



# Overview of Proposed FY 2023 Operating Budget

August 25, 2022



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

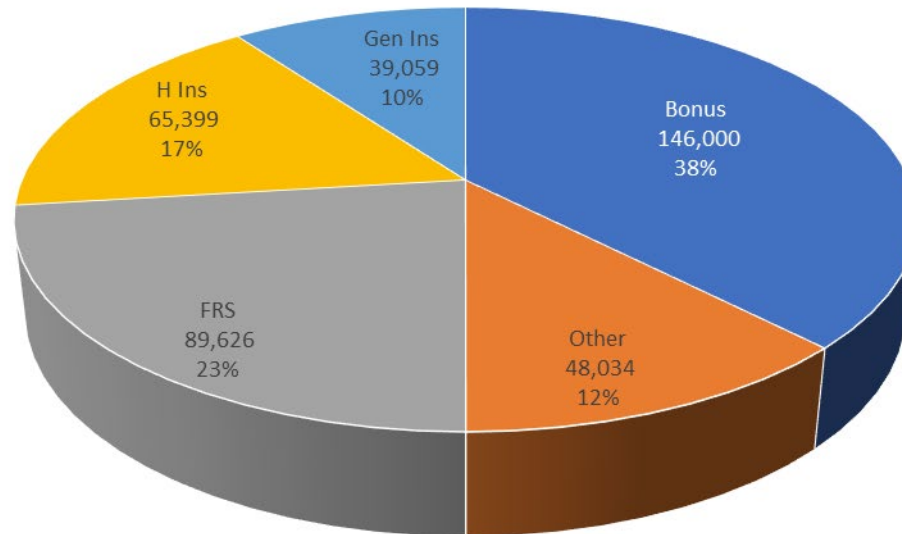


Item 5.E. - Fiscal Year 2023 Budget Presentation Update  
August 25, 2022 Town Commission Special Meeting

# FY 2023 Updated 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
- NEED to balance with pledged reserve funds (Fund Balance)
  - ~~Reduced~~ from \$642,000 in the prior year
  - Reduced from \$642,000 in the prior year to \$312,254

Major adjustment to original budget





# FY 2023 **Updated** Preliminary Budget Overview (Cont.)

● Increase in Fire-Rescue budget of ~~\$712,832~~ (13% increase) **\$738,045 (14% increase)**

- 4% increase from City of Delray Beach Interlocal Agreement
- 1 Fire Chief Position (**Change due to Bonus, Insurance, FRS & other**)
- Design/Consulting Fees – (Does not include Fire Station construction activity)
- 1 EMS Vehicle

● 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

● **Florida Retirement System (FRS)**

| Class      | Current<br>Rate | July 1<br>Rate | Pct Chng | July 1<br>Rate |
|------------|-----------------|----------------|----------|----------------|
| HA/PA Reg  | 10.82%          | 11.91%         | 1.09%    | 13.00%         |
| HM/PM SR M | 29.01%          | 31.57%         | 2.56%    | 34.13%         |
| HB/PB S R  | 25.89%          | 27.83%         | 1.94%    | 29.77%         |
| HI/PI Elec | 51.42%          | 57.00%         | 5.58%    | 62.58%         |



# FY 2023 Updated Preliminary Budget Overview (Cont.)



## Funding of salaries and benefits under Collective Bargaining Agreements

- 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 Adjustment to Salary Table
- Evaluation of one-time employee payment to address unsettled economic conditions at 3%

| Count | Department          | Bonus      | PR Taxes | FRS       | Total Cost |
|-------|---------------------|------------|----------|-----------|------------|
| 5     | Library             | \$ 6,500   | \$ 500   | \$ 1,400  | \$ 8,400   |
| 18    | Police              | 39,400     | 3,100    | 10,800    | 53,300     |
| 9     | Water               | 18,200     | 1,400    | 2,800     | 22,400     |
| 6     | Building Department | 13,200     | 1,100    | 2,300     | 16,600     |
| 3     | Post Office         | 2,700      | 200      | 400       | 3,300      |
| 3     | Finance             | 9,400      | 800      | 2,100     | 12,300     |
| 2     | Town Clerk          | 4,200      | 400      | 1,100     | 5,700      |
| 2     | Shared Services     | 4,400      | 400      | 600       | 5,400      |
| 2     | Town Manager        | 8,300      | 700      | 1,300     | 10,300     |
| 1     | Public Works        | 1,200      | 100      | 200       | 1,500      |
| 1     | Fire Rescue         | 4,800      | 400      | 1,600     | 6,800      |
| 52    |                     | \$ 112,300 | \$ 9,100 | \$ 24,600 | \$ 146,000 |
|       |                     | 77%        | 6%       | 17%       | 100%       |
|       | <b>Fund</b>         |            |          |           |            |
| 37    | General Fund        | \$ 80,900  | \$ 6,600 | \$ 19,500 | \$ 107,000 |
| 6     | Building            | 13,200     | 1,100    | 2,300     | 16,600     |
| 9     | Water               | 18,200     | 1,400    | 2,800     | 22,400     |
|       |                     | \$ 112,300 | \$ 9,100 | \$ 24,600 | \$ 146,000 |



# FY 2023 **Updated** Preliminary Budget Overview (Cont.)



## Funding of Employee benefits

- Assumed healthcare and related insurance increase of ~~7%~~ (Preliminary) **14%**

| Health and Realted Insurance Budget Update |                  |                                 |                             |           |      |
|--|------------------|---------------------------------|-----------------------------|-----------|------|
| Fund / Department                          | FY2022<br>Budget | FY2023<br>Preliminary<br>Budget | FY2023<br>Updated<br>Budget | \$ Δ      | %Δ   |
| General Fund                               |                  |                                 |                             |           |      |
| Town Manager                               | \$ 80,200        | \$ 62,600                       | \$ 66,808                   | \$ 4,208  | 6.7% |
| Town Clerk                                 | 53,000           | 72,642                          | 77,434                      | 4,792     | 6.6% |
| Finance                                    | 33,000           | 45,195                          | 48,288                      | 3,093     | 6.8% |
| Public works                               | 28,500           | 54,990                          | 58,715                      | 3,725     | 6.8% |
| Post Office                                | 16,000           | 17,942                          | 19,105                      | 1,163     | 6.5% |
| Shared Support                             | -                | 28,243                          | 30,027                      | 1,784     | 6.3% |
| Police                                     | 296,000          | 312,553                         | 335,470                     | 22,917    | 7.3% |
| Fire Rescue                                | -                | 27,418                          | 29,189                      | 1,771     | 6.5% |
| Library                                    | 47,000           | 47,059                          | 50,913                      | 3,854     | 8.2% |
| Sub-Total                                  | 553,700          | 668,642                         | 715,949                     | 47,307    | 7.1% |
| Building Fund                              | 94,000           | 110,658                         | 117,754                     | 7,096     | 6.4% |
| Water Fund                                 | 175,100          | 159,686                         | 170,682                     | 10,996    | 6.9% |
| Total                                      | \$ 822,800       | \$ 938,986                      | \$ 1,004,385                | \$ 65,399 | 7.0% |



# FY 2023 Updated Preliminary Budget Overview (Cont.)

## Funding of Employee benefits

- Assumed healthcare and related insurance increase of ~~7%~~ (Preliminary) **14%**

| Monthly Premiums   |          |          |        |       |
|--|----------|----------|--------|-------|
| Insurance Type   | Current  | Renewal  | \$Δ    | %Δ    |
| Dental PPO   |          |          |        |       |
| EE   | 35.09    | 39.30    | 4.21   | 12.0% |
| * ES   | 69.18    | 77.48    | 8.30   | 12.0% |
| * E&C  | 81.59    | 91.38    | 9.79   | 12.0% |
| * Family   | 124.28   | 139.19   | 14.91  | 12.0% |
| Health Insurance POS #1  |          |          |        |       |
| EE   | 604.66   | 690.03   | 85.37  | 14.1% |
| ES   | 1,209.33 | 1,380.07 | 170.74 | 14.1% |
| E&C  | 1,148.86 | 1,311.06 | 162.20 | 14.1% |
| Family   | 1,934.92 | 2,208.11 | 273.19 | 14.1% |
| Health Insurance POS #2  |          |          |        |       |
| * EE   | 739.88   | 840.95   | 101.07 | 13.7% |
| * ES   | 1,479.75 | 1,681.90 | 202.15 | 13.7% |
| * E&C  | 1,405.76 | 1,597.80 | 192.04 | 13.7% |
| * Family   | 2,367.60 | 2,691.03 | 323.43 | 13.7% |
| Health Insurance POS #3  |          |          |        |       |
| * EE   | 774.64   | 879.31   | 104.67 | 13.5% |
| * ES   | 1,549.28 | 1,758.63 | 209.35 | 13.5% |
| * E&C  | 1,471.81 | 1,670.70 | 198.89 | 13.5% |
| * Family   | 2,478.84 | 2,813.80 | 334.96 | 13.5% |
| * Upgrade in coverage require employee contribution up to basic plan |          |          |        |       |

