



BUDGET IN BRIEF

AN OPEN LETTER FROM WEST PALM BEACH MAYOR KEITH A. JAMES

Dear West Palm Beach neighbor:

I am pleased to share that the City of West Palm Beach has approved a balanced \$206 million general fund budget for Fiscal Year 2022 (FY'22).

The approved budget honors our city's commitment to our residents, neighborhoods and businesses. We prioritized community services, focused on public health and safety, launched quality of life initiatives through critical programs and services and continued to promote economic development in our city. Despite the fiscal challenges associated with COVID-19, we held the line on taxes and fees. There will be no change to the millage rate of 8.3465—or \$8.35 per \$1,000 of assessed property value-- and no change to the annual fire assessment fee which, per residential property, remains at \$100.

In addition, after months of negotiation, the budget includes historic market adjustments and cost-of-living adjustments with the city's four labor organizations including the West Palm Beach Association of Firefighters, Fraternal Order of Police, Service Employees International Union (SEIU) and Professional Managers and Supervisors Association (PMSA). These agreements ensure our first responders and frontline workers have the support needed to continue to serve our city proudly.

Mayor
Keith A. James

City Commission
Joseph Peduzzi President
Kelly Shoaf
Christy Fox
Shalonda Warren
Christina Lambert

City Administrator
Faye W. Johnson

Assistant City Administrators
Armando Fana

Assistant to the Assistant City Administrator
Philip Harris

Assistance Finance Director
Sophia L Taylor

Budget Manager
Linda McDermott

Budget Team
Kyle Roberts
Rosanna Santana
Joseph Lamerson

Among the many programs and services provided in the budget are:

- Public safety, including an unprecedented market adjustment and the protection of 5% step pay for West Palm Beach Police and Fire Departments and the addition of new police technology,
- Parks and recreation, including continued youth and adult programming,
- Library services and enhanced cleaning measures,
- Customer service, including the implementation of technology aimed at identifying, tracking and responding to residents' concerns,
- Personnel for continued development, design and management of infrastructure projects such as streetlighting, road and sidewalk repair, and signage,
- Mental health and services for individuals experiencing homelessness, as well as workforce/affordable housing development incentives, and resources to expand community engagement, and
- Cost of living increases for SEIU and PMSA employees (5%) and non-union employees (3%).

Separate from the General Fund budget, the Public Utilities Water & Sewer Fund and Stormwater Fund will finance protection of water quality from source to tap, an assessment of utility rates, and the continued provision of services to valued water customers. There will be no increases to stormwater and water/sewer rates in FY'22. Approved by voters in 2020, a parks bond not to exceed \$30 million will fund improvements in many city parks.

I invite you to learn more about the budget on the Finance Department's page on the city's website, wpb.org/finance. Copies of the budget are available upon request through the City Clerk's office.

After experiencing challenges with last year's budget due, in part, to adverse economic impacts of the public health crisis, West Palm Beach now stands as a shining example of fiscal strength. Significant investments in new businesses and real estate, the resilience of our residents and businesses, and my administration's continued commitment to fiscal responsibility all contributed to our fiscal stability.

I want to thank City Staff, City Administration and the City Commission for their engagement in the process and hard work to ensure we had a balanced, approved and fiscally responsible annual budget. In line with my vision of making West Palm Beach a community of opportunity for all, our city is on an exciting path toward a brighter, more prosperous future. For everyone. Great things lie ahead. I am so glad you are a part of it!

