Overview of Proposed FY 2022 Operating Budget

September 13, 2021



"Working to Protect Our Unique Sense of Place"

FY 2022 Budget Overview

- Slight Decrease in Millage Rate proposed
  - Reduction in Debt Service Millage (0.1653 mills) as part of Water Rate Transition
  - Additional taxes of $274,870 from growth in tax roll
- Budget Gap filled with Fund Balance in General Fund
  - Proposed use of reserves in the amount of $455,812
  - Millage increase of 5.3% required to avoid use of Fund Balance
- Increase in Fire-Rescue budget of approximately $622,600 (13% increase)
  - Reflects 84% of increase in General Fund
- Funding of salaries and benefits under Collective Bargaining Agreements
  - Second year of three-year agreement
- Funding of Capital Projects
  - Use of $800,000 of ARPA Federal Grant Funds for Water & Sewer Projects
  - New Vehicles for Police (2) and Fire Rescue Chief
  - North & South Entry Signs
  - Replacement of Town Benches/Garbage Cans and Fences

FY 2022 Millage Rate

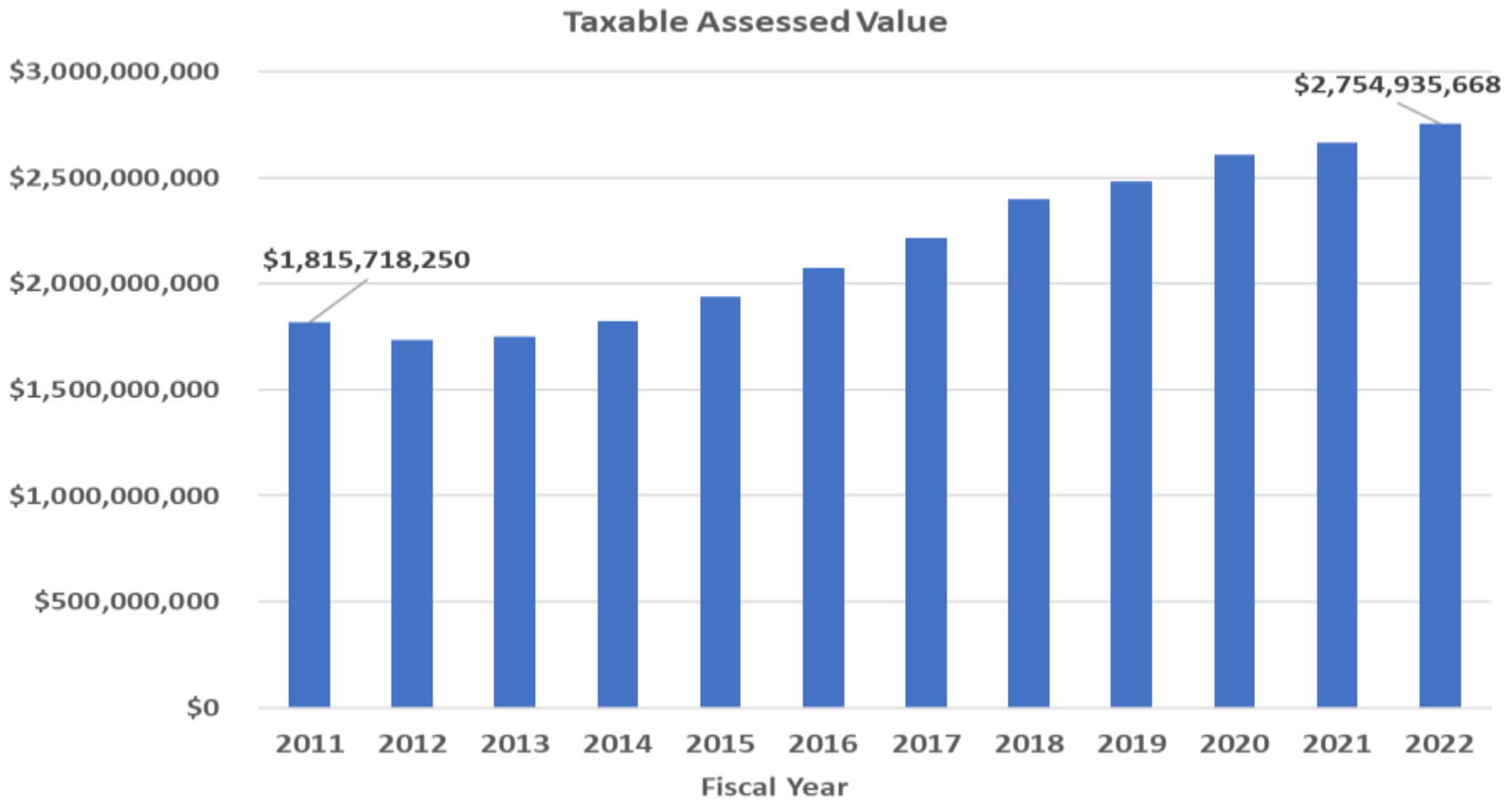
- Proposed Total Millage Rate — 3.6225 Mills
  - From 3.7878 to 3.6225
  - Operating Millage Unchanged – 3.2294

- Reduction in Debt Service Millage — 0.1653 Mills
  - From 0.5584 to 0.3931
  - **-29.6%** due to transition in Water Rates

Additional Taxes from Growth in Taxable Value	$274,870
Reduction from change in Debt Service Millage	($389,850)
Net Change in Ad Valorem Revenue	($114,980)

