



# Overview of Proposed FY 2023 Operating Budget

August 4, 2022



*"Working to Enhance ... 3 Miles of Paradise"*



# FY 2023 Preliminary Budget Overview

- Slight (1%) Decrease in Millage Rate proposed
  - Recognized a 13.75% increase in Taxable Value
  - **Reduction** in Debt Service Millage (0.0350 mills) as part of Water Rate Transition
- No NEED to balance with pledged reserve funds (Fund Balance)
  - **Reduced** from \$642,000 in the prior year
- Increase in Fire-Rescue budget of \$712,832 (13% increase)
  - 4% increase from City of Delray Beach Interlocal Agreement
  - 1 Fire Chief Position
  - Design/Consulting Fees – (Does not include Fire Station construction activity)
  - 1 EMS Vehicle
- Funding of salaries and benefits under Collective Bargaining Agreements
  - Assumed healthcare and related insurance increase of 7% (Preliminary)
  - FOP Union fixed increase of 3.5% (Last year of current agreement)
  - PBA Union step plan to increase range from 2% to 8.1% [depending on rank and step position](Last year of current agreement)
  - Non-Union employees 5% plus Cost of Living adjustment to Salary Table
  - Evaluation of one-time employee payment to address unsettled economic conditions



# FY 2023 Preliminary Budget Overview (Cont.)



## Funding of Capital Projects

- North & South Entry Signs - \$150,000
- Road/Bridge Repairs - \$100,000
- Rehab Lift Station #2 - 150,000
- Replace VFDs for Wells, Feed and Transfer Pumps - \$300,000



# FY 2022 Accomplishments

## Fire-Rescue Department

Contracted Architect and Construction Manager at Risk

Contracted Medical Director

Submitted COCPN

Closed a \$5 Million, Private Bank Loan

Adopted Fire Code

Recruit Fire Chief

Contract Audit

 Completed Water/Sewer Rate Study Update

 Sanitary Sewer Rehabilitation Project

 Rehabilitate Lift Station #2 & #3

 Rehabilitate Well No. 6

 Replace Membrane Stage Turbo Pumps

 Storm Sewer Repair Bel Lido



## FY 2022 Accomplishments (Cont.)

- 🌐 Implemented Police Department Marine Unit
- 🌐 Police Department Accreditation
- 🌐 Adoption Building Recertification Ordinance & Program
- 🌐 Crosswalk Overhead Lighting Project
- 🌐 Adoption of Right-of-Way Ordinance
- 🌐 Fund Balance Policy Update
- 🌐 Recruitment of Finance Director (Finance Department Reorganization)
- 🌐 Investment Policy Update



# FY 2023 Strategic Projects/Initiatives

- Fire-Rescue Department
  - Commence Construction of Fire Station
  - Procure Station Apparatus and Equipment
  - Recruit Fire Personnel
  - Formalize Operational Protocols
- Marine Accessory Structures Ordinance
- Town Entry Signs
- PBA Collective Bargaining Agreement FY 2023-2026
- FOP Collective Bargaining Agreement FY 2023-2026
- Bel Lido Bridge Repairs
- Rehabilitate Well No. 8
- Replace VFDs for Water Plant
- Improve Finance/Accounting Department Accuracy, Speed & Reporting
- Human Resource/Personnel Policy and Procedures





# FY 2023 Preliminary Millage Rate

- Proposed Total Millage Rate 3.2294 Mills
  - Operating Millage Unchanged – 3.2294 Last 4 years
  
- Reduction in Debt Service Millage 0.3581 Mills
  - From 0.3931 to 0.3581 – Reduction of 0.0350
  - -8.9% due to transition in Water Rates
  
- Combined Proposed Millage 3.5875 Mills



# Comparison to Other Jurisdictions

## FY 2022 Millage Rates

1. Town of Palm Beach	2.8966
2. Manalapan	3.1695
3. South Palm Beach	3.5000
4. Highland Beach (2023)	3.5875
5. Highland Beach (2022)	3.6225
6. Boca Raton	3.6700
7. Gulfstream	3.6724
8. Highland Beach (2021)	3.7878
9. Juno Beach	5.3800
10. Ocean Ridge	5.500
11. Tequesta	6.6290
12. Delray Beach	6.8400
13. North Palm Beach	7.0500

