
City of West Palm Beach



Budget In Brief
Fiscal Year 2012-2013
September 19, 2012



**Mayor
Geraldine Muoio**

City Commission

Keith James - President	District 4
Sylvia Moffett	District 1
Isaac Robinson, Jr.	District 2
Kimberly Mitchell	District 3
Shanon Materio	District 5

**City Administrator
Ed Mitchell**

**Deputy City Administrator
Dorritt Miller**

**City Finance Director
Jeff Green**

About the Budget:

The City of West Palm Beach's Fiscal Year 2012-2013 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 the planned areas where the money will be spent.

In order to address budget issues and to identify ways to balance the budget, a series of budget workshops were held over the past four months. In these workshops the operating and capital funding needs for the upcoming fiscal year were identified and prioritized.

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 budget prior to the beginning of its fiscal year of October 1st.

The fiscal year 2012-2013 budget is a "hold the line" budget which attempts to maintain rates, fees and programs at current levels. The budget is a responsible allocation of increasingly scarce 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.

Operating Budget Highlights:

- ◆ The City's certified taxable property values decreased \$265 million or 3.2%.
- ◆ Rolled back millage rate at 8.3465 mils levied on every \$1,000 in taxable property value.
- ◆ Proposed budget attempts to maintain services while better managing the City's internal processes.
- ◆ Increased pension costs, scheduled public safety raises, and higher fuel costs drove a \$4.5 million increase in General Fund expenditures.
- ◆ Water, sewer, and storm water rates have increased by 5% in accordance with the Utility Rate Ordinance passed in 2008.
- ◆ New On-line Lien Search Fee to generate additional \$400,000 in revenue.
- ◆ Improved management of the City's investment portfolio is projected to increase interest earning estimates by \$900,000.
- ◆ Increased collection efforts on outstanding balances increases revenues estimates by \$1,500,000.
- ◆ Received SAFER Grant in the amount of \$479,772 which enables the City to add six (6) new firefighter positions.

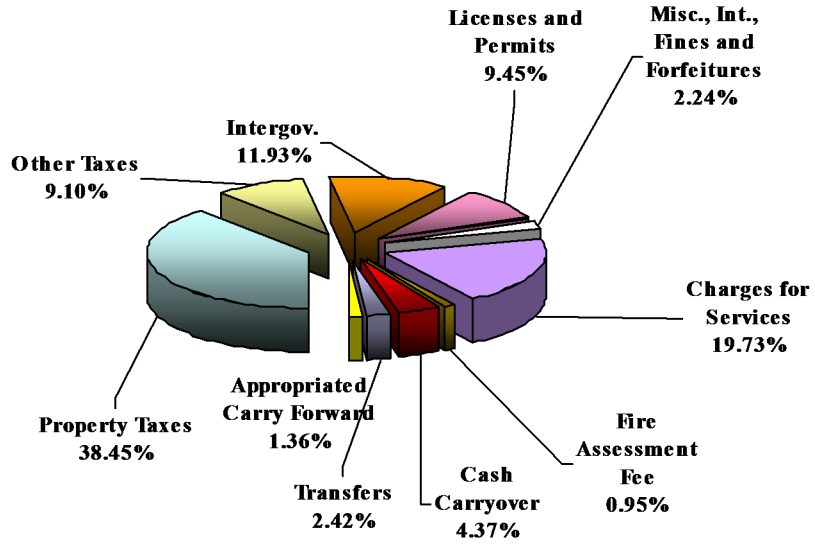
Operating Budget Highlights (continued):

- ◆ Merged Engineering and Public Works departments.
- ◆ Transitioned six (6) police officers presently funded by the AR-RA grant into the General Fund.
- ◆ Outsourced administration of Housing and Community Development (HCD).
- ◆ Created a Division of Economic Development within the Mayor's Office.
- ◆ Shifted debt service payment for Energy Conservation Lease to Fiscal Year 2014, reducing the FY 2013 budget by over \$500,000.
- ◆ Delayed issuance of debt to finance construction of fire stations to match cash flow requirements.
- ◆ Appropriated \$2.3 million from FY 2012 carry forward to assist in balancing the General Fund Budget.