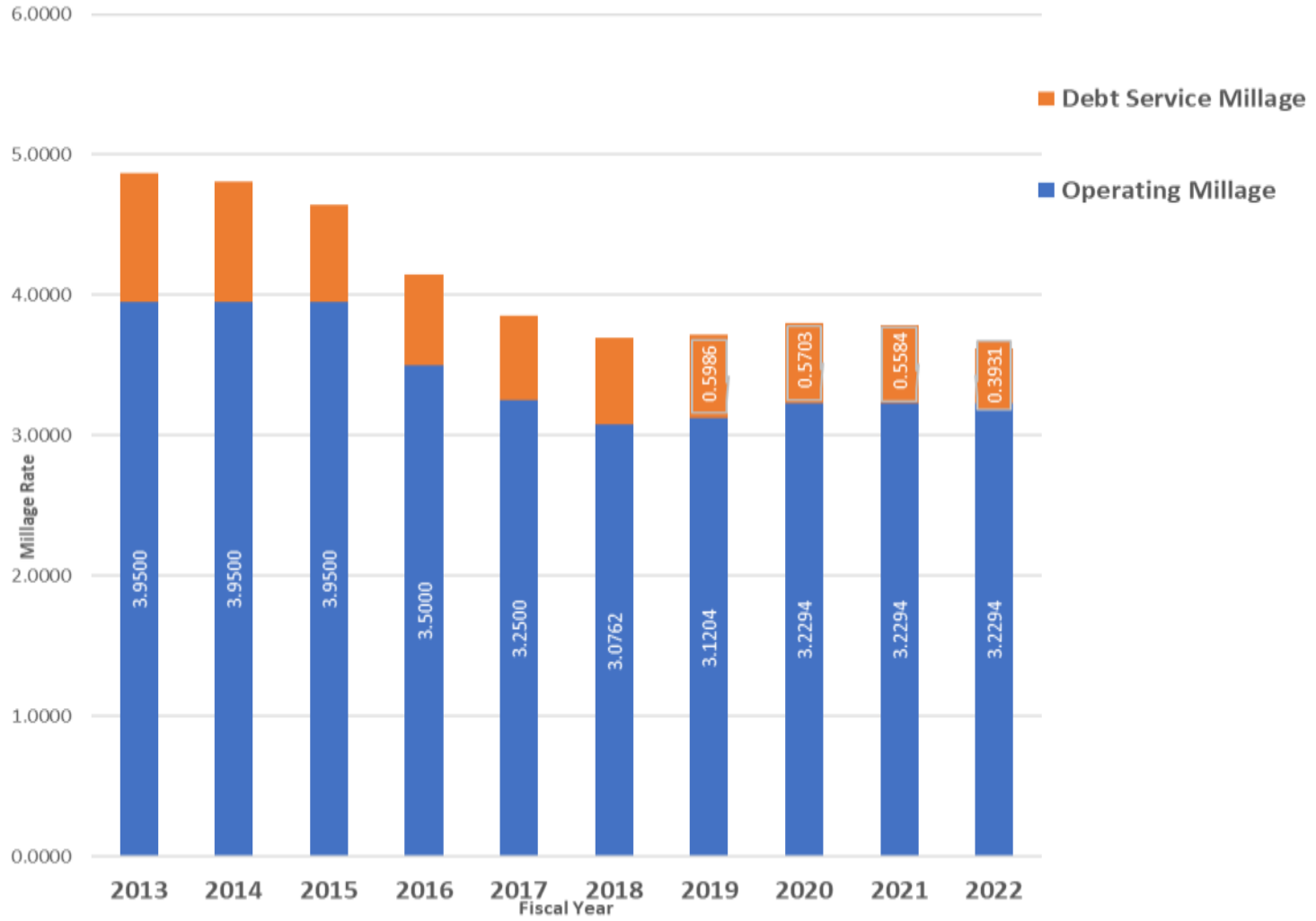
Town's Taxable Assessed Value

- 3.33 % Change in Taxable Value Over FY 2021
- 3.04 % Change in Taxable Value Over Past 12 Years



Town's Tax Rate

- Total Millage Rate Change of -4.36%



Comparison to Other Jurisdictions

FY 2021 Millage Rates

1.	Manalapan	3.1695
2.	South Palm Beach	3.5935
	Highland Beach (2022)	**3.6225**
3.	Gulfstream	3.7591
4.	**Highland Beach (2021)**	**3.7878**
5.	Boca Raton	4.6504
6.	Ocean Ridge	5.3500
7.	Juno Beach	5.4660
8.	Tequesta	6.6290
9.	Delray Beach	6.8497
10.	North Palm Beach	7.5000

Impact on Homeowners

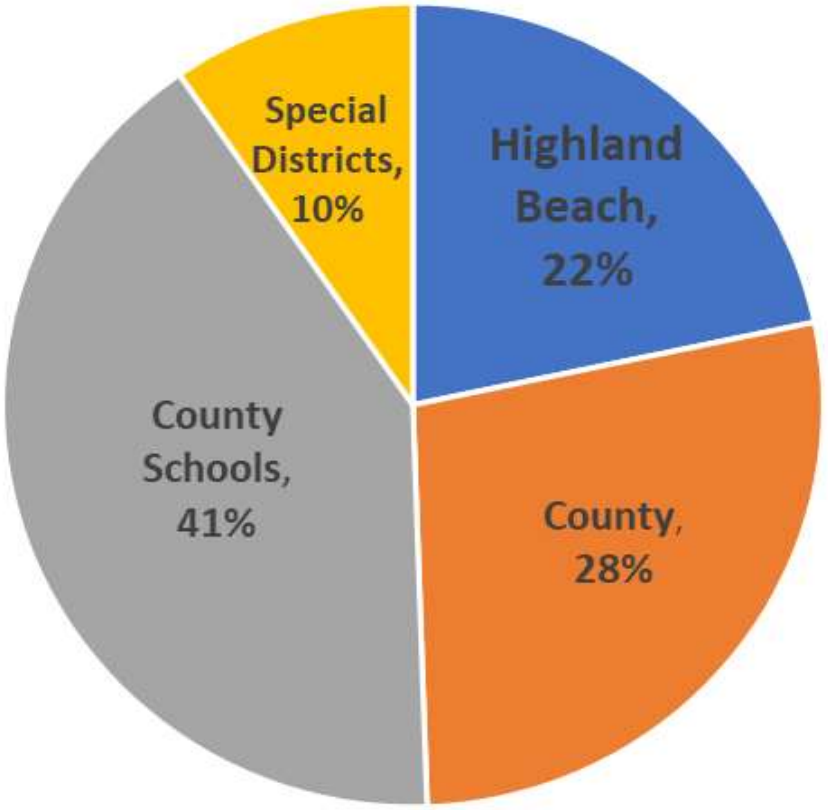
	Taxable Assessed Values			
	$250,000	**$500,000**	**$750,000**	**$1,000,000**
FY 2021 **3.7878 mills**	$947	$1,894	$2,841	$3,788
FY 2022 **3.6225 mills**	$906	$1,811	$2,717	$3,623
Reduction in Taxes	**-$41**	**-$83**	**-$124**	**-$165**

How Our Real Estate Taxes Are Divided

Total tax bill is split among multiple taxing authorities:

▪ Town of Highland Beach	3.7878
▪ Palm Beach County	4.8124
▪ PBC Public Schools	7.0100
▪ Special Districts (6)	1.6753
Total Millage	17.2855

Portion from Highland Beach is less than 1/4th of total tax bill.