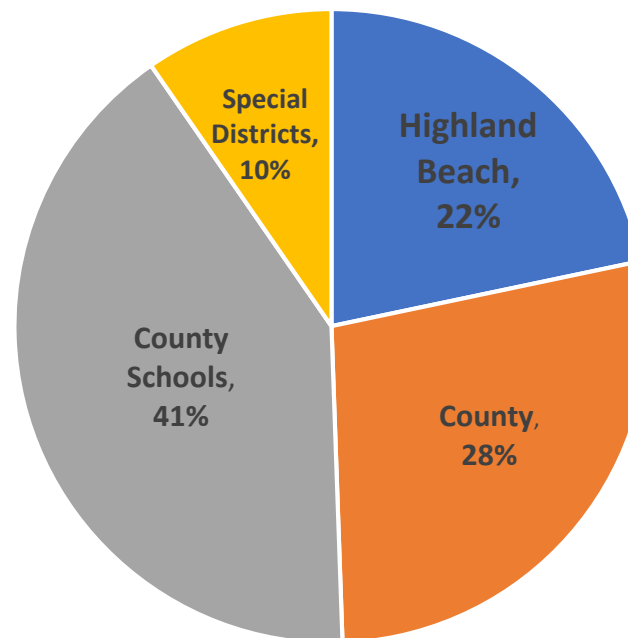




# Total Millage Rate: Highland Beach

## Proposed FY 2023

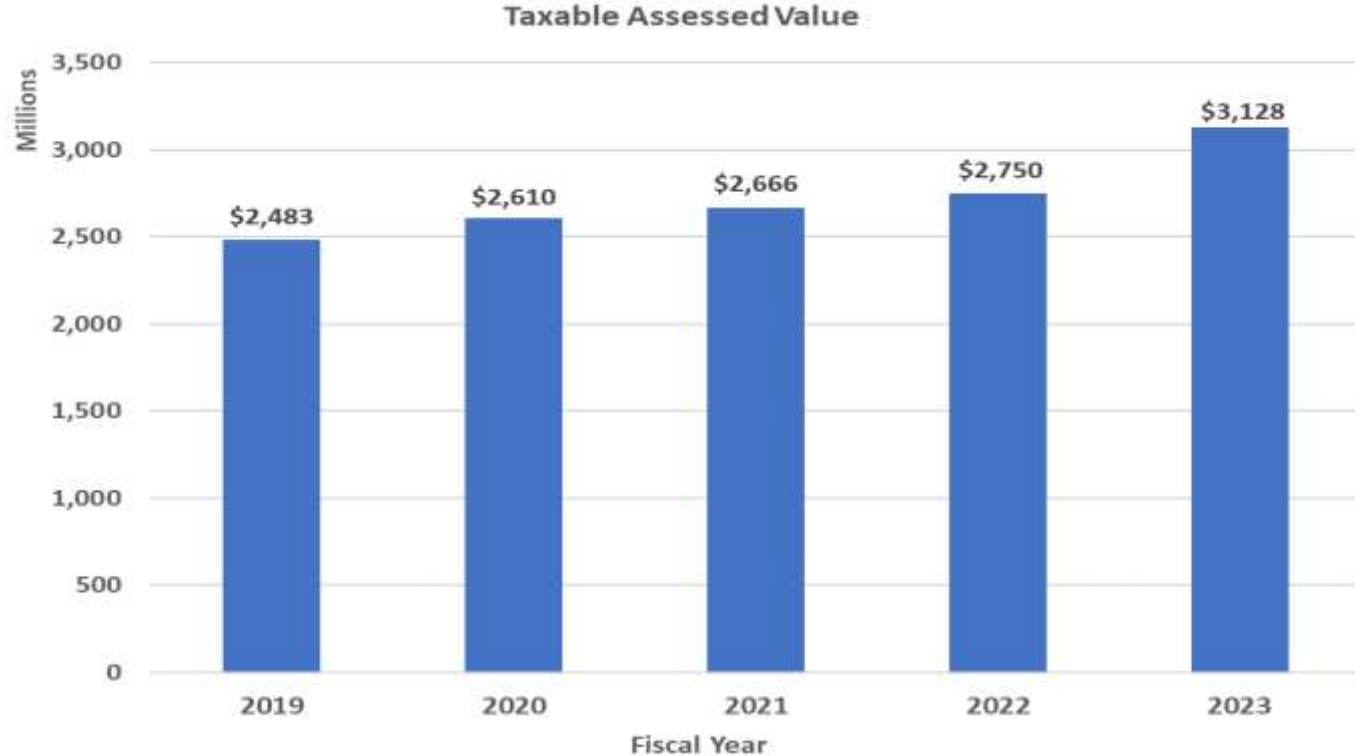
Taxing Authority	Millage Rate
Highland Beach Operating	3.2294
Highland Beach Debt	0.3581
Palm Beach County Operating	4.7815
Palm Beach County Debt	0.0334
School Board - Local	3.248
School Board - State	3.627
SFWMD	0.1061
SFWMD - Okeechobee Basin	0.1146
SFWMD - Everglades Const.	0.0365
Children Services	0.6233
Health Care District	0.7261
Florida Inland Navigation District	0.032
<b>Total</b>	<b>16.916</b>





# Town's Taxable Assessed Value

- 13.75 % Change in Taxable Value (1 Year)
- 5.52% Average Annual Change in Taxable Value (5 Years)
- 6.01% Average Annual Change in Taxable Value (10 Years)
- Increase in assessed value by 2.7% from June to July



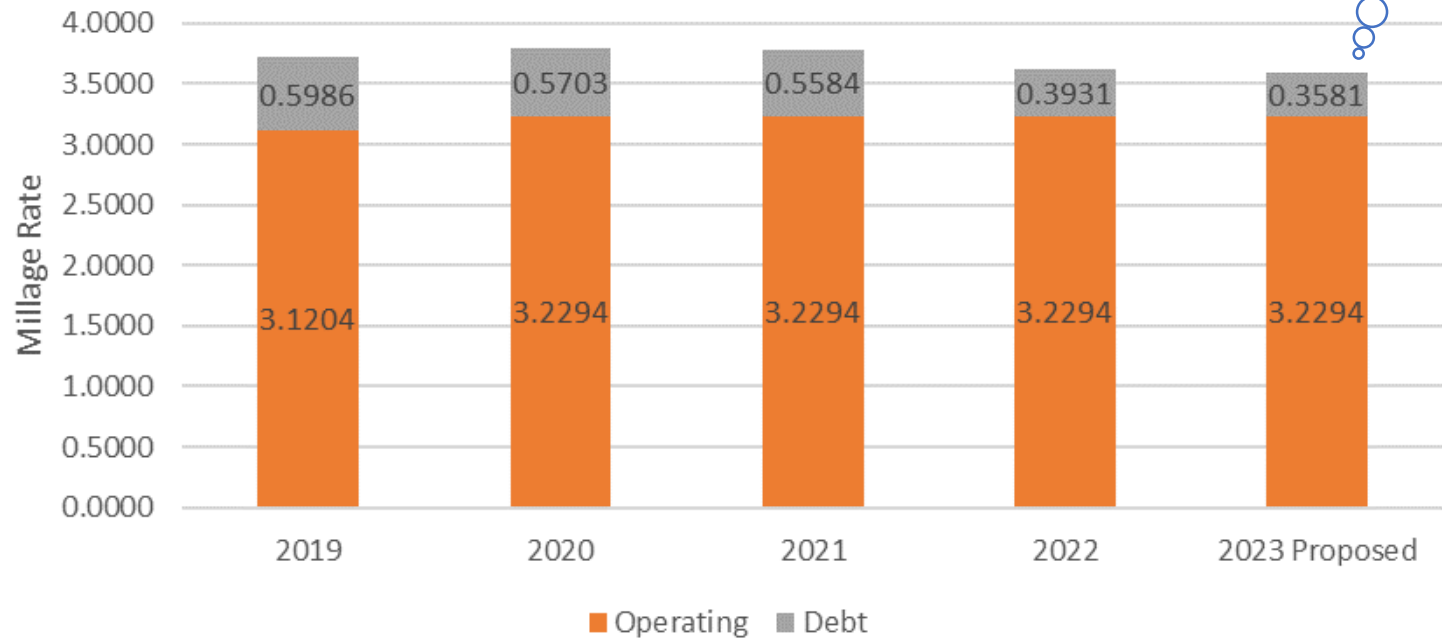
	From Property Appraiser		\$ Chng	% Chng
	Jun-22	Jul-22		
Assessed Value	\$ 3,045,487,362	\$ 3,128,076,677	\$ 82,589,315	2.7%