Yours in service,



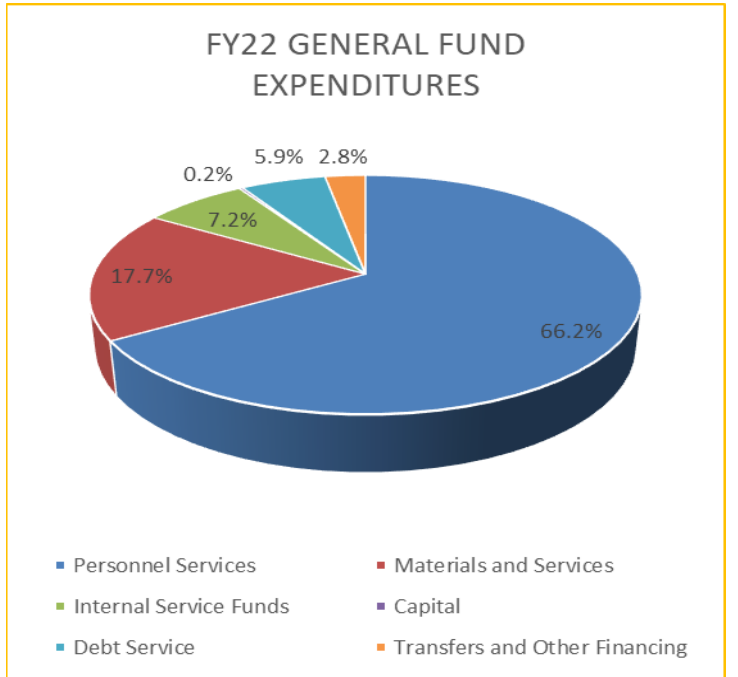
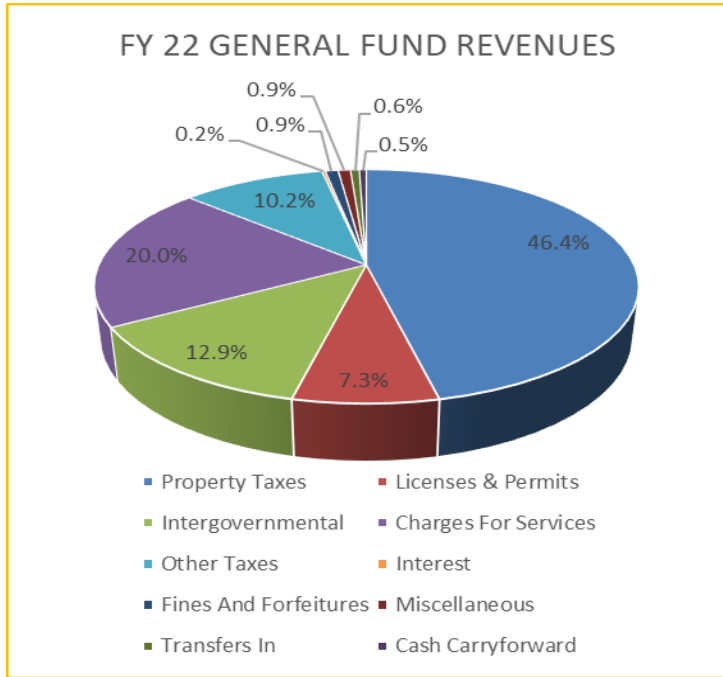
Keith A. James, Mayor

The City of West Palm Beach's Fiscal Year 2022 Budget in Brief is provided to serve as an overview of the City's budget. This Document provides a summary of the highlights to the budget, revenues the City expects to receive and planned areas where the money will be spent.

The proposed budget is a deliberate balance of revenues and expenditures prepared in accordance with Florida's statutory Truth in Millage process and best serves the City's prioritization for provision of core services and commission initiatives. State law requires that the City adopt a balanced budget prior to the beginning of its fiscal year on October 1st

The fiscal year 2022 budget was developed to assure that fundamental services are appropriately delivered, and programs are maintained at current levels. The budget is a responsible allocation of public resources that maintains the City of West Palm Beach as a safe, attractive and vibrant community for the satisfaction of its residents and visitors.