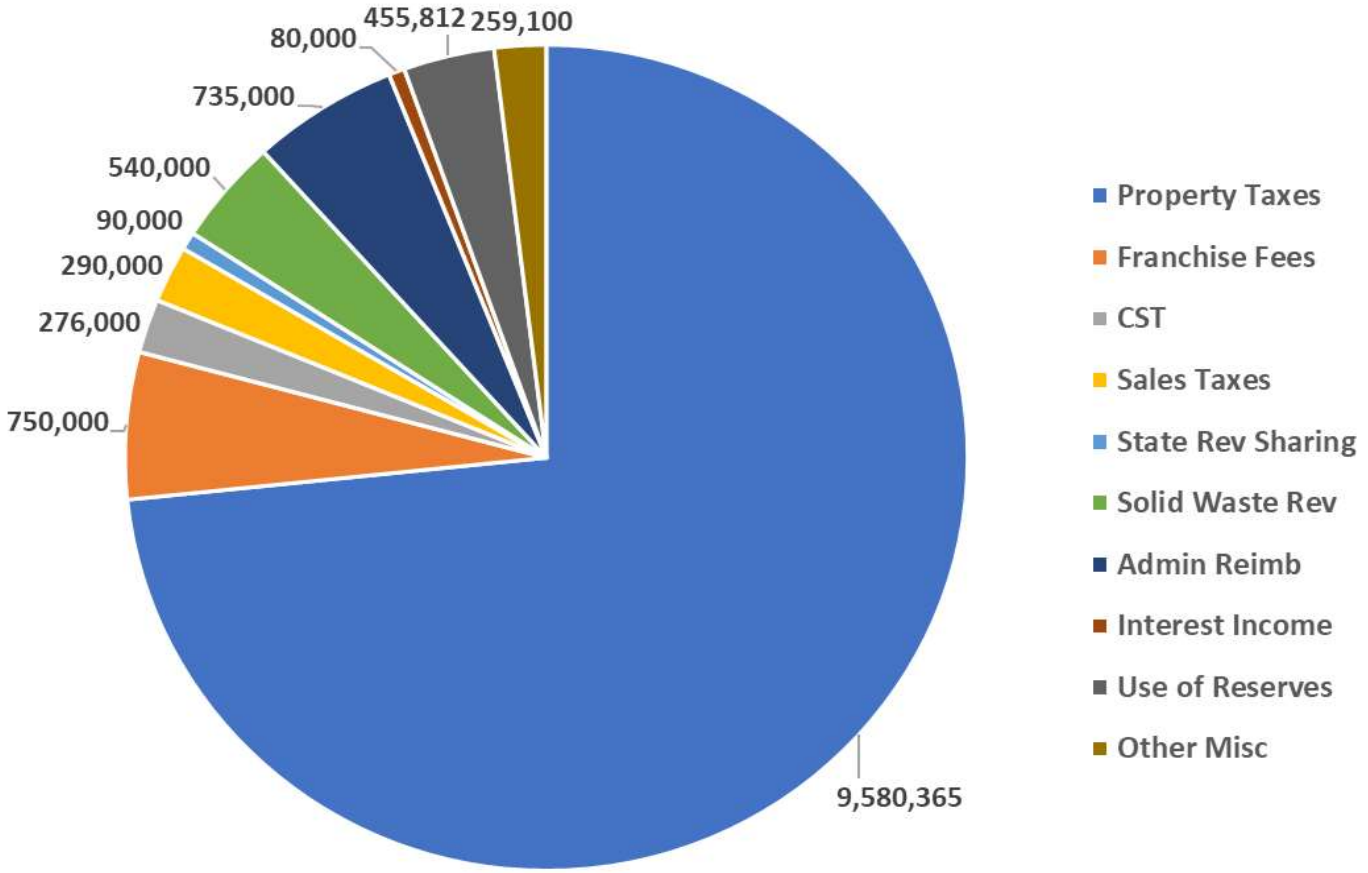
Based on FY 2021 Millage Rates

General Fund Revenues

Revenues	FY 2020 Actual	FY 2021 Budget	FY 2022 Budget	Dollar Change	Percent Change
311.000 Current Ad Valorem Taxes	9,556,811	9,695,345	9,580,365	(114,980)	-1.19%
312.000 Local Optional Gas Tax	27,264	31,000	31,000	0	0.00%
313.100 Franchise Fees-FPL	716,227	550,000	725,000	175,000	31.82%
313.400 Franchise Fees-FPU	17,143	20,000	25,000	5,000	25.00%
313.600 Communications Svc Tax	292,313	276,000	276,000	0	0.00%
322.000 Building Permits	0	0	0	N/A	N/A
335.120 State Revenue Sharing	98,094	75,000	90,000	15,000	20.00%
335.150 Alcoholic Bev. Licenses	636	700	700	0	0.00%
335.180 Half-Cent Sales Tax	295,934	240,000	290,000	50,000	20.83%
335.190 Motor Fuel Tax Rebate	0	1,200	1,200	0	0.00%
335.195 Recycling Revenue Sharing Pro	175	5,000	500	(4,500)	-90.00%
335.210 FDOT- Streetlight Subsidy	0	18,000	20,000	2,000	11.11%
338.000 Share County Occup. Lic.	10,536	8,500	8,500	0	0.00%
341.920 Certif.,Copies,Lien Search	41,482	40,000	50,000	10,000	25.00%
343.400 Garbage/Solid Waste Rev.	527,453	494,000	540,000	46,000	9.31%
351.000 Court Fines	355	1,500	1,500	0	0.00%
351.100 Misc Police Income	667	1,200	1,200	0	0.00%
352.000 Library Fines & Fees	2,229	7,000	7,000	0	0.00%
354.200 Violation Of Local Ord.	0	1,000	1,000	0	0.00%
361.000 Interest On Investments	103,234	110,000	80,000	(30,000)	-27.27%
361.100 Interest Income- Tax Coll.	1,944	2,500	2,500	0	0.00%
362.000 Rent- U.S. Postal Station	25,000	25,000	25,000	0	0.00%
362.200 Lease-Sprint PCS	40,830	42,000	42,000	0	0.00%
364.000 Sale Of Surplus Assets	0	2,000	2,000	0	N/A
369.100 Administrative Reimb.	352,870	400,000	735,000	335,000	83.75%
369.300 Insurance Reimbursements	16,467	15,000	15,000	0	N/A
369.400 Other Miscellaneous Rev.	152,584	15,000	15,000	0	0.00%
369.600 Reimb- Delray Beach	125,642	30,000	35,000	5,000	16.67%
389.900 Appropr. From Reserve	0	207,755	455,812	248,057	119.40%
Gen. Fund Total Revenue	$12,422,474	$12,314,700	$13,056,277	$741,577	6.02%