# Town's Proposed Tax Rate

- Maximum not to exceed millage set at 3.6000 on July 19<sup>th</sup> meeting
- Proposed millage remains at 3.5875 mills
- Total Millage Rate Change of - 1.0% as compared to prior year

Combined Milage Rate

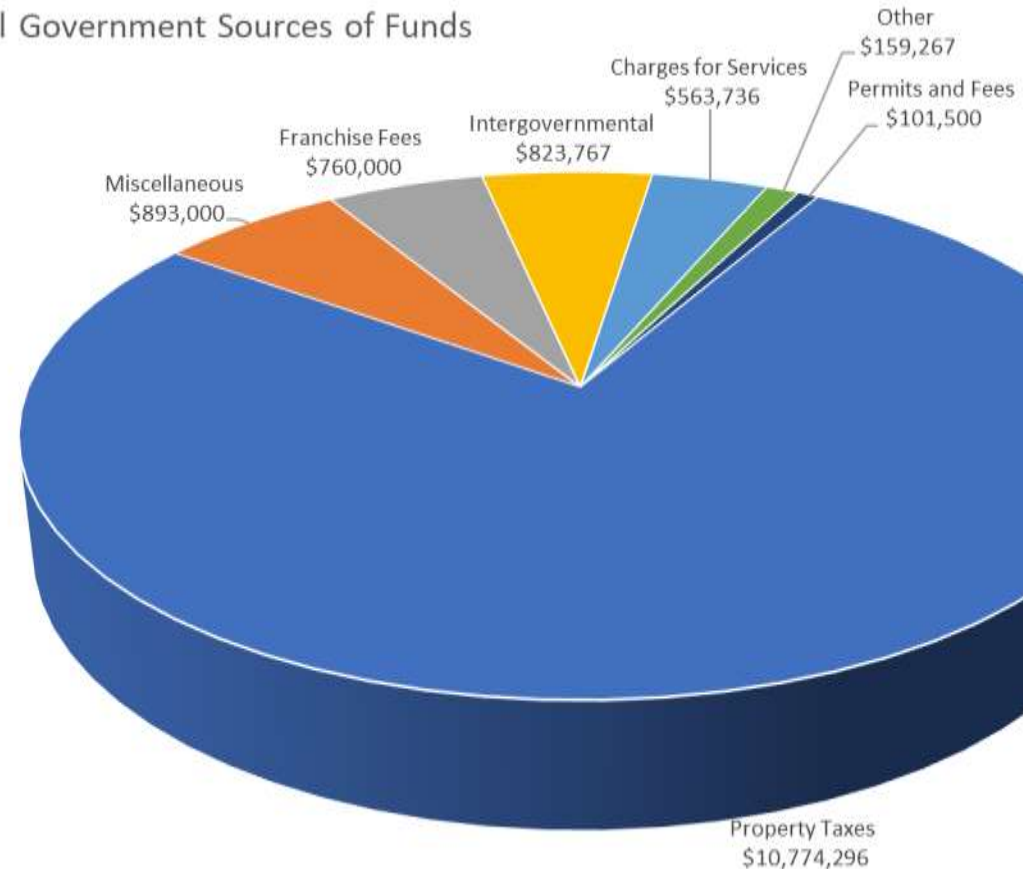




# Preliminary FY2023 General Fund Revenues

- Ad Valorem (Property Tax) continues to represent over 77% of General Revenues.
- Miscellaneous revenues are administrative reimbursements from other funds (Water, Sewer, Building) to cover shared expenditures.
- Intergovernmental revenues are shared revenues from the State (Gas Tax, Sales Tax, etc.).
- No need for a pledge from Reserve funds.

General Government Sources of Funds





# Preliminary FY2023 General Fund Revenues (Cont.)

- Property Taxes (Ad Valorem) increased.
- Estimated increase in Intergovernmental (Shared) Revenues based on the overall health of the Florida economy.
- Permits and Fees continue to strengthen.
- No pledge from Reserve to fund
- Other revenue sources based on actual data through April 2022.
- Overall estimated 6.3% increase in General Fund Revenues.

Revenue Source	FY2022 Amended Budget	Preliminary FY2023 Budget	Budget to Budget \$ Change	Budget to Budget % Chng
Property Taxes	\$ 9,580,365	\$ 10,774,296	\$ 1,193,931	12.5%
Intergovernmental	717,900	823,767	105,867	14.7%
Franchise Fees	750,000	760,000	10,000	1.3%
Permits and Fees	50,000	101,500	51,500	103.0%
Charges for Services	540,000	563,736	23,736	4.4%
Fines & Forfeitures	10,700	6,500	(4,200)	-39.3%
Interest Income	82,500	79,767	(2,733)	-3.3%
Rents & Leases	67,000	73,000	6,000	9.0%
Miscellaneous	802,000	893,000	91,000	11.3%
★ From Reserve	642,908	-	(642,908)	-100.0%
Total	\$ 13,243,373	\$ 14,075,566	\$ 832,193	6.3%



# Preliminary FY2023 General Fund Expenditures

- Salaries & Related represent approximately 37% of the total budget. The estimated increase in budget is based on full staffing levels (4 additional FTEs) plus an anticipated merit increase and increase in healthcare costs.
- Operating expenditures represent approximately 54% of the total budget.
- Capital Projects include the anticipated purchase of a Fire Rescue vehicle at \$275K
- Decrease in Interfund Transfers (from Water Fund) due to reduction in DS Millage.
- Overall increase in General Fund Expenditures of 5.6%.

Expenditure by Category	FY2022 Amended Budget	Preliminary FY2023 Budget	Budget to Budget \$ Change	Budget to Budget % Chng
Salaries & Related	\$ 4,308,337	\$ 5,140,288	831,951	19.3%
Operations	7,660,501	7,602,909	(57,592)	-0.8%
Capital Project	267,436	331,850	64,414	24.1%
Interfund Transfers	1,094,445	1,000,519	(93,926)	-8.6%
	<u>\$ 13,330,719</u>	<u>\$ 14,075,566</u>	<u>744,847</u>	<u>5.6%</u>

## General Government Uses of Funds







## Preliminary FY2023 General Fund Expenditures (Cont.)

- Created a new Shared Support Services Department to track general governmental shared services between departments and funds. Shifted staff from Town Manager and added 1 new position. Shifted communication, network, and other IT-related costs from other departments into Shared Support Services Department.
- Fire Rescue fund increase includes new Fire Chief position and related benefits and increases in Fire Rescue contract with City of Delray Beach.
- Increase 1 new staff position within the Public Works Department.