REVENUES	FY 2021	FY 2022	\$ Change	% Change
Property Taxes	90,118,181	95,408,749	5,290,568	5.9%
Licenses & Permits	13,705,776	14,920,875	1,215,099	8.9%
Intergovernmental	23,479,310	26,583,843	3,104,533	13.2%
Charges For Services	41,998,421	41,218,073	(780,348)	-1.9%
Other Taxes	18,729,739	20,991,800	2,262,061	12.1%
Interest	544,000	484,000	(60,000)	-11.0%
Fines And Forfeitures	1,454,050	1,865,860	411,810	28.3%
Miscellaneous	1,829,270	1,795,487	(33,783)	-1.8%
Transfers In	383,120	1,288,697	905,577	236.4%
Cash Carryforward	1,228,773	1,023,258	(205,515)	-16.7%
Total Revenues	\$193,470,640	\$205,580,642	\$12,110,002	6.3%
EXPENDITURES				
Personnel Services	130,553,029	136,067,549	5,514,520	4.2%
Materials and Services	34,308,759	36,433,007	2,124,248	6.2%
Internal Service Charge	14,186,349	14,772,739	586,390	4.1%
Capital	250,000	500,000	250,000	100.0%
Debt Service	11,921,250	12,087,150	165,900	1.4%
Transfers and Other Financing	2,251,253	5,720,197	3,468,944	154.1%
Total Expenses	\$193,470,640	\$205,580,642	\$12,110,002	6.3%



Revenue Highlights
Total revenue increase of \$12.1 million Property Tax increase of \$5.3 million State Revenue Sharing increase of \$1.2 million Local Half Cents Sales Taxes increase of \$1.9 million Utility Franchise Fees & Taxes of \$2.2 million Business Tax increase of \$1.1 million Lien Collections increase of \$0.4 million CRA for Police Technology increase of \$0.6 million EMS transport reimbursement decrease(\$1) million

Expenditure Highlights
Total personnel cost increase of \$5.5 million Police and Fire market increase +5% step increases 3% COLA increase for all non union employees 5% COLA for PMSA and SEIU civilian union employees Added Juneteenth Holiday

Other Expenses
Voting mail in ballots Economic Development Police added technology Police COPS grant match funding Vehicle Replacements Repairs and Maintenance Increased costs for gasoline



PROPERTY TAXES

The City's taxable property value is \$15.6 billion, a 6.3% increase from the prior year. The Fiscal Year 2022 budget was developed using the proposed millage rate of 8.3465. The proposed millage rate is higher than the rolled-back rate of 7.9520 which is the rate that would achieve the same amount of Ad Valorem or Property Tax revenue based on the new taxable property values as in the prior year. New construction added \$328,000,000 to the tax roll.

The 8.3465 millage rate generates property tax revenue of \$95.4 million to the General Fund and represents 46.6% of total General Fund revenue budget. This contributes towards paying for the public safety budget of 52.7% of total General Fund Expenditures

Fiscal Year	Taxable Value	Growth in Value	Millage Rate	General Fund Tax Revenue
2017/18	\$11,894,514,378	7.9%	8.3465	\$72,810,529
2018/19	\$12,706,561,763	6.8%	8.3465	\$77,513,640
2019/20	\$13,609,761,363	7.1%	8.3465	\$82,304,416
2020/21	\$14,660,256,481	7.7%	8.3465	\$90,018,181
2021/22	\$15,592,407,751	6.3%	8.3465	\$95,408,749

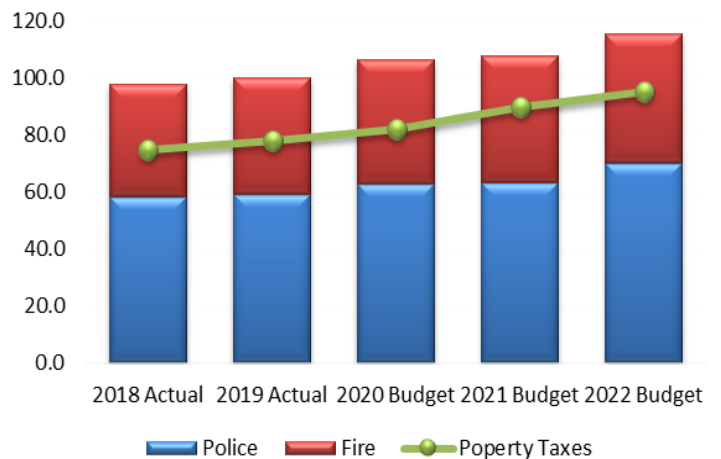
Homeowner estimated tax bill

The proposed ad valorem millage is unchanged at 8.3465 per or, \$8.35 per \$1,000 of assessed property value. Some homeowners may pay slightly more than in the prior year because home values have risen 3% or more.