General Fund Revenues

- Property Taxes generate approx. 73% of General Fund revenue

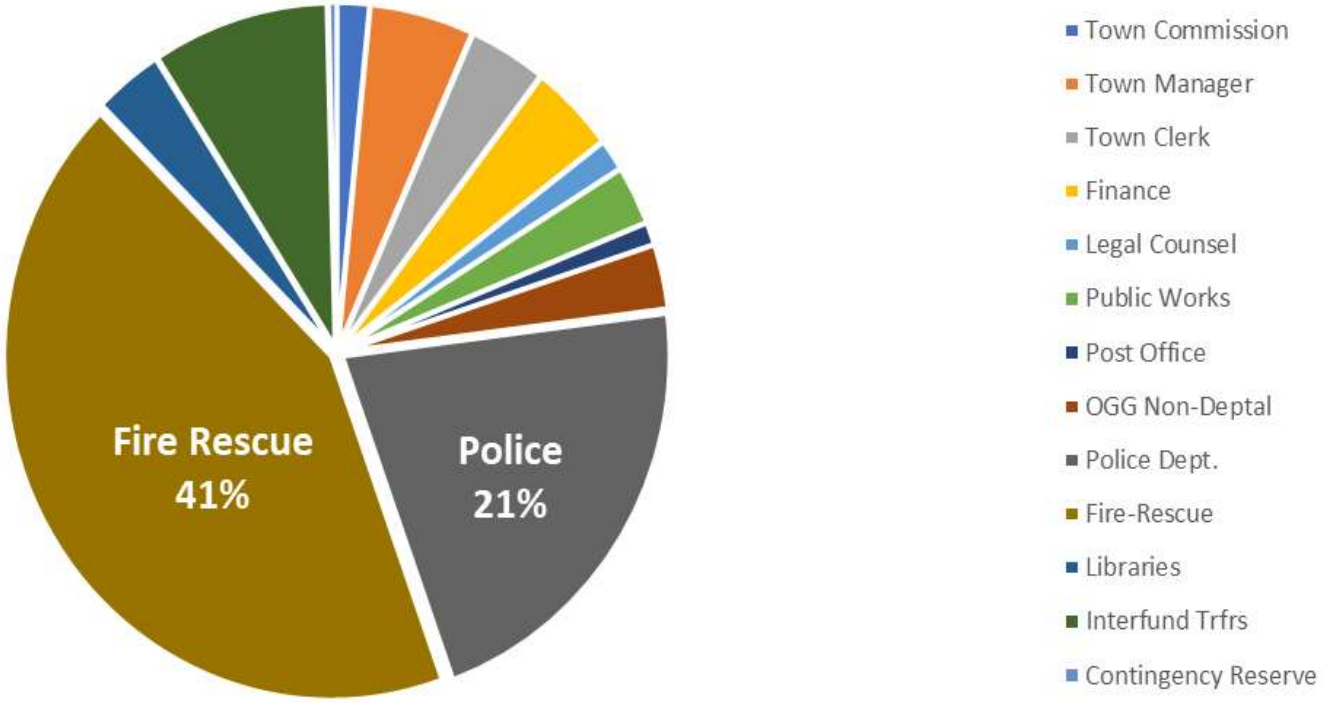


General Fund Expenditures

Expenditures	FY 2020 Actual	FY 2021 Original Budget	FY 2021 Amended Budget	FY 2022 Budget	Dollar Change	Percent Change
Town Commission	$126,125	$178,575	$168,575	$197,525	18,950	10.61%
Town Manager **	355,714	381,890	431,890	642,250	260,360	68.18%
Town Clerk	374,145	388,080	388,080	478,120	90,040	23.20%
Finance **	465,871	501,655	602,791	528,897	27,242	5.43%
Legal Counsel	106,291	175,000	175,000	185,000	10,000	5.71%
Public Works	333,847	353,150	353,150	348,000	(5,150)	-1.46%
Post Office	115,511	142,940	142,940	132,050	(10,890)	-7.62%
OGG Non-Departmental	467,760	397,670	395,992	378,690	(18,980)	-4.77%
Police Dept.	2,372,086	2,599,376	2,615,227	2,703,120	103,744	3.99%
Fire-Rescue	4,451,262	4,782,579	4,782,579	5,405,200	622,621	13.02%
Solid Waste	442,262	468,135	468,135	488,180	20,045	4.28%
Libraries	360,195	413,650	413,650	424,800	11,150	2.70%
Interfund Transfers	1,482,004	1,482,000	1,482,000	1,094,445	(387,555)	-26.15%
Reserve for Contingency	46,693	50,000	50,000	50,000	0	0.00%
Total Expenditures -- General Fund	$11,499,766	$12,314,700	$12,470,009	$13,056,277	$741,577	6.0%

** FY 2021 Amended Budget reflects rollover of Fire Rescue Study Consultant Costs (Town Manager) and ERP Software Costs (Finance Department).