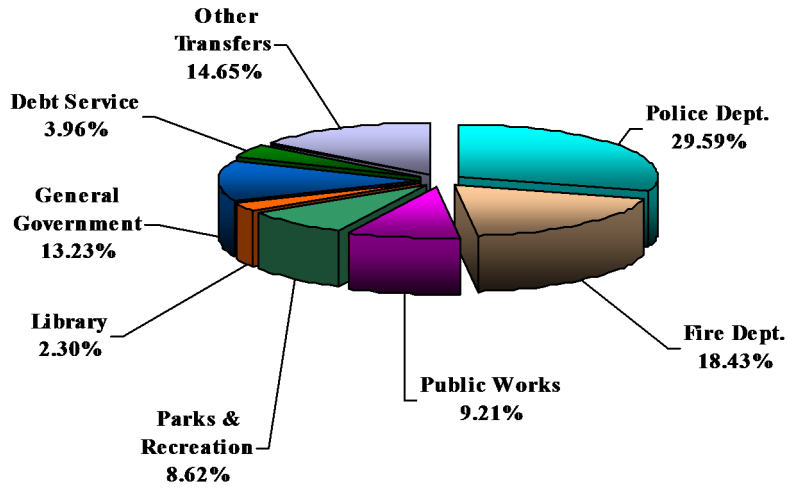
General Fund Budget at a Glance: (Amounts are reported in Millions)

	FY2012	FY2013	Change	
	\$	\$	\$	%
Revenues:				
◆ Property Taxes	65.0	65.1	0.1	0.1
◆ Licenses & Permits	16.4	16.0	(0.4)	(2.4)
◆ Intergovernmental	19.6	20.2	0.6	3.1
◆ Charges for Services	31.8	33.4	1.6	5.0
◆ Transfers	5.1	4.1	(1.0)	(19.6)
◆ Fire Assessment Fee	1.6	1.6	0.0	0.0
◆ Misc, Int, Fines & Forfeitures	2.4	3.8	1.4	58.3
◆ Other Taxes	15.5	15.4	(0.1)	(0.6)
◆ Cash Carryover	7.4	7.4	0.0	0.0
◆ Appropriated Carry Forward	<u>0.0</u>	<u>2.3</u>	<u>2.3</u>	<u>100.0</u>
TOTAL REVENUES	<u>\$164.9</u>	<u>\$169.3</u>	<u>\$ 4.4</u>	<u>2.7%</u>
Expenditures:				
◆ General Government	20.4	20.0	(0.4)	(2.0)
<i>Police</i>	48.3	50.1	1.8	3.7
<i>Fire</i>	28.8	31.2	2.5	8.6
◆ Public Safety Total	77.0	81.3	4.3	5.5
◆ Public Works/Engineering	14.3	15.6	1.3	9.3
◆ Parks & Recreation	14.2	14.6	0.4	2.4
◆ Library	4.0	3.9	(0.1)	(1.7)
◆ Debt Service (debt transfers)	6.7	6.7	(0.0)	(0.0)
◆ Other Transfers	<u>28.1</u>	<u>27.1</u>	<u>(1.0)</u>	<u>(3.5)</u>
TOTAL EXPENDITURES	<u>\$164.9</u>	<u>\$169.3</u>	<u>\$ 4.4</u>	<u>2.7%</u>

Components of General Fund Revenues:



Components of General Fund Expenditures:



The Budget Process:

This was a very challenging budget as the effects of the economy continue to impact the City's taxable values, revenue streams and the cost of operations. The following chart illustrates the General Fund budget shortfall, and the actions implemented to achieve a balanced budget. Amounts are reported in millions.

	Beginning Balance	Additions	Reductions	Ending Balance
Revenues	\$163.1	\$7.2	\$(1.0)	\$169.3
Expenditures	\$169.3	\$0.4	\$(0.4)	\$169.3
Difference	<u>\$(6.2)</u>	<u>\$6.8</u>	<u>\$(0.6)</u>	<u>\$0.0</u>