A homeowner whose property is valued at \$250,000, less a \$50,000 homestead exemption, would pay \$1,683.66 to the City of West Palm Beach.



Public Safety vs. Property Taxes (in millions)



CITYWIDE BUDGET AT A GLANCE

(in millions)

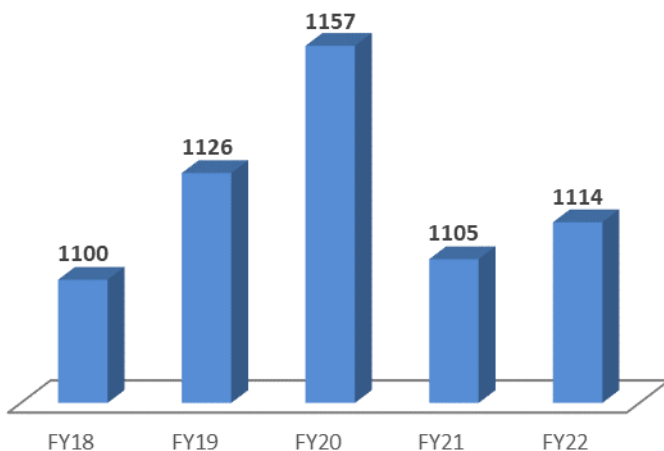
City of West Palm Beach	FY2021	FY 2022	\$ Change	% Change
General Fund	193.5	205.6	12.1	6.3%
Special Revenue Fund	33.5	52.5	19.0	56.7%
Debt Services Funds	4.9	4.9	0.0	0.0%
Capital Funds	58.6	33.4	-25.2	-43.0%
Parking Fund	7.3	8.0	0.7	9.6%
Internal Service Funds	68.8	71.5	2.7	3.9%
Utility Funds	149.4	168.3	18.9	12.7%
Stormwater Funds	26.0	25.7	-0.3	-1.2%
City Budget	\$542.00	\$569.90	27.9	5.1%
CRA Funds	102.9	86.2	-16.7	-16.2%
ECR Funds	57.5	56.3	-1.2	-2.1%
Total Citywide Budget	\$702.40	\$712.40	10.0	1.4%

In addition to the typical governmental activities such as public safety, planning and development, recreation, and public works, the City of West Palm Beach also maintains several other activities as part of its Citywide Budget. These activities include Utility and Stormwater systems which provide water, sewer, and stormwater services to the residents ; a sewage and treatment facility joint venture East Coast Water Reclamation Facility with other governmental organizations; two Community Redevelopment Agency (CRA) operating funds, as well as several funds dedicated to capital improvements and the payment of debt services.

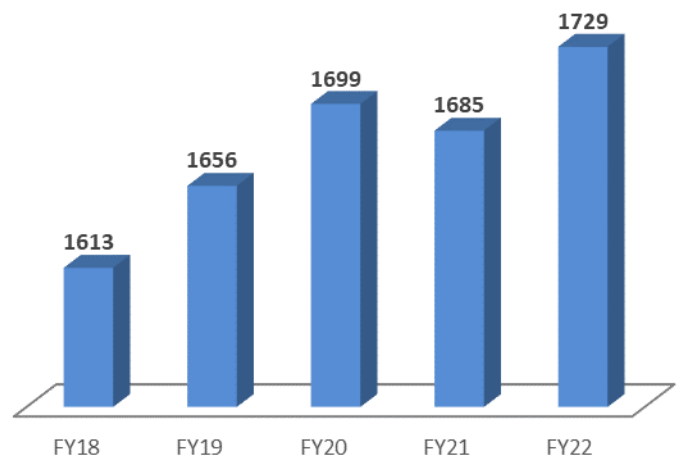
Additionally, the City operates several parking garages which are accounted for as business type activities under the classification of “enterprise funds”.