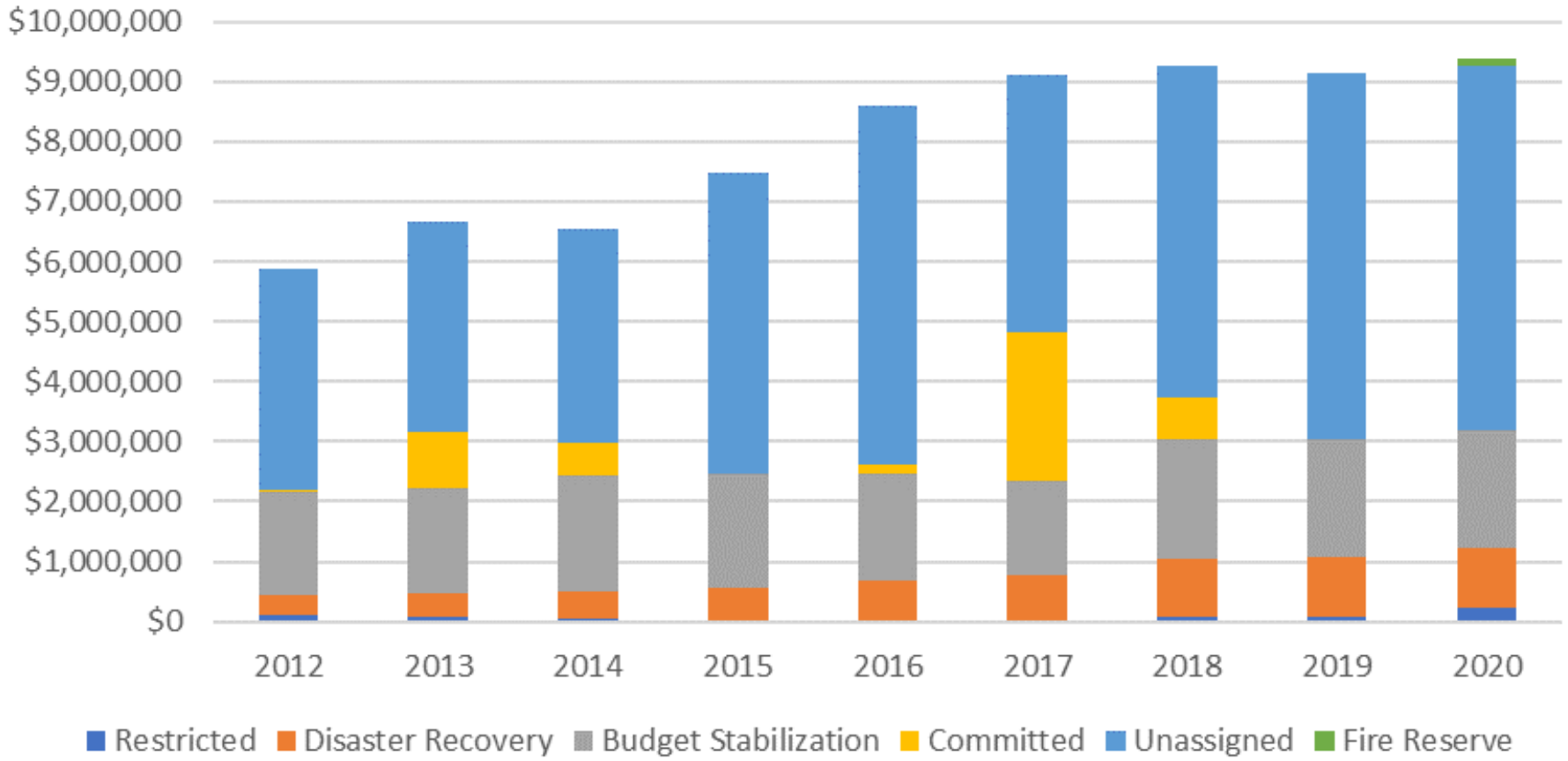
General Fund Expenditures



General Fund Expenditures

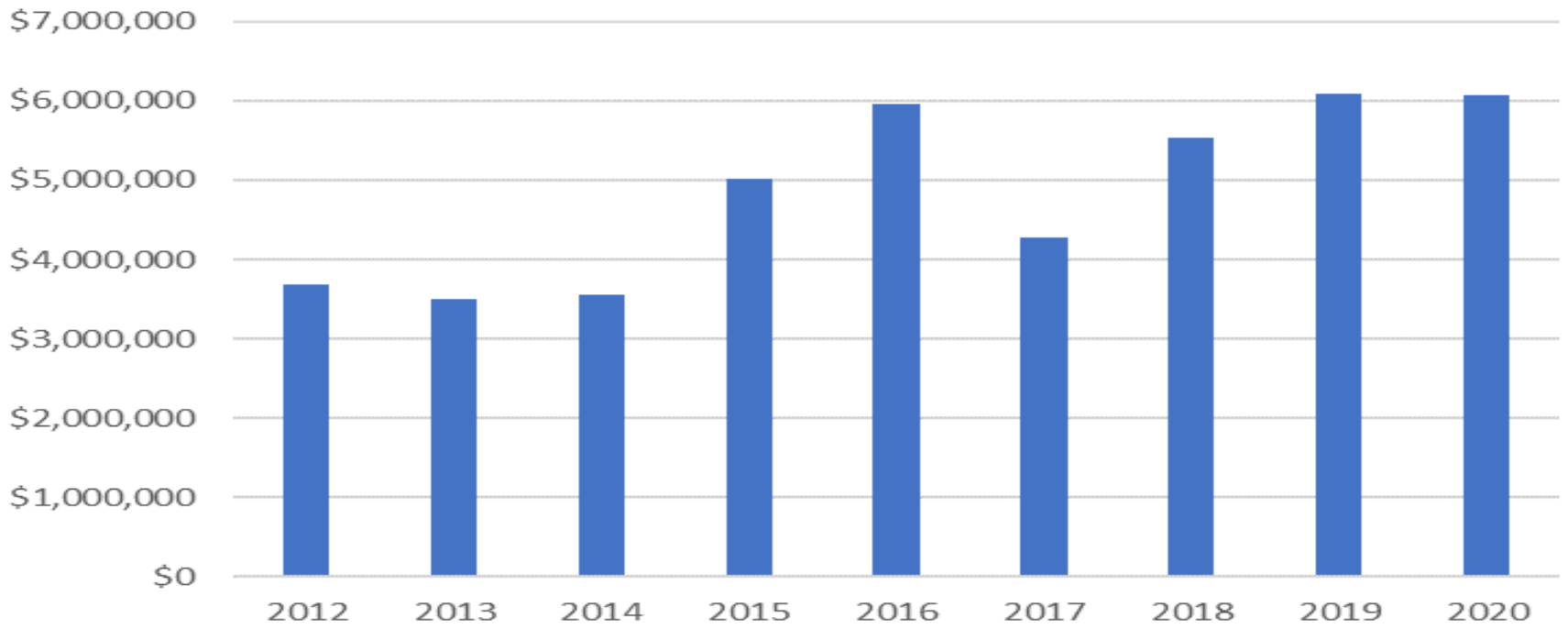
General Fund Expenditures	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Dollar Change	Percent Change
Personal Services	$3,664,954	4,109,785	4,459,037	$349,252	8.50%
Operating Expenses	$6,206,389	6,671,415	7,425,795	$754,380	11.31%
Capital Outlay	$99,726	1,500	27,000	$25,500	1700.00%
Other Uses (Transfers, etc.)	$1,528,697	1,532,000	1,144,445	($387,555)	N/A
Total Expenditures	$11,499,766	$12,314,700	$13,056,277	$741,577	6.02%

Fund Balance in the General Fund



FY 2020 Fund Balance figures reflect unaudited estimates.