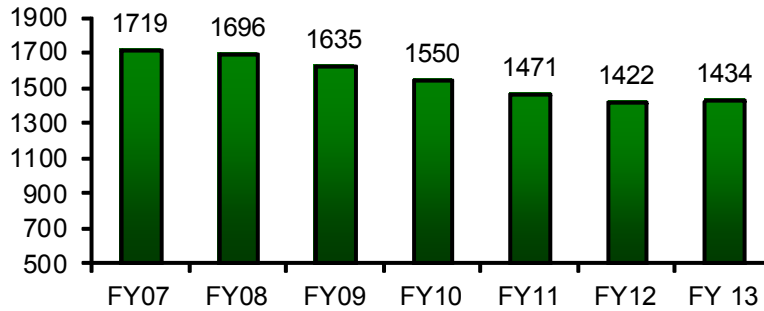
Adjustments to General Fund Revenues:

Property Tax - Rollback Rate	\$2,105,370
EMS Transport Service	\$1,500,000
Appropriation of FY 2102 Carry forward	\$2,300,000
Communications Service Tax	\$ (400,000)
State Revenue Sharing Proceeds	\$ (60,000)
Half-cent Sales Tax	\$ (534,000)
New On-line Lien Search Fee	\$ 400,000
Interest Earnings	\$ 900,000
Miscellaneous	<u>\$ (11,370)</u>
	\$ 6,200,000

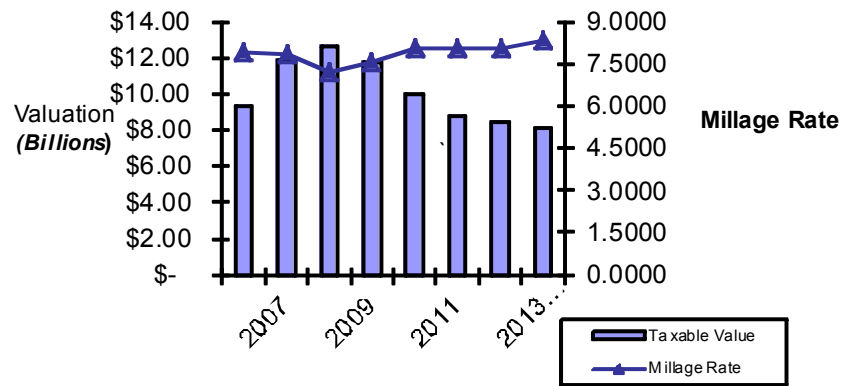
Adjustments to General Fund Expenditures:

Fire Pension Contributions	\$ 181,000
General Fund Contribution to Waterfront	\$ 194,148
Miscellaneous	<u>\$ (354,148)</u>
	\$ 21,000

**7 Year Citywide Personnel Trend
Fulltime Equivalents (FTE)**



**City of West Palm Beach
Taxable Values and Millage Rates
Fiscal Years 2006-2013**



Property Taxes:

The City's taxable property value is \$8.1 billion, a 3.2% decline from the prior year. The Fiscal Year 2012-2013 budget was developed using the proposed millage rate of 8.3465. The millage rate is the rolled-back rate, 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 \$40.2 million to the tax rolls.

The 8.3465 millage rate generates property tax revenue of \$65.1 million and is 38% of the total General Fund revenue budget, which goes towards paying for the public safety budget of \$81.3 million, or 48% of the total General Fund expenditure budget.

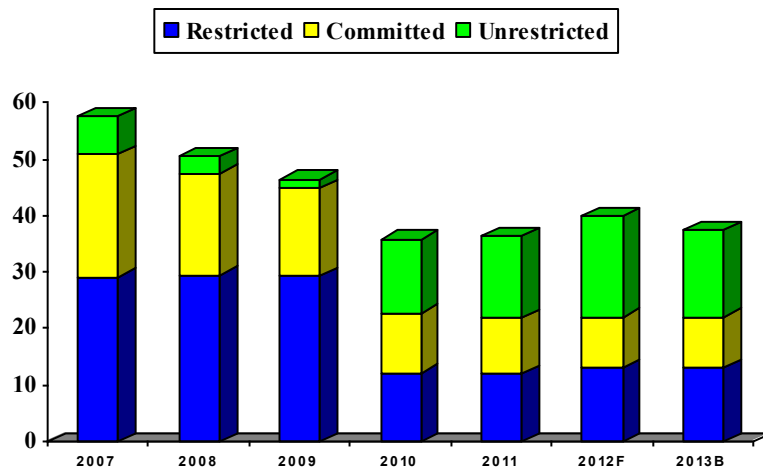
7 Year Property Tax Trend:

Fiscal Year	Taxable Value	Growth in Value	Millage Rate	Budgeted Tax Revenue
2006/07	\$11,878,677,005	27.7%	7.8500	\$88,585,234
2007/08	\$12,665,198,698	6.6%	7.1916	\$86,528,891
2008/09	\$11,791,806,949	-6.9%	7.5500	\$84,576,735
2009/10	\$10,017,236,196	-15.0%	8.0739	\$76,834,255
2010/11	\$8,789,746,247	-12.3%	8.0739	\$67,419,156
2011/12	\$8,412,599,546	-4.3%	8.0739	\$65,026,364
2012/13	\$8,147,594,065	-3.2%	8.3465	\$65,103,699

General Fund Reserves:

The Fiscal Year 2012-2013 budget results in an estimated General Fund ending reserve balance of \$37.4 million or 22.1% of total General Fund expenditures. Thirteen million dollars of the available reserves are restricted by the City for use in emergency situations. Another \$9.1 million is restricted for other purposes. The remaining \$15.3 million is undesignated and unrestricted.

Amounts are reported in millions.



Citywide Budget at a Glance:

By Fund Type: (Amounts are Reported in Millions)

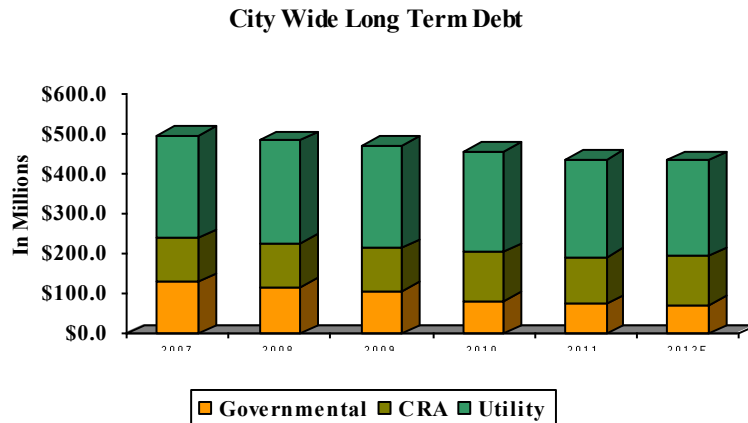
	FY2012	FY2013	Change	
	\$	\$	\$	%
◆ General Fund	164.8	169.3	4.5	2.7
◆ Utility Fund	112.0	124.7	12.7	11.3
◆ ECR Fund	41.1	148.2	107.1	260.6
◆ Storm Water Fund	16.0	16.7	0.7	4.4
◆ All Other Enterprise Funds	7.0	7.6	0.6	8.6
◆ Debt Service Funds	4.8	4.7	(0.1)	(2.1)
◆ Capital Improvement Funds	4.8	3.6	(1.2)	(25.0)
◆ Internal Service Funds	44.6	47.3	2.7	6.1
◆ CRA	40.8	33.8	(7.0)	(17.2)
◆ Special Revenue Funds	<u>14.8</u>	<u>15.9</u>	<u>1.1</u>	<u>7.4</u>
TOTAL CITYWIDE BUDGET	<u>\$450.7</u>	<u>\$571.8</u>	<u>\$121.1</u>	<u>26.9%</u>

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 city wide budget. These activities include Utility and Storm Water Funds which provide water, sewer and storm water services to the residents of our community; a sewage and treatment facility joint venture (“ECR”) with other governmental organizations; two Community Re-development Agency (CRA) funds, as well as several funds dedicated to capital improvements and the payment of debt services.

The City also operates a Municipal Golf Course and several parking garages which are accounted for as business activities under the classification of “enterprise funds”.

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

Citywide Debt at a Glance:



The City's Downtown and Northwood Community Redevelopment Agencies have borrowed approximately \$130 million to fund various community redevelopment projects such as City Place, Northwood Village and the City Center Library complex. These bonds are backed by the incremental tax revenues generated within these districts. These bonds are repayable thru 2036.

The City's General fund has borrowed approximately \$100 million to fund various public projects including the City Center Government complex, the waterfront and other recreation venues. 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 thru 2037.

