021 Estimate</b>	<b>FY 2022 Proposed</b>	<b>FY 2023 Projection</b>	<b>FY 2024 Projection</b>	<b>FY 2025 Projection</b>	<b>FY 2026 Projection</b>
<b>Revenues</b>							
Property Tax	1,005,656,949	963,541,315	1,062,035,841	1,104,471,759	1,148,617,384	1,194,541,743	1,242,316,648
Other Revenues	380,150,782	394,675,980	392,912,356	396,415,472	403,906,443	411,549,662	419,348,245
ARPA Revenue Replacement	-	46,400,000	-	-	-	-	-
Statutory Reserves	(69,161,756)	-	(72,555,477)	(75,118,493)	(77,778,015)	(80,537,781)	(83,401,675)
Fund Balance	264,067,862	270,897,556	281,067,781	284,067,781	287,067,781	290,067,781	293,067,781
<b>Total Revenues</b>	<b>1,580,713,837</b>	<b>1,675,514,851</b>	<b>1,663,460,501</b>	<b>1,709,836,519</b>	<b>1,761,813,593</b>	<b>1,815,621,405</b>	<b>1,871,330,999</b>
<b>Expenses</b>							
BCC	399,017,922	374,578,479	423,139,184	443,998,858	464,023,778	484,949,821	506,817,535
Constitutionals	75,074,123	72,911,673	81,856,184	85,539,713	89,388,999	93,411,504	97,615,022
PBSO	740,180,972	754,149,970	773,695,772	808,512,082	844,895,125	882,915,406	922,646,599
Capital	38,975,000	1,075,000	40,975,000	42,409,125	43,893,444	45,429,715	47,019,755
Debt Service	55,875,426	54,804,801	57,826,898	57,826,898	57,826,898	57,826,898	57,826,898
Other	95,965,687	90,527,147	95,224,695	99,509,806	103,987,748	108,667,196	113,557,220
ARPA Projects*	-	46,400,000	-	-	-	-	-
Reserves	175,624,707	-	190,742,768	198,742,768	206,742,768	214,742,768	222,742,768
<b>Total Expenses</b>	<b>1,580,713,837</b>	<b>1,394,447,070</b>	<b>1,663,460,501</b>	<b>1,736,539,250</b>	<b>1,810,758,760</b>	<b>1,887,943,308</b>	<b>1,968,225,797</b>
<b>Surplus/(Shortfall)</b>	<b>-</b>	<b>281,067,781</b>	<b>-</b>	<b>(26,702,731)</b>	<b>(48,945,167)</b>	<b>(72,321,903)</b>	<b>(96,894,798)</b>

FY 2022 Restores all cuts made to Balance Budget without ARPA Revenue Replacement

Assumes 4% increase in Property Values, 2% Increase in Other Revenues, 4.5% increase in Expenses and 3.5% increase in Capital

\* Any ARPA Funds not spent would carry forward to the next year



# Ad Valorem Taxes and Millage Rates

		Fiscal Year		2021 - 2022 Change	
		2021	2022	Amount	%
<b>Countywide</b>					
Taxes	General	\$ 1,005,656,949	\$ 1,062,035,841	\$ 56,378,892	5.6%
	Voted Debt	6,506,040	7,425,522	919,482	14.1%
	<b>Total</b>	<b>\$ 1,012,162,989</b>	<b>\$ 1,069,461,363</b>	<b>\$ 57,298,374</b>	<b>5.7%</b>
Millage Rate	General	4.7815	4.7815		
	Voted Debt	0.0309	0.0334		
	<b>Total</b>	<b>4.8124</b>	<b>4.8149</b>		
<b>Library</b>					
Taxes	General	\$ 61,271,262	\$ 64,676,919	\$ 3,405,657	5.6%
	Voted Debt	3,816,203	3,922,311	106,108	2.8%
	<b>Total</b>	<b>\$ 65,087,465</b>	<b>\$ 68,599,230</b>	<b>\$ 3,511,765</b>	<b>5.4%</b>
Millage Rate	General	0.5491	0.5491		
	Voted Debt	0.0342	0.0333		
	<b>Total</b>	<b>0.5833</b>	<b>0.5824</b>		
<b>Main Fire Rescue MSTU</b>					
Taxes		\$ 295,180,299	\$ 313,235,018	\$ 18,054,719	6.1%
Millage Rate		3.4581	3.4581		
<b>Jupiter Fire Rescue MSTU</b>					
Taxes		\$ 22,562,984	\$ 22,339,347	\$ (223,637)	-1.0%
Millage Rate		1.8911	1.7880		



# Millage Rate Impact on Homestead Property

	FY 2021	Proposed FY 2022	FY 2021 - FY 2022	
			Amount	%
<b>Property Values</b>				
Median Assessed Value	\$ 292,000	\$ 295,977	\$ 3,977	1.4%
Homestead Exemptions	(50,000)	(50,000)	-	0.0%
Taxable Value	\$ 242,000	\$ 245,977	\$ 3,977	1.6%
<b>Countywide Millage Rates</b>				
Operating	4.7815	4.7815	-	0.0%
Voted Debt Service	0.0309	0.0334	0.0025	8.1%
Total	4.8124	4.8149	0.0025	0.1%
<b>Property Taxes</b>				
Operating	\$ 1,157.12	\$ 1,176.14	\$ 19.02	
Voted Debt Service	7.48	8.22	0.74	
<b>Total</b>	<b>\$ 1,164.60</b>	<b>\$ 1,184.36</b>	<b>\$ 19.76</b>	<b>1.7%</b>





# Future Funding/Budget Issues

## Maximum Millage Rate

For FY 2022, maintaining the current millage rate will require a simple majority vote since the proposed millage rate is less than the maximum millage rate. Based on projected property values increasing 4% annually and per capita Florida income changing per current state estimates, FY 2023 and FY 2024 are above the maximum millage rate and would require a super majority vote, while FY 2025 is projected to be below the maximum millage rate.

	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Roll-Back Rate	4.5863	4.5917	4.6715	4.6705	4.6697
<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>
<b>Maximum Millage (MM) Rate</b>					
Prior Year	4.7668	4.7340	4.7951	4.7355	4.5916
Roll-Back MM	4.5863	4.5917	4.6854	4.6705	4.6697
Per Capita Florida Income	3.22%	4.43%	1.07%	-1.69%	2.64%
<b>Majority Vote MM</b>	<b>4.7340</b>	<b>4.7951</b>	<b>4.7355</b>	<b>4.5916</b>	<b>4.7930</b>
2/3 Vote Maximum Millage *	5.2074	5.2746	5.2091	5.0508	5.2723

\* Unanimous vote above this amount





Questions/Comments