The City also maintains several internal service funds providing services such as information technology, fleet management, and insurance to the various departments and funds within the City.

General Fund Personnel Trend FTEs



Citywide Personnel Trend FTE's



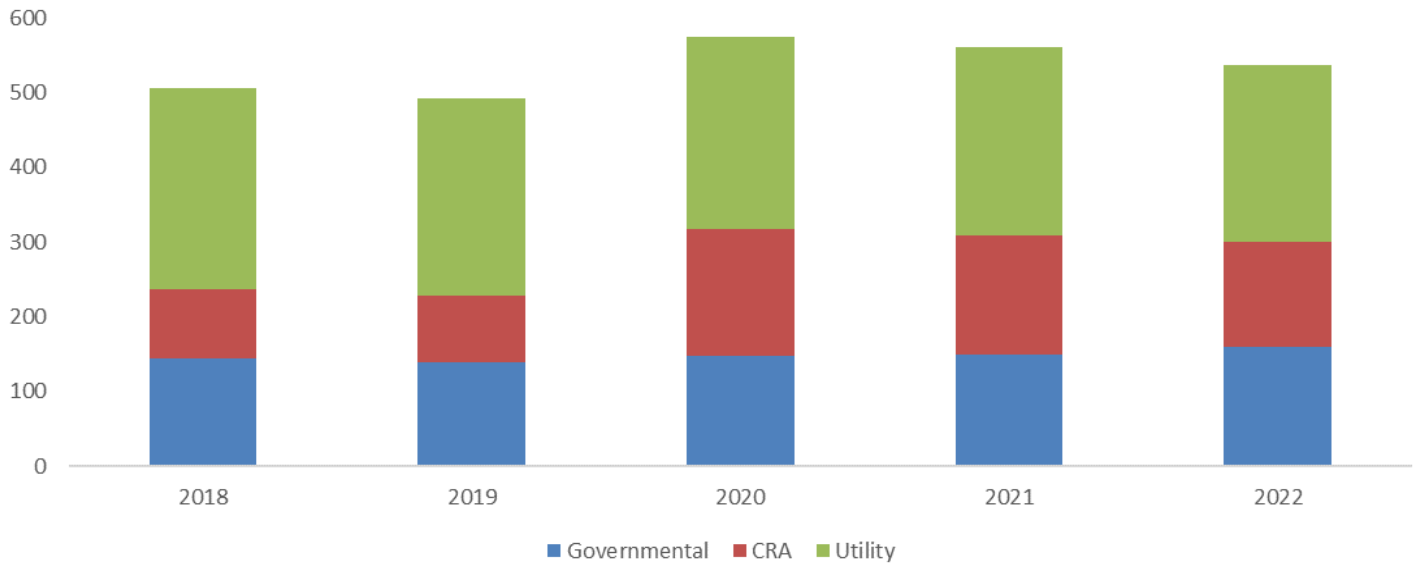
CITYWIDE DEBT AT A GLANCE

The City's General Fund has borrowed approximately \$184 million to fund various public projects including the City Center government complex, the Waterfront, other recreation venues, and infrastructure improvements. Various revenue sources including public service taxes, guaranteed entitlement obligations, and general tax obligations have been pledged to various bonds issued. These bonds are repayable through 2050. The City's bond rating is Aa3/AA/AA+.

The City's Downtown and Northwood Community Redevelopment Agencies have borrowed approximately \$254 million to fund various community development projects such as City Place, Northwood Village, and the City Center/Library complex. The current outstanding (long term) debt is approximately \$133 million. These bonds are backed by the incremental tax revenues generated within these districts. The CRA's debt carries a rating of A from Standard and Poor's. These bonds are repayable through 2036.

The City's Utility System has borrowed approximately \$311 million to fund various water, sewer, and stormwater capital projects. Revenues have been pledged to support these bonds. The debt carries a rating of AA+ from Standard and Poor's and an Aa2 rating from Moody's. These bonds are payable through 2043.

Citywide Long Term Debt (in millions)



Prepared by the
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