Expenditure by Department	FY2022 Amended Budget	Preliminary FY2023 Budget	Budget to Budget \$ Change	Budget to Budget % Chng
TOWN COMMISSION	\$ 197,525	\$ 190,367	\$ (7,158)	-3.6%
TOWN MANAGER	642,250	544,887	(97,363)	-15.2%
TOWN CLERK	480,216	414,457	(65,759)	-13.7%
FINANCE	569,333	600,142	30,809	5.4%
LEGAL COUNSEL	185,000	200,000	15,000	8.1%
PUBLIC WORKS	324,913	376,208	51,295	15.8%
POST OFFICE	132,050	149,186	17,136	13.0%
SHARED SUPPORT SERVICES	443,690	613,668	169,978	38.3%
POLICE DEPARTMENT	2,897,992	2,890,131	(7,861)	-0.3%
FIRE RESCUE	5,425,325	6,138,157	712,832	13.1%
SOLID WASTE	488,180	492,235	4,055	0.8%
LIBRARY	424,800	440,609	15,809	3.7%
INTERFUND TRANSFERS	1,094,445	1,000,519	(93,926)	-8.6%
RESERVE FOR CONTINGENCY	25,000	25,000	-	0.0%
Total	\$ 13,330,719	\$ 14,075,566	744,847	5.6%





## Preliminary FY2023 General Fund Balance

- FY2022 Budget anticipated a \$643K pledge from reserves, current projection indicates only needing \$129K
- Based on the proposed budget for FY2023, with **no required pledge from Reserves**, our Fund Balance will continue to remain healthy.
- The reduction in unassigned Fund Balance is based on the Fund Balance Policy which fixes Budgeted Stabilization and Disaster Recovery at a fixed 16.7% of General Fund Expenditures.

Fund Balance/Equity/Unrestricted Net Positions			
	9/30/2021	Projection 9/30/2022	Projection 9/30/2023
General Fund	\$ 10,489,197	\$ 10,360,415	\$ 10,360,415
\$ Change		(128,782)	-
% Change		-1.2%	0.0%
Fund Balance Policy			
Budget Stabilization	\$ 1,876,357	\$ 2,059,682	\$ 2,350,620
Disaster Recovery	1,876,357	2,059,682	2,350,620
Fire Rescue	4,000,000	4,000,000	4,000,000
Unassigned	2,736,483	2,241,051	1,659,176
Total	<u>\$ 10,489,197</u>	<u>\$ 10,360,415</u>	<u>\$ 10,360,415</u>



# Preliminary FY2023 Discretionary Sales Surtax Fund

- Preliminary projections indicate an increase in Discretionary Sales Tax revenue from the State of Florida.
- Shifting Discretionary Sales Tax capital projects from FY2022 into FY2023 (Town Entry Signs) \$150K.
- Road/Bridge Repairs \$100K.

Revenue Source	FY2022 Amended Budget	FY2022 Projection	Preliminary FY2023 Budget	Budget to Budget \$ Change	Budget to Budget % Chng
Intergovernmental	\$ 225,000	\$ 276,812	\$ 275,000	\$ 50,000	22.2%
Interest Income	-	-	-	-	0.0%
From Reserve	300,000	-	155,000	(145,000)	-48.3%
Total	\$ 525,000	\$ 276,812	\$ 430,000	\$ (95,000)	-18.1%

Expenditure by Category	FY2022 Amended Budget	FY2022 Projection	Preliminary FY2023 Budget	Budget to Budget \$ Change	Budget to Budget % Chng
Salaries & Related	\$ -	\$ -	\$ -	\$ -	0.0%
Operations	-	-	-	-	0.0%
Capital Project	595,119	324,530	430,000	(165,119)	-27.7%
Total	\$ 595,119	\$ 324,530	\$ 430,000	\$ (165,119)	-27.7%
Canceled/Reduced/Move Forward Projects		\$ 270,589			



# Preliminary FY 2023 Capital Projects

Fund	Project Name	Est. Cost	Status	Funding Source	2022	2023
Discret. Sales Surtax	Office Renovation in Town Hall for Fire & HR	\$50,365	Complete	Infrastructure Sales Tax/FB	59,895	
Discret. Sales Surtax	North & South Entry Signs	\$150,000	Moved Forward	Infrastructure Sales Tax/FB		150,000
Discret. Sales Surtax	Road/Bridge Repairs	\$100,000	New	Infrastructure Sales Tax/FB		100,000
Discret. Sales Surtax	Upgrade Library Conf. Room	\$10,000	New	Infrastructure Sales Tax/FB		10,000
Discret. Sales Surtax	Upgrade Town Hall Security	\$15,000	New	Infrastructure Sales Tax/FB		15,000
Discret. Sales Surtax	IT/Computers Upgrade	\$25,000	New	Infrastructure Sales Tax/FB		25,000
Discret. Sales Surtax	Replace North Side Chain Link Fence	\$25,000	Canceled	Infrastructure Sales Tax/FB		
Discret. Sales Surtax	Replace Town Benches and Garbage Cans	\$30,000	To be Completed	Infrastructure Sales Tax/FB	30,000	
Discret. Sales Surtax	Two Police Vehicles	\$96,115	Complete	Infrastructure Sales Tax/FB	96,115	54,000
Discret. Sales Surtax	Vehicle for Fire Recue Chief	\$47,520	To be Completed	Infrastructure Sales Tax/FB	47,520	
Discret. Sales Surtax	Axon Police Body Cameras	\$46,000	Complete	Infrastructure Sales Tax/FB	46,000	46,000
Discret. Sales Surtax	Police Tasers	\$45,000	Complete	Infrastructure Sales Tax/FB	45,000	
Discret. Sales Surtax	New Acs	\$30,000	New	Infrastructure Sales Tax/FB		30,000
Discret. Sales Surtax	UV Protection for Town Hall A/C System	\$35,000	Canceled	Infrastructure Sales Tax/FB	-	
<b>Total Discretionary Sales Surtax Projects</b>					<b>\$ 324,530</b>	<b>\$ 430,000</b>



# Preliminary FY2023 Discretionary Sales Tax Fund Balance

- Based on the proposed budget for FY2023, certain projects were pushed forward from FY2022 to FY2023.