Unassigned Fund Balance in the General Fund



	2012	2013	2014	2015	2016	2017	2018	2019	2020
As % of GF Expen. & Trfrs Out	**37.6%**	**34.4%**	**32.1%**	**46.8%**	**59.4%**	**41.2%**	**48.8%**	**51.8%**	**52.7%**

FY 2020 Fund Balance amount reflects unaudited figure.

Building Special Revenue Fund

Building Dept. Special Revenue Fund Revenues	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Dollar Change	Percent Change
Buidling Permits	$1,255,399	$830,000	$1,042,000	$212,000	25.54%
Zoning Fees & Board Review Fees	$25,734	$12,000	$32,000	$20,000	166.67%
Miscellaneous Revenue (Interest)	$2,900	$0	$1,000	$1,000	N/A
Appropriation from Bldg. Fund Reserve	$0	$0	$54,635	$54,635	N/A
Transfer from General Fund	$52,000	$52,000	$55,000	$3,000	5.77%
Total Revenues	$1,336,033	$894,000	$1,184,635	$290,635	32.51%
Building Dept. Special Revenue Fund Expenditures	**FY 2020 Actuals**	**FY 2021 Budget**	**FY 2022 Budget**	**Dollar Change**	**Percent Change**
Personal Services	$489,203	$524,000	$674,200	$150,200	28.66%
Operating Expenses	$280,104	$342,800	$502,660	$159,860	46.63%
Capital Outlay Expenses	$23,007	$27,200	$7,775	($19,425)	-71.42%
Total Expenditures	$792,314	$894,000	$1,184,635	$290,635	32.51%

- Transfer from General Fund assists in funding Town Planner position which cannot be funded with building permit revenue.

Discretionary Sales Surtax Special Revenue Fund

Revenues	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget
Discretionary Sales Surtax	$269,051	$220,000	$225,000
Interest Earning	$2,463	$0	$0
Rollover of Prior Sales Surtax Funds	$0	$270,000	$300,000
Total Revenues	$271,514	$490,000	$525,000
Expenditures	**FY 2020 Actuals**	**FY 2021 Budget**	**FY 2022 Budget**
Professional Fees	$77,086	$0	$0
Renewals & Replacements	$0	$0	$0
Buildings	$31,118	$250,000	$50,365
Improvements Other Than Bldgs.	$107,133	$240,000	$205,000
Machinery & Equipment	$0	$0	$269,635
Total Expenditures	$215,337	$490,000	$525,000

- FY 2021 Expenditures include a new roof for Town Hall and the continuation of the crosswalks project (including overhead lighting).
- Proposed FY 2022 Projects are listed on Slide 22 of this presentation.

Water Enterprise Fund

Water Fund Revenues (Fund 401)	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Dollar Change	Percent Change
Charges for Service	$2,036,762	$2,182,270	$2,637,200	454,930	20.85%
Miscellaneous Revenue	$192,962	$223,070	$294,000	70,930	31.80%
Use of Net Position (Reserves)	$0	$570,539	$255,785	(314,754)	-55.17%
Use of Prior Connection Fees (D.S)	$0	$0	$296,880	296,880	---
ARPA Federal Grant Funds	$0	$0	$234,325	234,325	---
Transfer from General Fund (Taxes)	$1,430,004	$1,430,000	$1,039,445	(390,555)	-27.31%
Total Revenues	$3,659,728	$4,405,879	$4,757,635	351,756	7.98%
Water Fund Expenditures	**FY 2020 Actuals**	**FY 2021 Budget**	**FY 2022 Budget**	**Dollar Change**	**Percent Change**
Personal Services	$910,114	$884,000	$1,050,700	166,700	18.86%
Operating Expenses	$2,089,691	$1,597,655	$1,742,705	145,050	9.08%
Capital Outlay	$95,261	$305,000	$390,000	85,000	27.87%
Debt Service	$277,530	$1,549,224	$1,549,230	6	0.00%
Other Uses (Contingency Reserve)	$0	$70,000	$25,000	(45,000)	-64.29%
Total Expenditures	$3,372,596	$4,405,879	$4,757,635	351,756	7.98%