\* Upgrade in coverage require employee contribution up to basic plan



Item 5.E. - Fiscal Year 2023 Budget Presentation Update  
August 25, 2022 Town Commission Special Meeting

## Updated Preliminary FY2023 Budget Summary

| Fund                    | Adopted/Amended<br>FY2022 | Proposed<br>FY2023   | Updated              | Updated Proposed  |             |
|-------------------------|---------------------------|----------------------|----------------------|-------------------|-------------|
|                         |                           |                      | Proposed<br>FY2023   | \$ Chng           | % Chng      |
| General                 | \$ 13,330,719             | \$ 14,075,566        | \$ 14,344,999        | \$ 269,433        | 1.9%        |
| Discretionary Sales Tax | 595,119                   | 430,000              | 430,000              | -                 | 0.0%        |
| Building                | 1,256,159                 | 1,788,400            | 1,823,434            | 35,034            | 2.0%        |
| Water                   | 4,926,197                 | 4,784,807            | 4,843,140            | 58,333            | 1.2%        |
| Sewer                   | 2,206,523                 | 1,757,374            | 1,782,692            | 25,318            | 1.4%        |
|                         | <u>\$ 22,314,717</u>      | <u>\$ 22,836,147</u> | <u>\$ 23,224,265</u> | <u>\$ 388,118</u> | <u>1.7%</u> |



| Fund                    | Bonus             | Gen Ins.         | H. Ins           | FRS              | Other            | Total             |
|-------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| General                 | \$ 107,000        | \$ 20,606        | \$ 47,307        | \$ 70,009        | \$ 24,511        | \$ 269,433        |
| Discretionary Sales Tax |                   |                  |                  |                  |                  | -                 |
| Building                | 16,600            | 2,158            | 7,096            | 9,180            | -                | 35,034            |
| Water                   | 22,400            | 15,977           | 10,996           | 10,437           | (1,477)          | 58,333            |
| Sewer                   | -                 | 318              | -                | -                | 25,000           | 25,318            |
|                         | <u>\$ 146,000</u> | <u>\$ 39,059</u> | <u>\$ 65,399</u> | <u>\$ 89,626</u> | <u>\$ 48,034</u> | <u>\$ 388,118</u> |



Item 5.E. - Fiscal Year 2023 Budget Presentation Update  
August 25, 2022 Town Commission Special Meeting

# FY 2023 Strategic Projects/Initiatives



## FY 2023 Preliminary Millage Rate

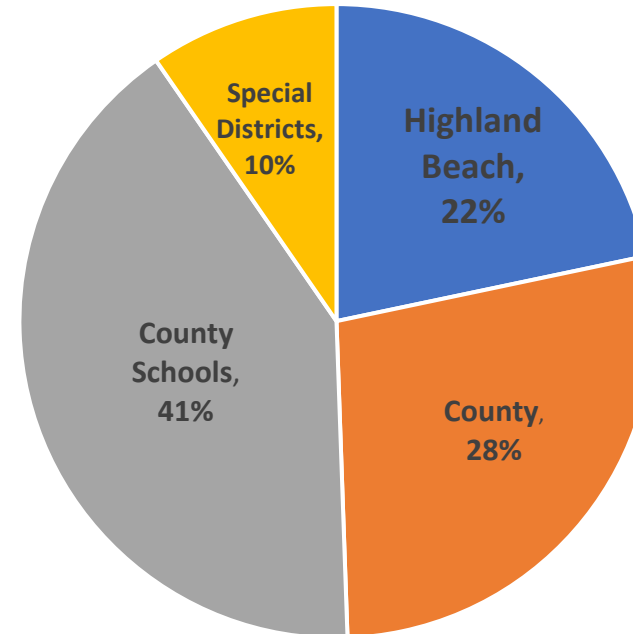
- Proposed Total Millage Rate 3.2294 Mills
  - Operating Millage Unchanged – 3.2294 Last 4 years
  
- Reduction in Debt Service Millage 0.3581 Mills
  - From 0.3931 to 0.3581 – Reduction of 0.0350
  - -8.9% due to transition in Water Rates
  
- Combined Proposed Millage



# 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



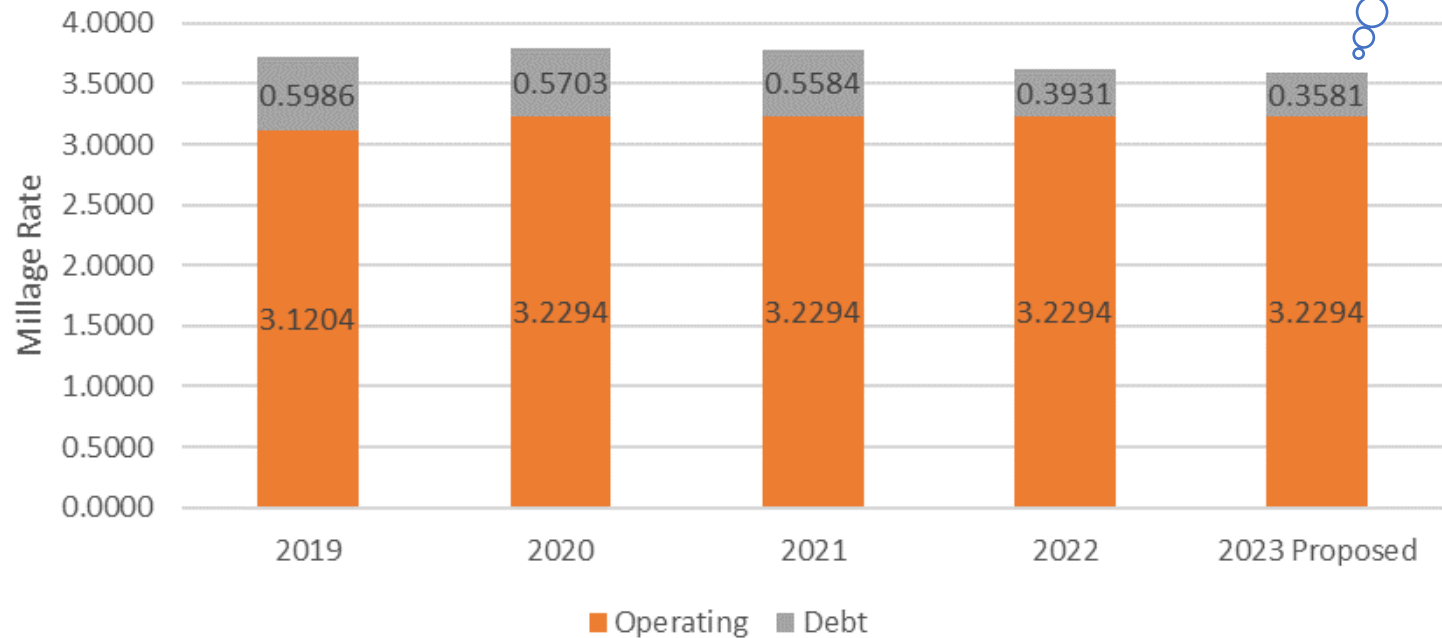
|                | From Property Appraiser |                  | \$ Chng       | % Chng |
|----------------|-------------------------|------------------|---------------|--------|
|                | Jun-22                  | Jul-22           |               |        |
| Assessed Value | \$ 3,045,487,362        | \$ 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