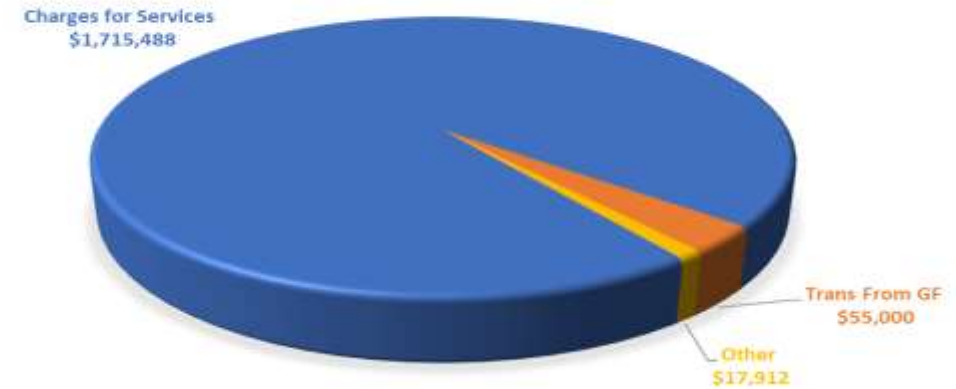
	<u>Fund Balance/Equity/Unrestricted Net Positions</u>		
	<u>9/30/2021</u>	<u>Projection 9/30/2022</u>	<u>Projection 9/30/2023</u>
Discretionary ST Fund	392,530	345,466	190,466
\$ Change		(47,064)	(155,000)
% Change		-12.0%	-44.9%



## Preliminary FY2023 Building Department (Revenues)

- Charges for Services represent over 96% of the total revenue associated with this fund. FY2023 Preliminary Budget is based on a conservative projection of FY2022 actuals plus potential ILA revenue of \$300K.
- Transfer from General Fund represents a fixed amount of allocated labor for planning and zoning activity .
- Due to the overall health of this fund, no pledge from Reserve is anticipated.

BUILDING DEPARTMENT SOURCES OF FUNDS



Revenue Source	FY2022 Amended Budget	Preliminary FY2023 Budget	Budget to Budget \$ Change	Budget to Budget % Chng
Permits & Fees	\$1,074,000	\$1,715,488	\$ 641,488	59.7%
Interest Income	1,000	\$ 17,912	16,912	1691.2%
From Reserve	111,204	\$ -	(111,204)	-100.0%
Trans From GF	55,000	\$ 55,000	-	0.0%
<b>Total</b>	<b>\$1,241,204</b>	<b>\$1,788,400</b>	<b>\$ 547,196</b>	<b>44.1%</b>



## Preliminary FY2023 Building Department (Expenditures)

- Increase in Salaries & Related predominately driven by an increase in anticipated cost of living and related increase in benefits.
- Increase in operational cost associated with an anticipated increase in sub-contracted inspection services associated with potential ILA activity.
- Minimal Capital Projects are anticipated in FY2023 primarily due to the completion of FY2021 and FY2022 Capital Projects.

Expenditure by Category	FY2022 Amended Budget	Preliminary FY2023 Budget	Budget to Budget \$ Change	Budget to Budget % Chng
Salaries & Related	\$ 673,200	\$ 728,051	\$ 54,851	8.1%
Operations	514,629	1,024,349	509,720	99.0%
Capital Project	68,330	36,000	(32,330)	-47.3%
Interfund Transfers	-	-	-	0.0%
Total	<u>\$1,256,159</u>	<u>\$1,788,400</u>	\$ 532,241	42.4%

### Building Department Uses of Funds





# Preliminary FY2023 Building Fund Balance

- Early projections for FY2022 indicate revenues will exceed expenditures by \$617K
- Based on the proposed budget for FY2023, revenues will equal expenditures.

	Fund Balance/Equity/Unrestricted Net Positions		
		Projection	Projection
	9/30/2021	9/30/2022	9/30/2023
Building Fund	1,535,891	2,153,268	2,153,268
\$ Change		617,377	-
% Change		40.2%	0.0%

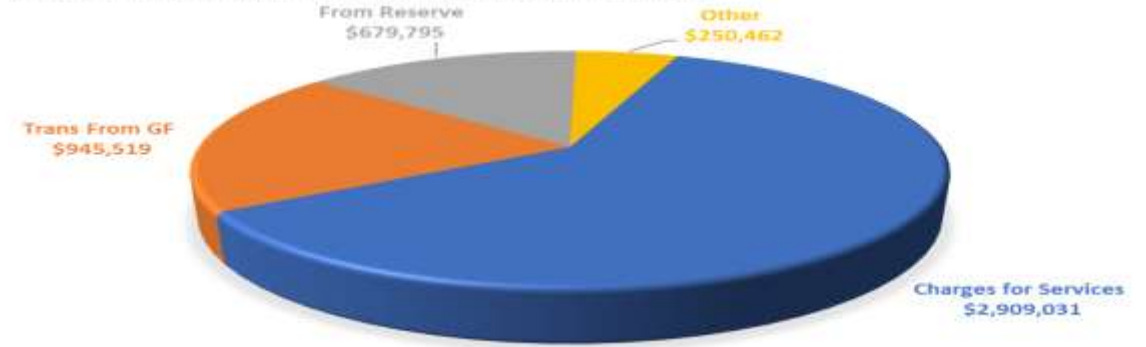




# Preliminary FY2023 Water Fund (Revenues)

- The preliminary Budget assumed a 10% rate increase as forecasted by consultant.
- Assumed no additional ARPA funds during FY2023.
- Budgeting an increase in pledged reserves in FY2023 to offset the reduction in water sales & Transfer from GF
- Transfer from GF is reduced which coincides with consultants' forecast.
- Overall increase in revenues 0.6% (primarily due to reduction in ARPA funds).