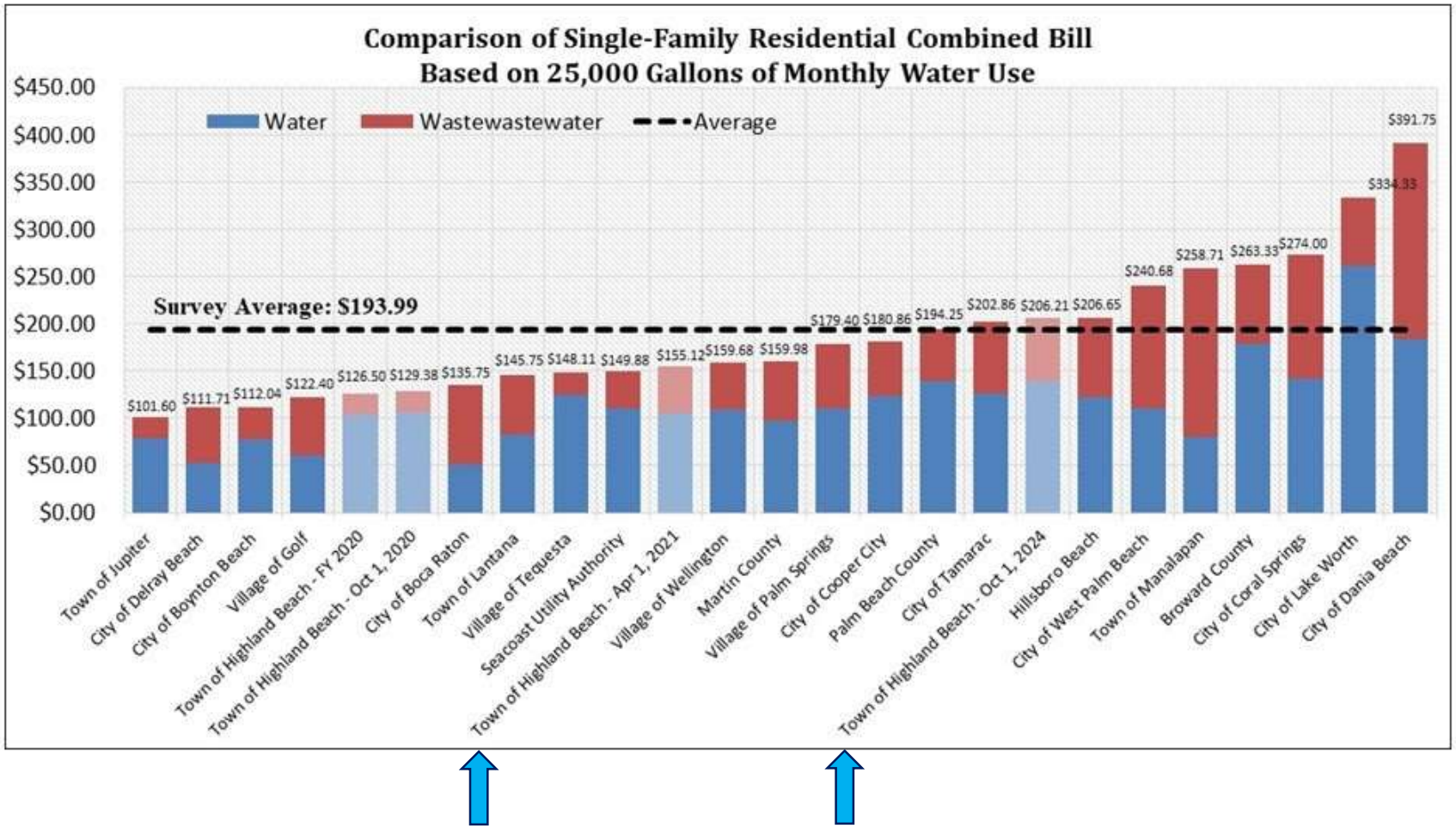
List of Capital Projects included on Slide 22.

Sewer Enterprise Fund

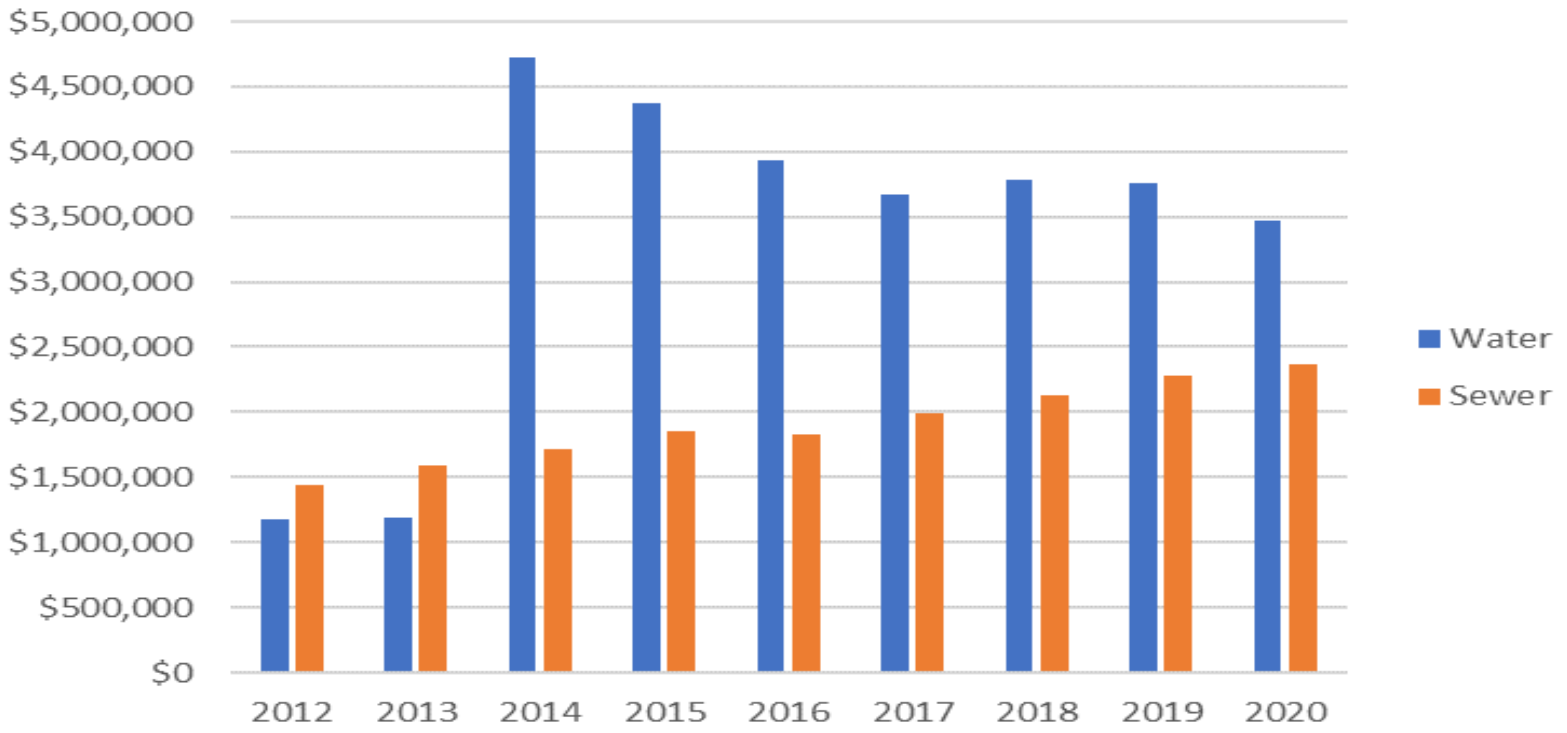
Sewer Fund Revenues (Fund 402)	FY 2020 Actuals	FY 2021 Budget	FY 2022 Budget	Dollar Change	Percent Change
Charges for Service	$1,155,248	$1,176,500	$1,569,000	$392,500	33.36%
Miscellaneous Revenue	$15,708	$15,000	$5,000	-$10,000	-66.67%
ARPA Federal Grant Funds	$0	$0	$565,675	$565,675	---
Use of Net Position (Reserves)	$231,341	$733,850	$0	-$733,850	-100.00%
Total Revenues	$1,402,297	$1,925,350	$2,139,675	$214,325	11.13%
Sewer Fund Expenditures	**FY 2020 Actuals**	**FY 2021 Budget**	**FY 2022 Budget**	**Dollar Change**	**Percent Change**
Operating Expenses	$1,318,723	$1,440,350	$1,464,675	$24,325	1.69%
Capital Outlay	$35,847	$425,000	$650,000	$225,000	52.94%
Other Uses	$47,727	$60,000	$25,000	-$35,000	-58.33%
Total Expenditures	$1,402,297	$1,925,350	$2,139,675	$214,325	11.13%