The City's Utility Fund has borrowed approximately \$260 million to fund various water, sewer and storm water capital projects. Revenues from the Utility Fund has been pledged to support these bonds. The City's Utility debt carries a rating of AA from Standard and Poor's and an Aa2 rating from Moody's. These bonds are repayable thru 2041.



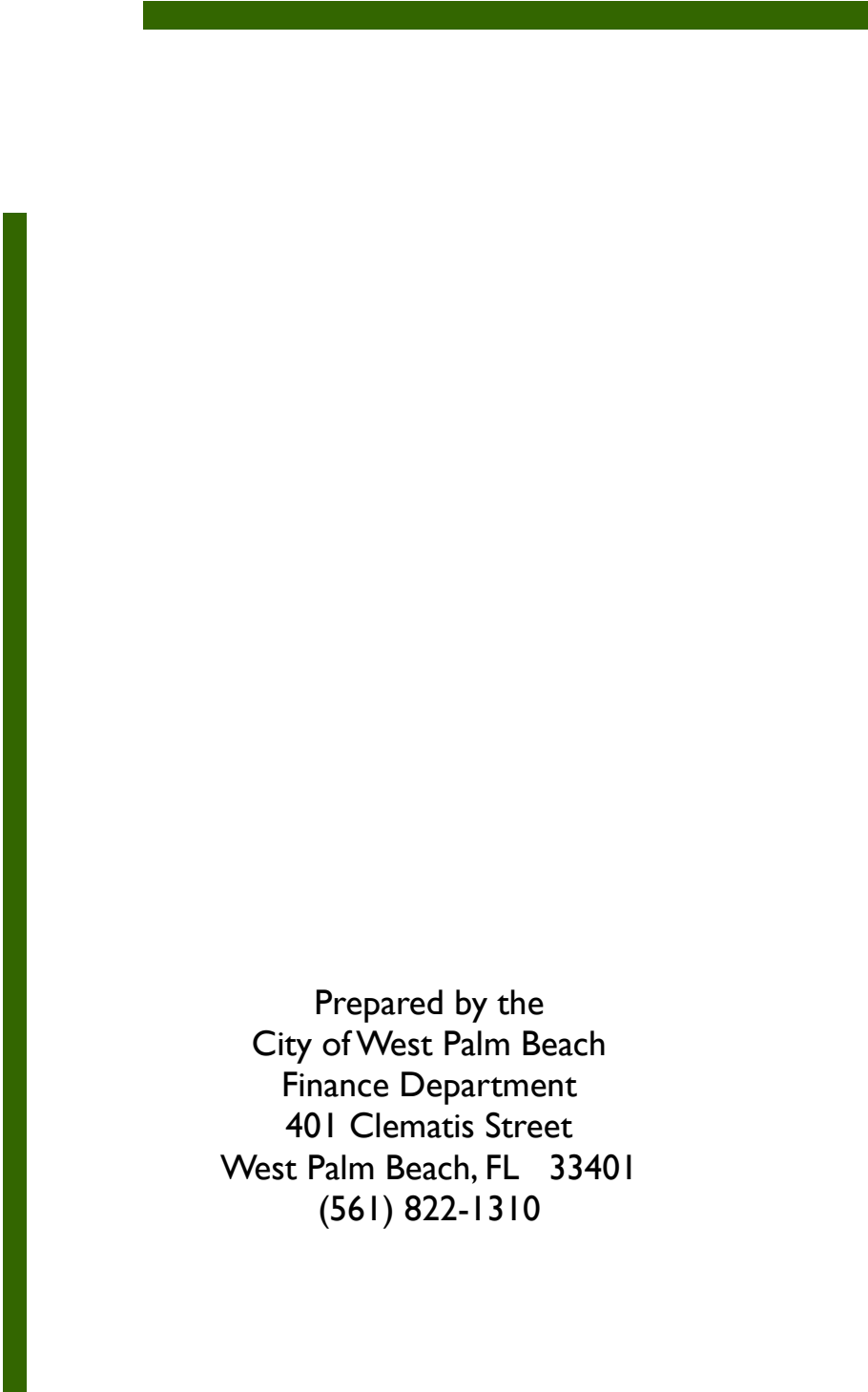
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