WATER DEPARTMENT SOURCES OF FUNDS



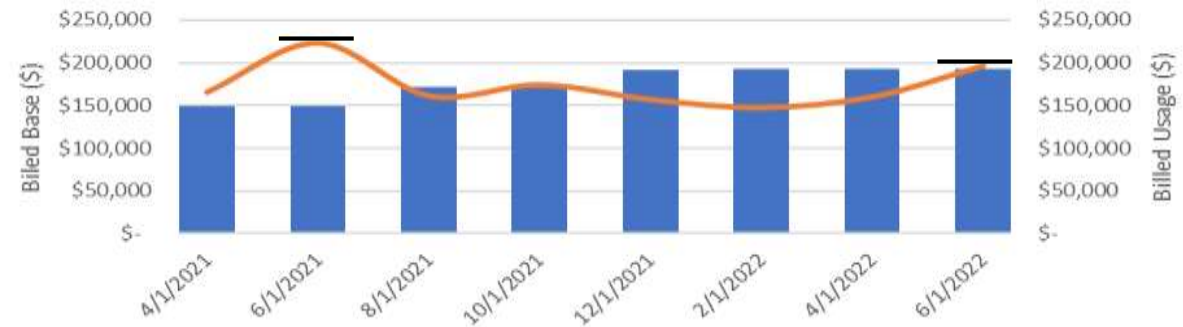
Revenue Source	FY2022 Amended Budget	Preliminary FY2023 Budget	Budget to Budget \$ Change	Budget to Budget % Chng
Charges for Services	\$ 2,668,200	\$ 2,909,031	\$ 240,831	9.0%
Interest Income	40,000	12,020	(27,980)	-70.0%
ARPA	234,325	-	(234,325)	-100.0%
Other	223,000	222,000	(1,000)	-0.4%
From Reserve	552,665	696,237	143,572	26.0%
Trans From GF	1,039,445	945,519	(93,926)	-9.0%
Total	\$ 4,757,635	\$ 4,784,807	\$ 27,172	0.6%



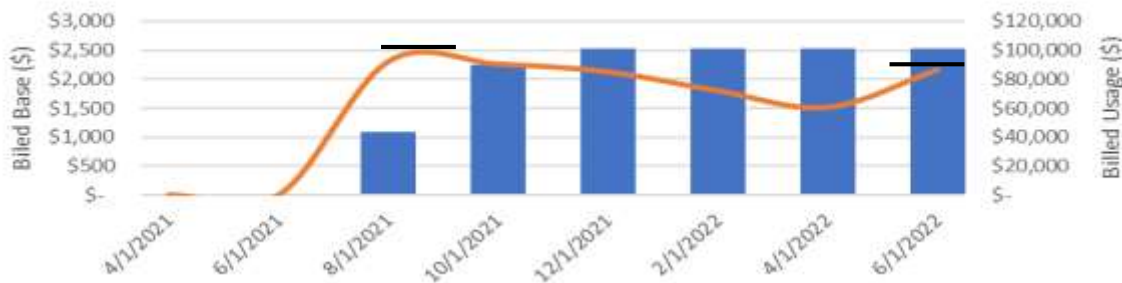
## Preliminary FY2023 Water Fund (Revenue Data)

- Water Base Fees increased from the recommended rate study.
- Water Usage Fees increased, yet usage decreased. *Starting to pick up, but still less than the prior year*

Water Base & Usage Billed (\$)



Irrigation Base & Usage Billed (\$)



- Irrigation Base Fees were established based on the last rate increase and remain steady.
- Irrigation usage fees decreased, *but starting to pick up, but still less than the prior year.*



# Preliminary FY2023 Water Fund (Revenue Data)

- Water rates were adjusted and reconfigured effective April 1, 2021, to add additional tiers and an irrigation customer class. Usage rates were adjusted by 11% while base fees remained constant.
- 10% rate increase is projected for both base and usage fees.

Rate Class / Tier	FY2020 Rate	Rate Class / Tier	4/1/2021 Rate	FY2022 Rate	FY2023 Rate
<b>Water Flate Rate</b>	\$ 33.59		\$ 40.00	\$ 44.40	\$ 48.84
<b>MF Usage Charge</b>		<b>All Customers</b>			
1K to 13K	2.41	0 to 10K	2.13	2.36	2.60
14K to 23K	2.90	10K to 20K	2.88	3.20	3.52
24K+	5.15	20K to 55K	4.47	4.96	5.46
		55K to 80K	6.50	7.22	7.94
		80K+	8.50	9.44	10.38
<b>Other</b>		<b>Irrigation Customers</b>			
1K to 19K	2.41	0 to 55K	4.47	4.96	5.46
20K to 49K	4.18	55K to 80K	6.50	7.22	7.94
50k+	5.15	80K+	8.50	9.44	10.38

Water Customer By Class			
Rate Class	Accounts	Units	Pct of Total
Single Family Residential	383	420	9.6%
Multi-Family Residential	76	3,849	87.6%
Other	5	124	2.8%
	464	4,393	100.0%



# Preliminary FY2023 Water Fund (Expenditures)

- Moderate increase in Salaries & Related (Department is fully staffed).
- Preliminary Operations budget based on FY2022 projected expenditures.
- Slight Reduction in Capital Project Expenditures.
- Level Debt Service.
- Overall decrease in expenditures of 2.9% primarily due to lower operations costs and slightly reduced Capital Projects.

Expenditure by Category	FY2022 Amended Budget	Preliminary FY2023 Budget	Budget to Budget \$ Change	Budget to Budget % Chng
Salaries & Related	\$ 1,050,700	\$ 1,086,573	\$ 35,873	3.4%
Operations	1,833,122	1,720,353	(112,769)	-6.2%
Capital Project	493,145	428,689	(64,456)	-13.1%
DS	1,549,230	1,549,192	(38)	0.0%
Interfund Transfers	-	-	-	0.0%
Total	\$ 4,926,197	\$ 4,784,807	\$ (141,390)	-2.9%

Water Department Uses of Funds

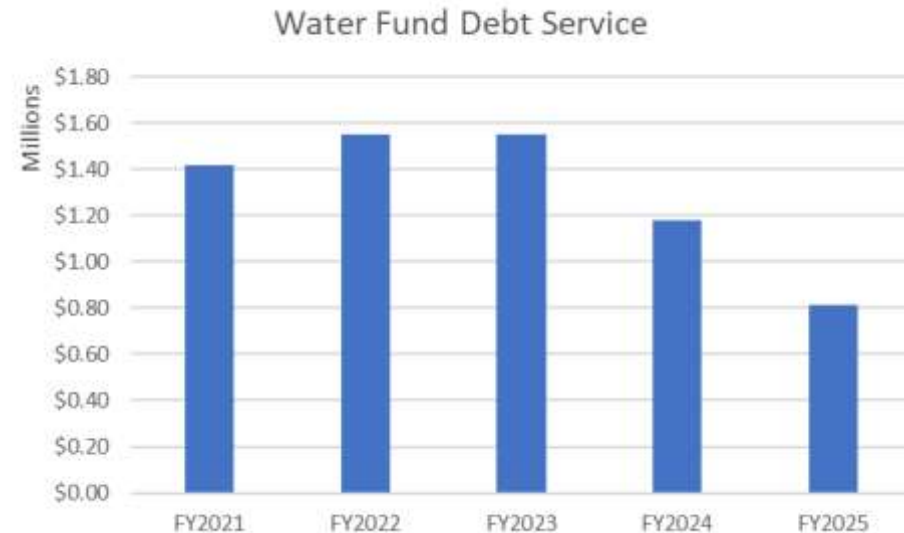




## Preliminary FY2023 Water Fund (Expenditure Data)

- Debt Service remains constant through FY2023 and reduces in FY2024 by \$369K and FY2025 by another \$369K.