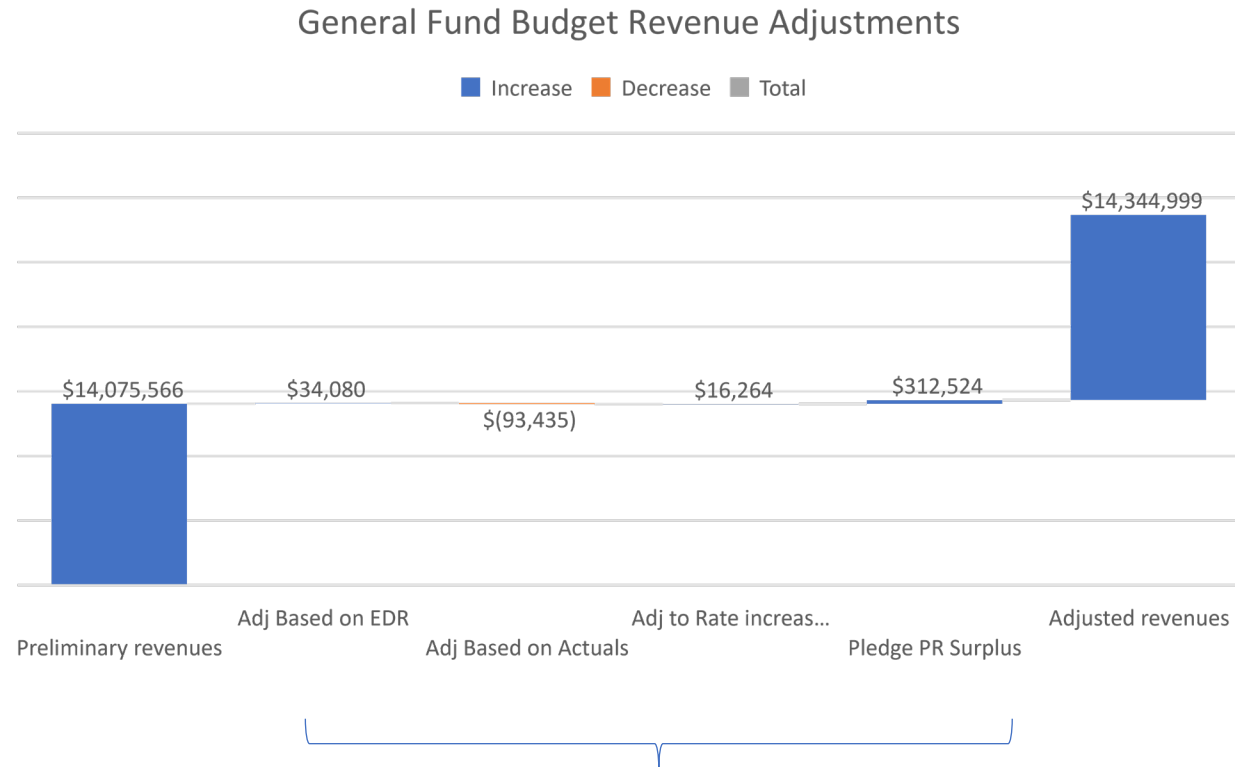
Combined Milage Rate





## Updated Preliminary FY2023 General Fund Revenues

- Slight increase in preliminary revenues (Local Option Gas Tax, Revenue Sharing, etc.) based upon latest estimates
- Reduced preliminary revenues for certification, copies & Lien Search, and other miscellaneous revenues
- Slight increase in preliminary revenues for 3% increase in Garbage
- Pledge \$313K from the FY2022 surplus

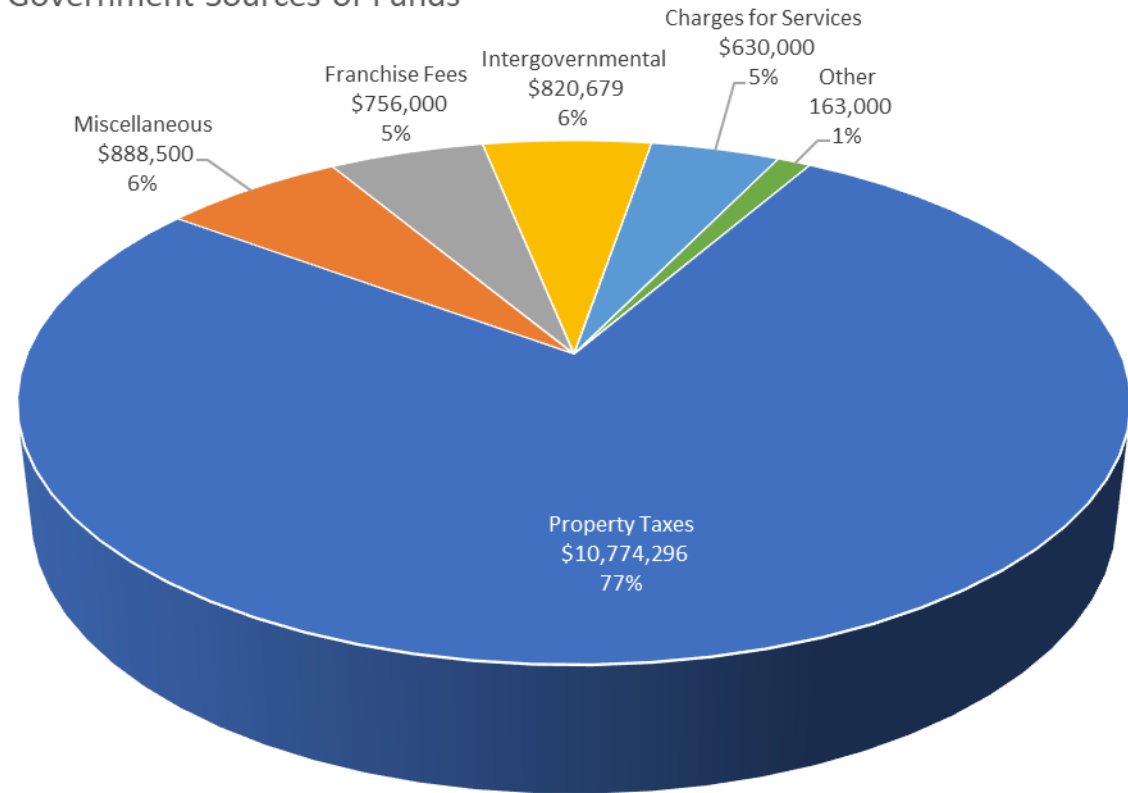




## Preliminary Updated FY2023 General Fund Revenues

- 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.).
- General Fund Change of \$269,433 or 1.9% compared to original preliminary budget

General Government Sources of Funds





# Preliminary FY2023 General Fund Revenues (Cont.)

- No Change in Property Taxes (Ad Valorem) assumption
- Minor adjustments to other sources of revenue based on the most recent EDR (Economic & Demographic Research)
- Pledge from anticipated FY2022 Surplus

| Revenue Source       | FY2022 Amended Budget | Original Preliminary FY2023 Budget | Updated Preliminary FY2023 Budget | Budget to Budget \$ Change | Budget to Budget % Chng |
|----------------------|-----------------------|------------------------------------|-----------------------------------|----------------------------|-------------------------|
| Property Taxes       | \$ 9,580,365          | \$ 10,774,296                      | \$ 10,774,296                     | \$ -                       | 0.0%                    |
| Intergovernmental    | 717,900               | 823,767                            | 820,679                           | (3,088)                    | -0.4%                   |
| Franchise Fees       | 750,000               | 760,000                            | 756,000                           | (4,000)                    | -0.5%                   |
| Permits and Fees     | -                     | 1,500                              | 2,000                             | 500                        | 33.3%                   |
| Charges for Services | 590,000               | 663,736                            | 630,000                           | (33,736)                   | -5.1%                   |
| Fines & Forfeitures  | 10,700                | 6,500                              | 5,500                             | (1,000)                    | -15.4%                  |
| Interest Income      | 82,500                | 79,767                             | 80,500                            | 733                        | 0.9%                    |
| Rents & Leases       | 67,000                | 73,000                             | 75,000                            | 2,000                      | 2.7%                    |
| Miscellaneous        | 802,000               | 893,000                            | 888,500                           | (4,500)                    | -0.5%                   |
| From Reserve         | 642,908               | -                                  | 312,524                           | 312,524                    | 100.0%                  |
| Total                | <u>\$ 13,243,373</u>  | <u>\$ 14,075,566</u>               | <u>\$ 14,344,999</u>              | <u>\$ 269,433</u>          | 1.9%                    |