Loan No.	Pmts Months	Annual Debt Service	Maturity Date
500200	Mar & Sept	\$ 198,311	Sep-30
502901	Mar & Sept	738,424	Mar-24
500210	Jun & Dec	263,473	Dec-37
500201	Mar & Sept	52,136	Sep-30
BOA	All	296,880	Feb-29
		<u>\$ 1,549,224</u>	





## Preliminary FY2023 Water Fund Balance

- Early projections for FY2022 indicate expenditures will exceed revenues by \$157,415, this amount was offset by the receipt of ARPA funds during FY2022.
- Based on the proposed budget for FY2023, expenditures will exceed revenues by \$696,237 and will need pledge reserves.

	Fund Balance/Equity/Unrestricted Net Positions		
	9/30/2021	Projection 9/30/2022	Projection 9/30/2023
Water Fund	3,386,184	3,228,769	2,548,974
\$ Change		(157,415)	(679,795)
% Change		-4.6%	-21.1%
Estimated Day Cash		272	194
Fund Balance / (Operating Expenses/365)			

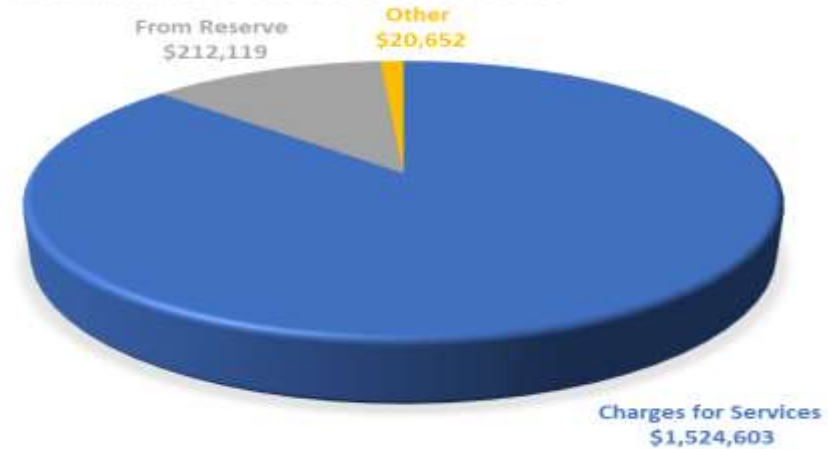




# Preliminary FY2023 Sewer Fund (Revenues)

- The preliminary Budget assumed a 12% rate increase as forecasted by the consultant.
- Sewer revenue is projected to be less than the FY2022 budget by (\$207K). Sewer cap set at 20Kgal Bi-monthly and reduced water usage.
- Assumed no additional ARPA funds during FY2023.
- Budgeting a \$212K pledge from reserve to bridge the budget gap.

SEWER DEPARTMENT SOURCES OF FUNDS



Revenue Source	FY2022 Amended Budget	FY2022 Projection	Preliminary FY2023 Budget	Budget to Budget \$ Change	Budget to Budget % Chng
Charges for Services	\$ 1,569,000	\$ 1,361,253	\$ 1,524,603	\$ (44,397)	-2.8%
Interest Income	5,000	4,053	20,652	\$ 15,652	313.0%
ARPA	565,675	693,431	-	\$ (565,675)	100.0%
From Reserve	-	-	212,119	\$ 212,119	100.0%
Other	-	-	-	\$ -	0.0%
					0.0%
Total	\$ 2,139,675	\$ 2,058,737	\$ 1,757,374	\$ (382,301)	-17.9%



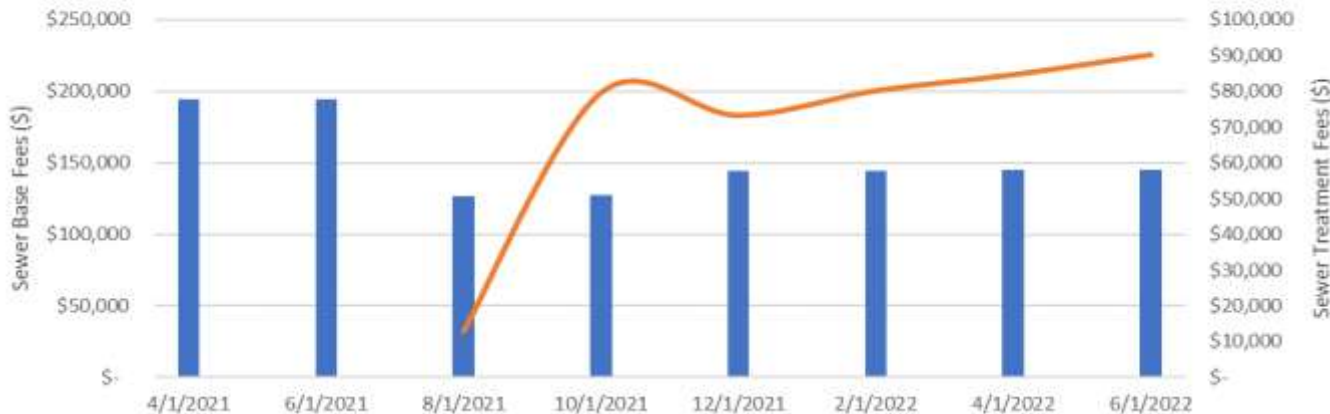


# Preliminary FY2023 Sewer Fund (Revenue Data)

- Sewer rates were adjusted and reconfigured effective April 1, 2021, to add a usage rate and tier. Rates were adjusted by 13% while base fees remained constant.
- 12% rate increase is projected for both base and usage fees.