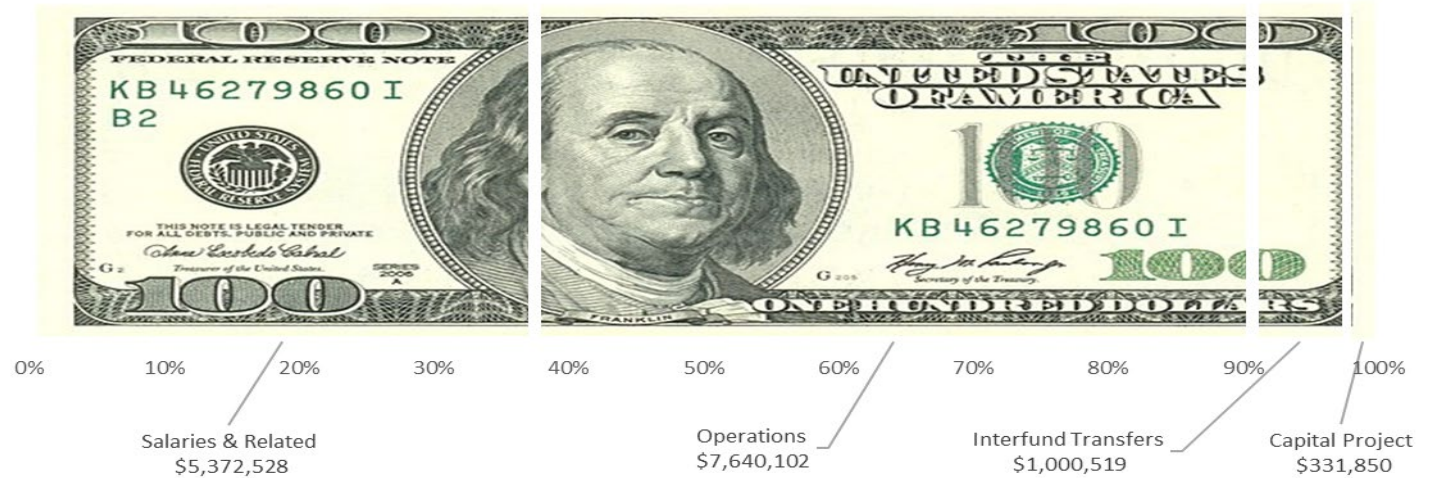


## Preliminary Updated FY2023 General Fund Expenditures

- Salaries & Related 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.
  - Adjusted for Economic Relief Bonus, Health Insurance & FRS
- Operating expenditures represent approximately 53% of the total budget.
  - Adjusted for Change in General Insurance increase
- 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%.
  - Additional Adjustment of 1.9%

| Expenditure by Category | FY2022 Amended Budget | Original Preliminary FY2023 Budget | Updated Preliminary FY2023 Budget | Budget to Budget \$ Change | Budget to Budget % Chng |
|-------------------------|-----------------------|------------------------------------|-----------------------------------|----------------------------|-------------------------|
| Salaries & Related      | \$ 4,322,337          | \$ 5,140,288                       | \$ 5,372,528                      | \$ 232,240                 | 5.4%                    |
| Operations              | 7,648,001             | 7,602,909                          | 7,640,102                         | 37,193                     | 0.5%                    |
| Capital Project         | 265,936               | 331,850                            | 331,850                           | -                          | 0.0%                    |
| Interfund Transfers     | 1,094,445             | 1,000,519                          | 1,000,519                         | -                          | 0.0%                    |
|                         | <u>\$ 13,330,719</u>  | <u>\$ 14,075,566</u>               | <u>\$ 14,344,999</u>              | <u>269,433</u>             | 1.9%                    |

General Government Uses of Funds





## Preliminary Updated 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 the City of Delray Beach.
- Increase 1 new staff position within the Public Works Department.
- Updated for increases in:
  - Economic Relief Bonus
  - Health Insurance Cost
  - FRS Pension Cost
  - General Insurance Cost

| Expenditure by Department | FY2022 Amended Budget | Original Preliminary FY2023 Budget | Updated Preliminary FY2023 Budget | Budget to Budget \$ Change | Budget to Budget % Chng |
|---------------------------|-----------------------|------------------------------------|-----------------------------------|----------------------------|-------------------------|
| TOWN COMMISSION           | \$ 197,525            | \$ 190,367                         | \$ 198,646                        | \$ 8,279                   | 4.3%                    |
| TOWN MANAGER              | 642,250               | 544,887                            | 563,537                           | 18,650                     | 3.4%                    |
| TOWN CLERK                | 480,216               | 414,457                            | 431,582                           | 17,125                     | 4.1%                    |
| FINANCE                   | 569,333               | 600,142                            | 624,754                           | 24,612                     | 4.1%                    |
| LEGAL COUNSEL             | 185,000               | 200,000                            | 200,000                           | -                          | 0.0%                    |
| PUBLIC WORKS              | 334,913               | 376,208                            | 383,438                           | 7,230                      | 1.9%                    |
| POST OFFICE               | 133,050               | 149,186                            | 156,972                           | 7,786                      | 5.2%                    |
| SHARED SUPPORT SERVICES   | 443,690               | 613,668                            | 628,459                           | 14,791                     | 2.4%                    |
| POLICE DEPARTMENT         | 2,897,992             | 2,890,131                          | 3,016,529                         | 126,398                    | 4.4%                    |
| FIRE RESCUE               | 5,425,325             | 6,138,157                          | 6,163,370                         | 25,213                     | 0.4%                    |
| SOLID WASTE               | 488,180               | 492,235                            | 492,235                           | -                          | 0.0%                    |
| LIBRARY                   | 424,800               | 440,609                            | 459,958                           | 19,349                     | 4.4%                    |
| INTERFUND TRANSFERS       | 1,094,445             | 1,000,519                          | 1,000,519                         | -                          | 0.0%                    |
| RESERVE FOR CONTINGENCY   | 14,000                | 25,000                             | 25,000                            | -                          | 0.0%                    |
| Total                     | <u>\$ 13,330,719</u>  | <u>\$ 14,075,566</u>               | <u>\$ 14,344,999</u>              | <u>269,433</u>             | 1.9%                    |



**Item 5.E. - Fiscal Year 2023 Budget Presentation Update  
August 25, 2022 Town Commission Special Meeting**

## Preliminary **Updated** FY2023 General Fund Expenditures Summary

### Economic Relief Bonus

| Count | Department Description | Bonus               | PR Taxes           | FRS                 | Total Cost           |
|-------|------------------------|---------------------|--------------------|---------------------|----------------------|
| 5     | Library                | \$ 6,500            | \$ 500             | \$ 1,400            | \$ 8,400             |
| 18    | Police                 | 39,400              | 3,100              | 10,800              | 53,300               |
| 3     | Post Office            | 2,700               | 200                | 400                 | 3,300                |
| 3     | Finance                | 9,400               | 800                | 2,100               | 12,300               |
| 2     | Town Clerk             | 4,200               | 400                | 1,100               | 5,700                |
| 2     | Shared Services        | 4,400               | 400                | 600                 | 5,400                |
| 2     | Town Manager           | 8,300               | 700                | 1,300               | 10,300               |
| 1     | Public Works           | 1,200               | 100                | 200                 | 1,500                |
| 1     | Fire Rescue            | 4,800               | 400                | 1,600               | 6,800                |
|       |                        | <u>\$ 80,900.00</u> | <u>\$ 6,600.00</u> | <u>\$ 19,500.00</u> | <u>\$ 107,000.00</u> |

### Florida Retirement System

| Department      | FY2022 Budget     | FY2023 Preliminary Budget | FY2023 Updated Budget | \$ Δ             | %Δ  |
|-----------------|-------------------|---------------------------|-----------------------|------------------|-----|
| Library         | \$ 43,300         | \$ 45,552                 | \$ 50,808             | \$ 5,256         | 12% |
| Police          | 392,000           | 426,874                   | 466,984               | 40,110           | 9%  |
| Post Office     | 10,900            | 10,735                    | 12,087                | 1,352            | 13% |
| Finance         | 62,000            | 68,594                    | 76,471                | 7,877            | 11% |
| Town Clerk      | 43,720            | 41,480                    | 46,231                | 4,751            | 11% |
| Shared Services | -                 | 17,738                    | 19,972                | 2,234            | 13% |
| Town Manager    | 52,000            | 48,500                    | 47,698                | (802)            | -2% |
| Public Works    | 4,600             | 8,816                     | 9,927                 | 1,111            | 13% |
| Fire Rescue     | -                 | 41,439                    | 46,839                | 5,400            | 13% |
| Town Commission | 20,000            | 20,054                    | 22,774                | 2,720            | 14% |
| Total           | <u>\$ 628,520</u> | <u>\$ 729,782</u>         | <u>\$ 799,791</u>     | <u>\$ 70,009</u> | 10% |



**Item 5.E. - Fiscal Year 2023 Budget Presentation Update  
August 25, 2022 Town Commission Special Meeting**

## Preliminary **Updated** FY2023 General Fund Expenditures Summary

| Health and Realated Insurance Budget Update |                          |  |                                      |               |             |
|---|--------------------------|--|--------------------------------------|---------------|-------------|
| <b>Fund / Department</b>                    | <b>FY2022<br/>Budget</b> | <b>FY2023<br/>Preliminary<br/>Budget</b> | <b>FY2023<br/>Updated<br/>Budget</b> | <b>\$ Δ</b>   | <b>%Δ</b>   |
| General Fund                                |                          |  |                                      |               |             |
| Town Manager                                | \$ 80,200                | \$ 62,600                                | \$ 66,808                            | \$ 4,208      | 6.7%        |
| Town Clerk                                  | 53,000                   | 72,642                                   | 77,434                               | 4,792         | 6.6%        |
| Finance                                     | 33,000                   | 45,195                                   | 48,288                               | 3,093         | 6.8%        |
| Public works                                | 28,500                   | 54,990                                   | 58,715                               | 3,725         | 6.8%        |
| Post Office                                 | 16,000                   | 17,942                                   | 19,105                               | 1,163         | 6.5%        |
| Shared Support                              | -                        | 28,243                                   | 30,027                               | 1,784         | 6.3%        |
| Police                                      | 296,000                  | 312,553                                  | 335,470                              | 22,917        | 7.3%        |
| Fire Rescue                                 | -                        | 27,418                                   | 29,189                               | 1,771         | 6.5%        |
| Library                                     | 47,000                   | 47,059                                   | 50,913                               | 3,854         | 8.2%        |
| <b>Total</b>                                | <b>553,700</b>           | <b>668,642</b>                           | <b>715,949</b>                       | <b>47,307</b> | <b>7.1%</b> |

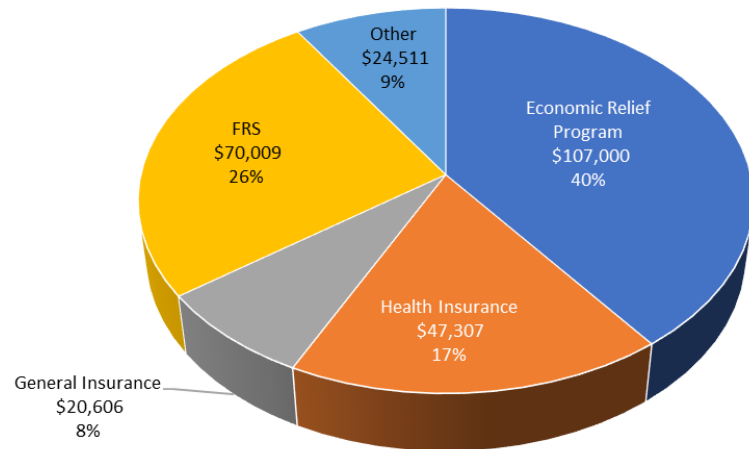
| General Liability & Related |                          |  |                                      |                  |            |
|-----------------------------|--------------------------|--|--------------------------------------|------------------|------------|
| <b>Department</b>           | <b>FY2022<br/>Budget</b> | <b>FY2023<br/>Preliminary<br/>Budget</b> | <b>FY2023<br/>Updated<br/>Budget</b> | <b>\$ Δ</b>      | <b>%Δ</b>  |
| Library                     | \$ 1,200                 | \$ 14,776                                | \$ 16,565                            | \$ 1,789         | 12%        |
| Police                      | 87,350                   | 85,078                                   | 95,378                               | 10,300           | 12%        |
| Post Office                 | 700                      | 5,541                                    | 6,212                                | 671              | 12%        |
| Finance                     | 2,857                    | 11,082                                   | 12,424                               | 1,342            | 12%        |
| Town Clerk                  | 800                      | 11,082                                   | 12,424                               | 1,342            | 12%        |
| Shared Services             | 100,000                  | 7,387                                    | 8,281                                | 894              | 12%        |
| Town Manager                | 3,400                    | 8,387                                    | 9,402                                | 1,015            | 12%        |
| Public Works                | 1,300                    | 7,387                                    | 8,281                                | 894              | 12%        |
| Fire Rescue                 | -                        | -  | 1,800                                | 1,800            | 100%       |
| Town Commission             | 250                      | 4,618                                    | 5,177                                | 559              | 12%        |
| <b>Total</b>                | <b>\$ 197,857</b>        | <b>\$ 155,338</b>                        | <b>\$ 175,944</b>                    | <b>\$ 20,606</b> | <b>13%</b> |



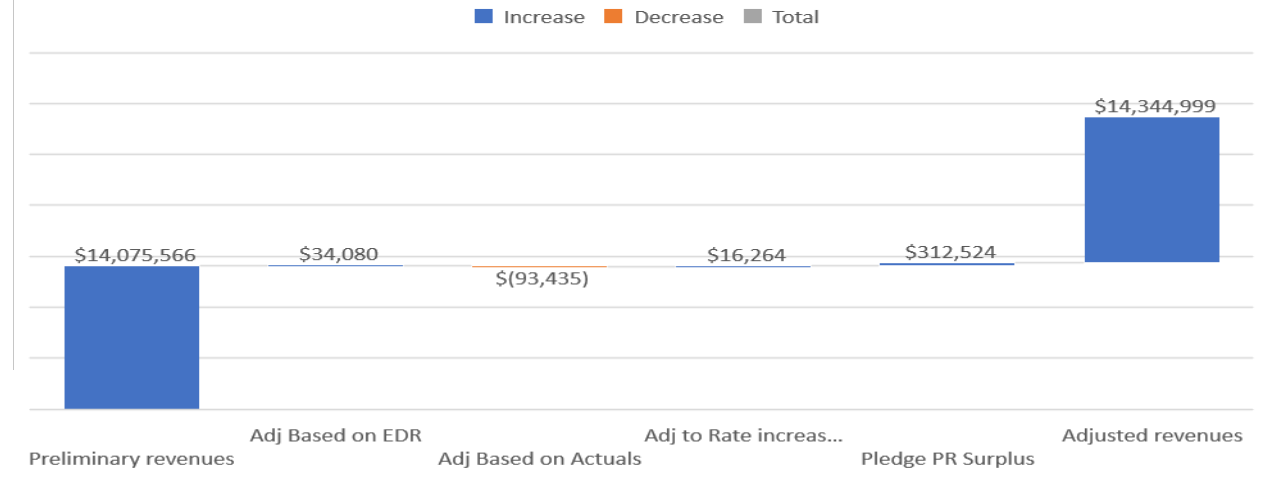
Item 5.E. - Fiscal Year 2023 Budget Presentation Update  
August 25, 2022 Town Commission Special Meeting

## Preliminary Updated FY2023 General Fund Summary

General Fund Budget Expenditure Increases



General Fund Budget Revenue Adjustments



Item 5.E. - Fiscal Year 2023 Budget Presentation Update  
 August 25, 2022 Town Commission Special Meeting  
**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        |                           |                            |                         |



# Item 5.E. - Fiscal Year 2023 Budget Presentation Update

August 25, 2022 Town Commission Special Meeting

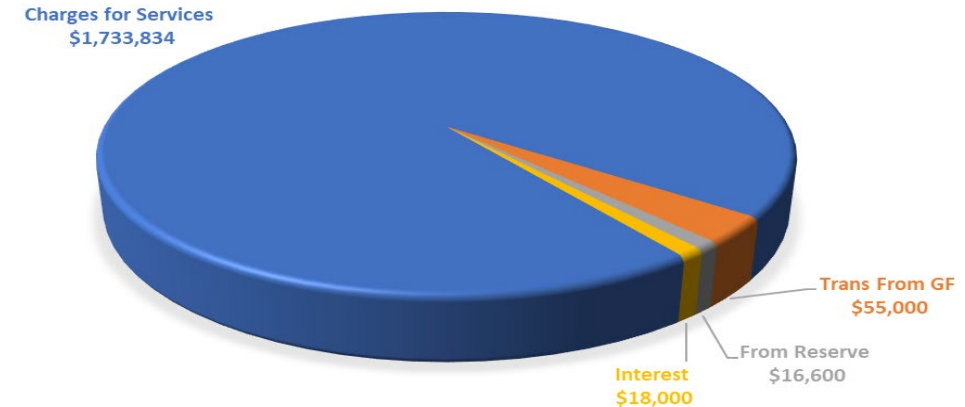
## Preliminary FY 2023 Capital Projects

| 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          | <del>\$25,000</del> | 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       | <del>\$35,000</del> | Canceled        | Infrastructure Sales Tax/FB | -                 |                   |
| <b>Total Discretionary Sales Surtax Projects</b> |  |                     |                 |                             | <b>\$ 324,530</b> | <b>\$ 430,000</b> |