Rate Class / Tier	FY2020 Rate	Rate Class / Tier	4/1/2021 Rate	FY2022 Rate	FY2023 Rate
Sewer Flat Rate	\$ 44.03		\$ 29.55	\$ 33.39	\$ 37.40
<b>All Residential</b>					
0 to 20K			2.41	2.72	3.05
<b>Commercial</b>					
All			2.41	2.72	3.05

Sewer Revenue



Sewer Customer By Class

Rate Class	Accounts	Units	Pct of Total
Single Family Residential	383	420	9.6%
Multi-Family Residential	76	3,836	87.6%
Other	5	124	2.8%
	464	4,380	100%



# Preliminary FY2023 Sewer Fund (Expenditures)

- Preliminary Operations budget based on FY2022 projected expenditures and increase from the City of Delray Beach for Treatment costs.
- Reduction in Capital Project Expenditures.

Expenditure by Category	FY2022 Amended Budget	FY2022 Projection	Preliminary FY2023 Budget	Budget to Budget \$ Change	Budget to Budget % Chng
Salaries & Related	\$ -	\$ -	\$ -	\$ -	0.0%
Operations	1,545,523	1,490,762	1,532,374	(13,149)	-0.9%
Capital Project	661,000	250,000	225,000	(436,000)	-66.0%
Interfund Transfers	-	-	-	-	0.0%
Total	\$ 2,206,523	\$ 1,740,762	\$ 1,757,374	\$ (449,149)	-20.4%

Sewer Department Uses of Funds





## Preliminary FY2023 Sewer Fund Balance

- Early projections for FY2022 indicate revenues will exceed expenditures by \$317,974, primarily due to the receipt of ARPA Funds during FY2022.
- Based on the proposed budget for FY2023, expenditures will exceed revenues by \$212,119 and will need to pledge reserves.

	Fund Balance/Equity/Unrestricted Net Positions		
	9/30/2021	Projection 9/30/2022	Projection 9/30/2023
Sewer Fund	2,654,554	2,972,528	2,760,409
\$ Change		317,974	(212,119)
% Change		12.0%	-7.1%
Estimated Day Cash		623	573
Fund Balance / (Operating Expenses/365)			



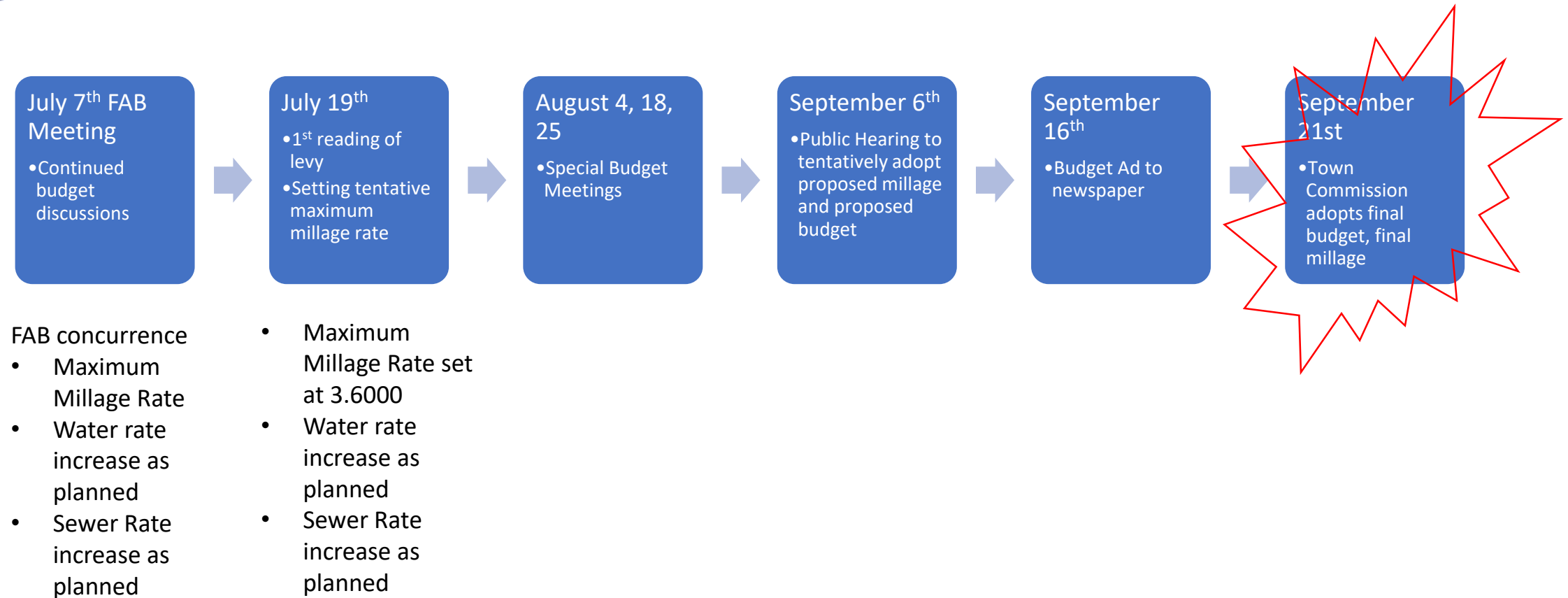
# FY 2023 Budget Summary

Fund	Adopted/Amended FY2022	Proposed FY2023	\$ Chng	% Chng
General	\$ 13,330,719	\$ 14,075,566	\$ 744,847	5.6%
Discretionary Sales Tax	595,119	430,000	(165,119)	-27.7%
Building	1,241,204	1,788,400	547,196	44.1%
Water	4,926,197	4,784,807	(141,390)	-2.9%
Sewer	2,206,523	1,757,374	(449,149)	-20.4%
	<u>\$ 22,299,762</u>	<u>\$ 22,836,147</u>	536,385	2.4%

- Proposed Millage set at 3.5875 mills (1% **reduction** from the prior year) Maximum Millage at 3.6000
- **NO** pledge from reserves (Prior year budgeted pledge was \$642,000)
- General Fund increase was driven mainly by an increase in the Fire Rescue budget
- Discretionary Sales Tax decrease due to completion of prior year projects offset by an increase in anticipated revenues
- Building Department increase was driven by the continued increase in building activity plus potential ILA with Gulfstream
- Water Fund decrease is the result of a reduction in ARPA funds in FY2023, offset by a rate increase of 10% per plan
- Sewer Fund decrease is the result of a reduction in ARPA funds in FY2023, offset by a rate increase of 12% per plan



# FY 2023 Budget Calendar Events





# FY 2023 Budget

## Questions