## Preliminary Updated FY2023 Building Department (Revenues)

BUILDING DEPARTMENT SOURCES OF FUNDS



- Charges for Services represent over 95% 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 \$447K
- Transfer from General Fund represents a fixed amount of allocated labor for planning and zoning activity
- Discount of 10% to Highland Beach Residents only has been budgeted
- Pledge from FY2022 anticipated surplus to cover Economic Relief Bonus

| Revenue Source  | FY2022 Amended Budget | Original Preliminary FY2023 Budget | Updated Preliminary FY2023 Budget | Budget to Budget \$ Change | Budget to Budget % Chng |
|-----------------|-----------------------|------------------------------------|-----------------------------------|----------------------------|-------------------------|
| Permits & Fees  | \$1,074,000           | \$1,715,488                        | \$1,733,834                       | \$18,346                   | 1.1%                    |
| Interest Income | 1,000                 | 17,912                             | 18,000                            | 88                         | 0.5%                    |
| From Reserve    | 111,204               | -                                  | 16,600                            | 16,600                     | 100.0%                  |
| Trans From GF   | 55,000                | 55,000                             | 55,000                            | -                          | 0.0%                    |
| <b>Total</b>    | <b>\$1,241,204</b>    | <b>\$1,788,400</b>                 | <b>\$1,823,434</b>                | <b>\$35,034</b>            | <b>2.0%</b>             |



## Preliminary Updated FY2023 Building Department (Expenditures)

- Increase in Salaries & Related predominately driven by an increase in anticipated cost of living and related increase in benefits. Including Economic Relief Bonus, FRS, and Increases in Health and related insurance.
- Increase in operational cost associated with an anticipated increase in sub-contracted inspection services associated with potential ILA activity. Including small adjustment for General Insurance Increase
- Minimal Capital Projects are anticipated in FY2023 primarily due to the completion of FY2021 and FY2022 Capital Projects.

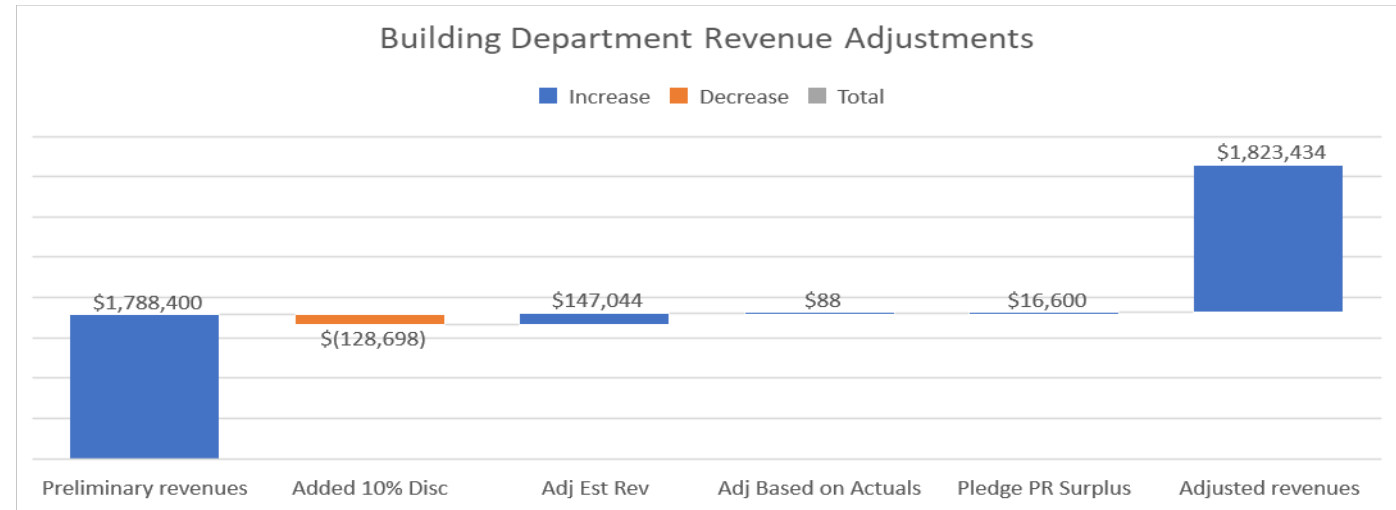
| Expenditure by Category | FY2022 Amended Budget | Original Preliminary FY2023 Budget | Updated Preliminary FY2023 Budget | Budget to Budget \$ Change | Budget to Budget % Chng |
|-------------------------|-----------------------|------------------------------------|-----------------------------------|----------------------------|-------------------------|
| Salaries & Related      | \$ 673,400            | \$ 728,051                         | \$ 762,146                        | \$ 34,095                  | 4.7%                    |
| Operations              | 514,429               | 1,024,349                          | 1,025,288                         | 939                        | 0.1%                    |
| Capital Project         | 68,330                | 36,000                             | 36,000                            | -                          | 0.0%                    |
| Interfund Transfers     | -                     | -                                  | -                                 | -                          | 0.0%                    |
| Total                   | <u>\$1,256,159</u>    | <u>\$1,788,400</u>                 | <u>\$ 1,823,434</u>               | <u>\$ 35,034</u>           | 2.0%                    |

### Building Department Uses of Funds

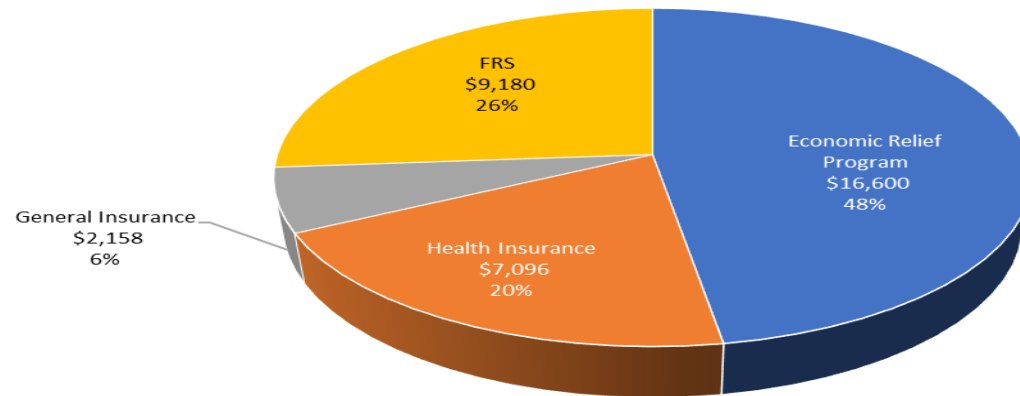




# Preliminary Updated FY2023 Building Department Summary



Building Department Budget Expenditure Increases

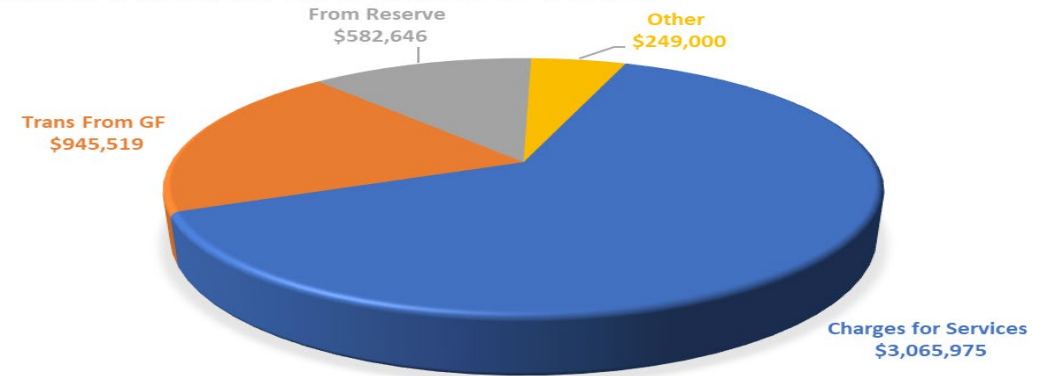




## Preliminary Updated FY2023 Water Fund (Revenues)

- The preliminary Budget assumed a 10% rate increase as forecasted by the consultant.
- Assumed no additional ARPA funds during FY2023.
- FY2023 Preliminary Updated Revenue is increased based on forecasted actuals through the 5<sup>th</sup> billing cycle
- Transfer from GF is reduced which coincides with consultants' forecast.
- Pledge from reserves is reduced due to the overall increase in water sales through the 5<sup>th</sup> billing cycle

WATER DEPARTMENT SOURCES OF FUNDS

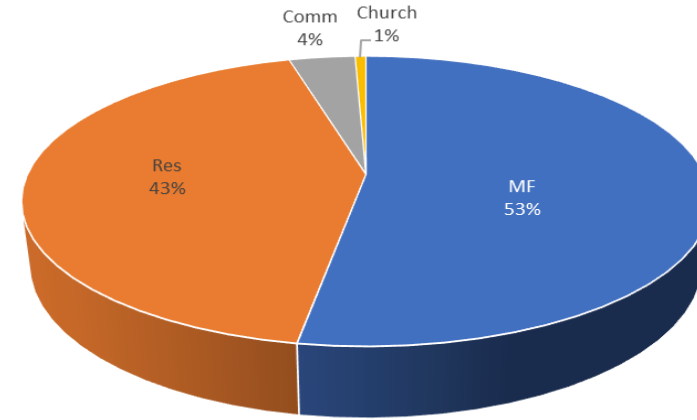


| Revenue Source       | FY2022 Amended Budget | Original Preliminary FY2023 Budget | Updated Preliminary FY2023 Budget | Budget to Budget \$ Change | Budget to Budget % Chng |
|----------------------|-----------------------|------------------------------------|-----------------------------------|----------------------------|-------------------------|
| Charges for Services | \$ 2,668,200          | \$ 2,909,031                       | \$ 3,065,975                      | \$ 156,944                 | 5.4%                    |
| Interest Income      | 40,000                | 28,462                             | 29,000                            | 538                        | 1.9%                    |
| ARPA                 | 234,325               | -                                  | -                                 | -                          | 0.0%                    |
| Other                | 223,000               | 222,000                            | 220,000                           | (2,000)                    | -0.9%                   |
| From Reserve         | 552,665               | 679,795                            | 582,646                           | (97,149)                   | -14.3%                  |
| Trans From GF        | 1,039,445             | 945,519                            | 945,519                           | -                          | 0.0%                    |
| Total                | <u>\$ 4,757,635</u>   | <u>\$ 4,784,807</u>                | <u>\$ 4,843,140</u>               | <u>\$ 58,333</u>           | 1.2%                    |



## Preliminary **Updated** FY2023 Water Fund (Revenue Data)

Water Usage by Class



| (000 gallons Billed) |              |              |          |      |
|----------------------|--------------|--------------|----------|------|
| Service Class        | FY2021       | FY2022       | Δ        | % Δ  |
|                      | 1 - 5 Cycles | 1 - 5 Cycles |          |      |
| Multi-Family         | 173,538      | 144,346      | (29,192) | -17% |
| Residential          | 90,931       | 117,960      | 27,029   | 30%  |
| Commercial           | 2,288        | 10,133       | 7,845    | 343% |
| Church               | 1,439        | 1,667        | 228      | 16%  |
| Total                | 268,196      | 274,106      | 5,910    | 2%   |



Item 5.E. - Fiscal Year 2023 Budget Presentation Update  
August 25, 2022 Town Commission Special Meeting

## Preliminary FY2023 Water Fund (Revenue Data)

| Rate Class / Tier       | FY2020<br>Rate | Rate Class / Tier           | 4/1/2021<br>Rate | FY2022<br>Rate | FY2023<br>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<br>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). Including Economic Relief Bonus, FRS, and Increases in Health and related insurance.
- Preliminary Operations budget based on FY2022 projected expenditures. Including small adjustment for General Insurance Increase
- No change 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.
  - Additional Increased Adjustment of 1.2%

| Expenditure by Category | FY2022 Amended Budget | Original Preliminary FY2023 Budget | Updated Preliminary FY2023 Budget | Budget to Budget \$ Change | Budget to Budget % Chng |
|-------------------------|-----------------------|------------------------------------|-----------------------------------|----------------------------|-------------------------|
| Salaries & Related      | \$ 1,060,700          | \$ 1,086,573                       | \$ 1,130,758                      | \$ 44,185                  | 4.1%                    |
| Operations              | 1,823,122             | 1,720,353                          | 1,734,501                         | 14,148                     | 0.8%                    |
| Capital Project         | 493,145               | 428,689                            | 428,689                           | -                          | 0.0%                    |
| DS                      | 1,549,230             | 1,549,192                          | 1,549,192                         | -                          | 0.0%                    |
| Interfund Transfers     | -                     | -                                  | -                                 | -                          | 0.0%                    |
| Total                   | <u>\$ 4,926,197</u>   | <u>\$ 4,784,807</u>                | <u>\$ 4,843,140</u>               | <u>\$ 58,333</u>           | 1.2%                    |

### Water Department Uses of Funds

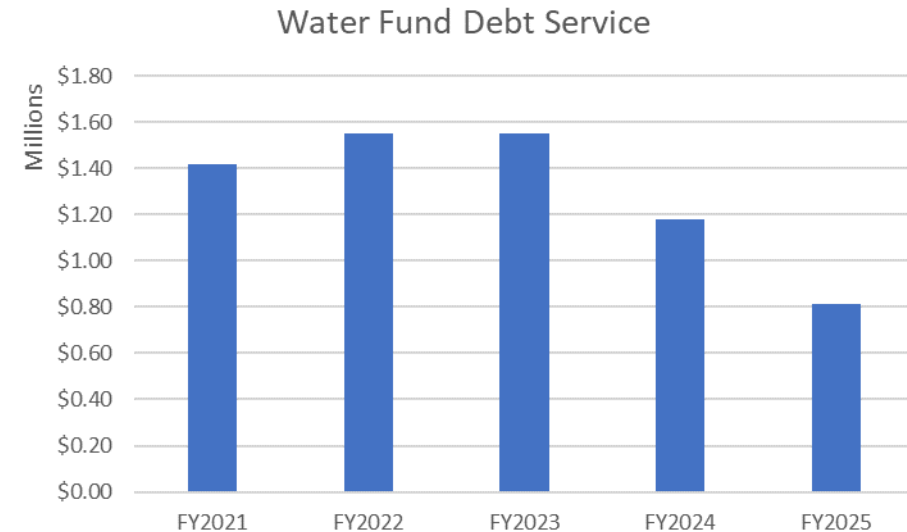




## Preliminary FY2023 Water Fund (Expenditure Data)

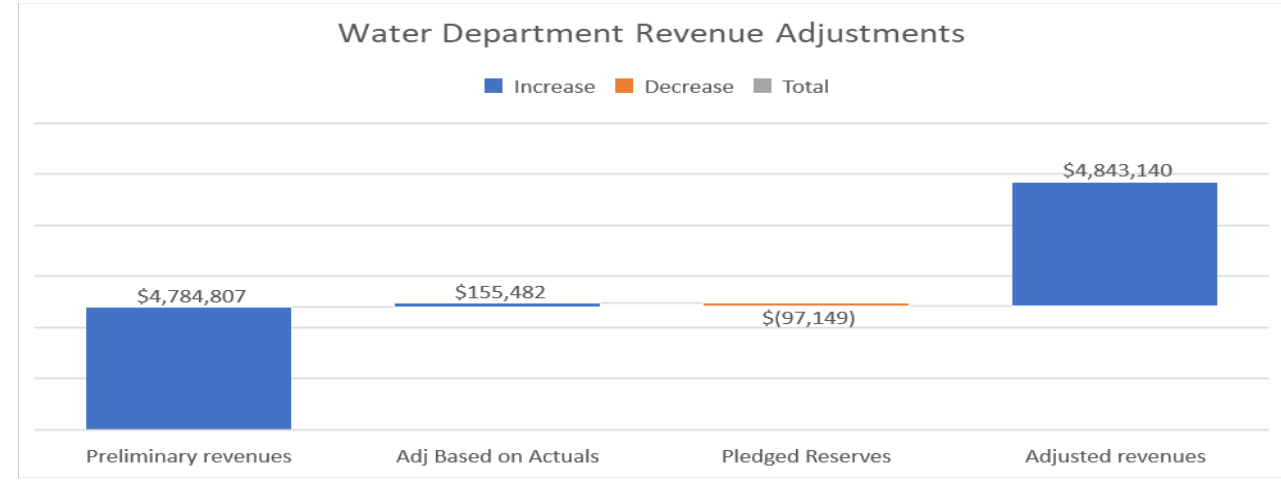
- Debt Service remains constant through FY2023 and reduces in FY2024 by \$369K and FY2025 by another \$369K.

| Loan No. | Pmts<br>Months | Annual Debt<br>Service | Maturity<br>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>    |                  |

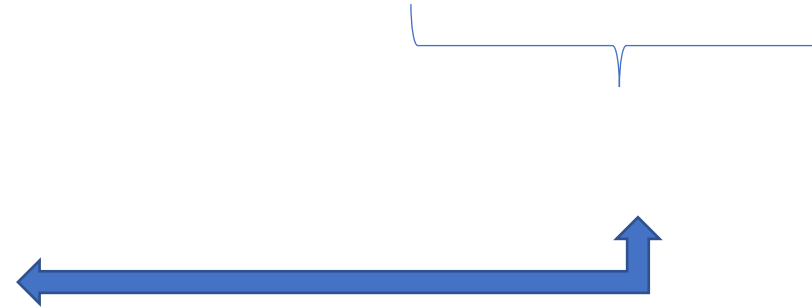
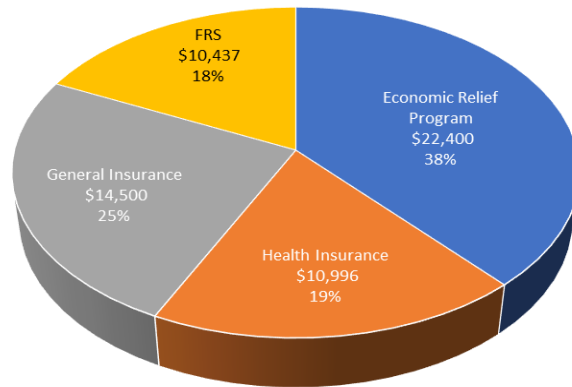




## Preliminary **Updated** FY2023 Water Fund Summary



Water Fund Budget Expenditure Increases

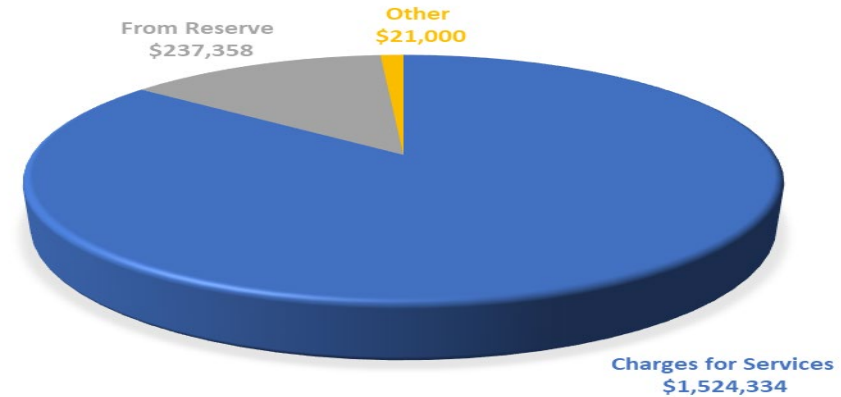




## Preliminary FY2023 Sewer Fund (Revenues)

- 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 \$237K pledge from reserve to bridge the budget gap.

SEWER DEPARTMENT SOURCES OF FUNDS



| Revenue Source       | FY2022 Amended Budget | Original Preliminary FY2023 Budget | Updated Preliminary FY2023 Budget | Budget to Budget \$ Change | Budget to Budget % Chng |
|----------------------|-----------------------|------------------------------------|-----------------------------------|----------------------------|-------------------------|
| Charges for Services | \$ 1,569,000          | \$ 1,524,603                       | \$ 1,524,334                      | \$ (269)                   | 0.0%                    |
| Interest Income      | 5,000                 | 20,652                             | 21,000                            | 348                        | 1.7%                    |
| ARPA                 | 565,675               | -                                  | -                                 | -                          | 0.0%                    |
| From Reserve         | -                     | 212,119                            | 237,358                           | 25,239                     | 11.9%                   |
| Other                | -                     | -                                  | -                                 | -                          | 0.0%                    |
| Total                | <u>\$ 2,139,675</u>   | <u>\$ 1,757,374</u>                | <u>\$ 1,782,692</u>               | <u>\$ 25,318</u>           | 1.4%                    |



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

| Service Class | (000 gallons Billed) |        |        |        |        |
|---------------|----------------------|--------|--------|--------|--------|
|               | FY2022               |        |        |        |        |
|               | 1                    | 2      | 3      | 4      | 5      |
| Multi-Family  | 22,555               | 21,968 | 22,971 | 25,403 | 19,626 |
| Residential   | 17,184               | 16,790 | 17,795 | 18,636 | 19,462 |
| Other         | 832                  | 1,956  | 2,401  | 2,485  | 2,459  |
| Total         | 40,571               | 40,714 | 43,167 | 46,524 | 41,547 |

| Sewer Customer By Class   |          |       |                 |
|---------------------------|----------|-------|-----------------|
| Rate Class                | Accounts | Units | Pct of<br>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.
- Added Reserve for Contingency \$25K

| Expenditure by Category | FY2022 Amended Budget | Original Preliminary FY2023 Budget | Updated Preliminary FY2023 Budget | Budget to Budget \$ Change | Budget to Budget % Chng |
|-------------------------|-----------------------|------------------------------------|-----------------------------------|----------------------------|-------------------------|
| Salaries & Related      | \$ -                  | \$ -                               | \$ -                              | \$ -                       | 0.0%                    |
| Operations              | 1,545,523             | 1,532,374                          | 1,557,692                         | 25,318                     | 1.7%                    |
| Capital Project         | 661,000               | 225,000                            | 225,000                           | -                          | 0.0%                    |
| Interfund Transfers     | -                     | -                                  | -                                 | -                          | 0.0%                    |
| Total                   | <u>\$ 2,206,523</u>   | <u>\$ 1,757,374</u>                | <u>\$ 1,782,692</u>               | <u>\$ 25,318</u>           | 1.4%                    |

### Sewer Department Uses of Funds



0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Operations  
\$1,557,692

Capital Project  
\$225,000



# FY 2023 Updated Budget Summary

| Fund                    | Adopted/Amended<br>FY2022 | Proposed<br>FY2023   | Updated              | Updated Proposed  |             |
|-------------------------|---------------------------|----------------------|----------------------|-------------------|-------------|
|                         |                           |                      | Proposed<br>FY2023   | \$ Chng           | % Chng      |
| General                 | \$ 13,330,719             | \$ 14,075,566        | \$ 14,344,999        | \$ 269,433        | 1.9%        |
| Discretionary Sales Tax | 595,119                   | 430,000              | 430,000              | -                 | 0.0%        |
| Building                | 1,256,159                 | 1,788,400            | 1,823,434            | 35,034            | 2.0%        |
| Water                   | 4,926,197                 | 4,784,807            | 4,843,140            | 58,333            | 1.2%        |
| Sewer                   | 2,206,523                 | 1,757,374            | 1,782,692            | 25,318            | 1.4%        |
|                         | <u>\$ 22,314,717</u>      | <u>\$ 22,836,147</u> | <u>\$ 23,224,265</u> | <u>\$ 388,118</u> | <u>1.7%</u> |

- Economic Relief Bonus
  - Health & General Insurance Increase
  - FRS Retirement Increase
- } \$270K Increase

- Economic Relief Bonus
  - Health & General Insurance Increase
  - FRS Retirement Increase
- }

- Economic Relief Bonus
  - Health & General Insurance Increase
  - FRS Retirement Increase
- } \$58K Increase



# FY 2023 Budget Calendar Events





# FY 2023 Budget

## Questions