List of Capital Projects included on Slide 22.

Monthly Water and Wastewater User Rates Remain Competitive



Unrestricted Net Position in Enterprise Funds



FY 2020 information reflects unaudited figures.

FY 2022 Capital Projects

Fiscal Year	Fund	Project Name	Est. Cost	Funding Source
2022	Building Dept. Fund	Computers/Monitors	$2,400	Bldg. Permit Revenues/FB
2022	Building Dept. Fund	Office Furniture	$5,000	Bldg. Permit Revenues/FB
2022	Building Dept. Fund	UV Protection for A/C Ventilation System	$5,000	Bldg. Permit Revenues/FB
		Total Building Fund Capital Projects	**$12,400**	
2022	Discret. Sales Surtax	Office Renovation in Town Hall for Fire & HR	$50,365	Infrastucture Sales Tax/FB
2022	Discret. Sales Surtax	North & South Entry Signs	$150,000	Infrastucture Sales Tax/FB
2022	Discret. Sales Surtax	Replace North Side Chain Link Fence	$25,000	Infrastucture Sales Tax/FB
2022	Discret. Sales Surtax	Replace Town Benches and Garbage Cans	$30,000	Infrastucture Sales Tax/FB
2022	Discret. Sales Surtax	Two Police Vehicles	$96,115	Infrastucture Sales Tax/FB
2022	Discret. Sales Surtax	Vehicle for Fire Recue Chief	$47,520	Infrastucture Sales Tax/FB
2022	Discret. Sales Surtax	Axon Police Body Cameras	$46,000	Infrastucture Sales Tax/FB
2022	Discret. Sales Surtax	Police Tasers	$45,000	Infrastucture Sales Tax/FB
2022	Discret. Sales Surtax	UV Protection for Town Hall A/C System	$35,000	Infrastucture Sales Tax/FB
		Total Discretionary Sales Surtax Projects	**$525,000**	
2022	Sewer Enterprise Fund	Rehabilitate Lift Station #2	$100,000	ARPA Federal Grant Funds
2022	Sewer Enterprise Fund	Raise Lift Station #3	$150,000	ARPA Federal Grant Funds
2022	Sewer Enterprise Fund	Force Main Study for Lift Station #1	$50,000	ARPA Federal Grant Funds
2022	Sewer Enterprise Fund	WW Collection Sys Pipe Rehab. (Phase 2)	$250,000	ARPA Federal Grant Funds
2022	Sewer Enterprise Fund	Replace Storm Sewer Line in Bel Lido	$100,000	ARPA Grant/Sewer Fund Unres. Net Pos.
		Total Sewer Fund Capital Projects	**$650,000**	
2022	Water Enterprise Fund	Paint Floors of Chemical Pump & Membrane Rooms	$25,000	Water Fund Unrestricted Net Pos.
2022	Water Enterprise Fund	Replace Sodium Hydroxide Tank	$100,000	ARPA Grant/Water Fund Unres. Net Pos.
2022	Water Enterprise Fund	Replace Fence at Water Treatment Plant	$25,000	Water Fund Unrestricted Net Pos.
2022	Water Enterprise Fund	Rehabilitate Well #6	$80,000	ARPA Federal Grant Funds
2022	Water Enterprise Fund	Surge Protection for WTP Main Power Supply	$30,000	Water Fund Unrestricted Net Pos.
2022	Water Enterprise Fund	Replace Membrane Train Second Stage Turbos	$120,000	ARPA Federal Grant Funds
2022	Water Enterprise Fund	UV Protection for WTP A/C System	$10,000	ARPA Federal Grant Funds
		Total Water Fund Capital Projects	**$390,000**	

Major Initiatives for FY 2022

- Implementation of Fire Rescue Department
  - Personnel/Facilities/Equipment
- Continue Strategic Planning Initiatives
  - Five Year Forecast
  - Fund Balance Policy Update
  - Town Charter Review & Modifications
  - Compensation Study/Update
- Continue to Reinvest in Town through Capital Projects
  - Maintain integrity of Sanitary Sewer System
  - North & South Entry Signs
  - Integrated Police Technology (Axon body cameras, Tasers, and in-car cameras)
  - Replacement of Town Benches, Garbage Cans, and Fencing
  - Vehicles for Police and Fire Rescue Chief
  - Office Renovations in Town Hall for Fire Rescue Department and Human Resources

FY 2022 Budget Calendar Events

Thursday, July 1st	Certification of Valuation received from Property Appraiser
Thursday, July 8th 2:00 PM	Financial Advisory Board Meeting – Budget Overview
Tuesday, July 13th 1:30 PM	Town Commission Special Meeting (Setting of Not-to-exceed Millage Rate for FY 2022)
Wednesday, August 4th 1:30 PM	Town Commission Special Budget Meeting – Department Reviews
Tuesday, August 24th 1:30 PM	Town Commission Special Budget Meeting – Budget/Health Care Insurance
Monday, September 13th 5:01 PM	Town Commission Public Hearing – To tentatively adopt proposed millage and proposed budget for FY 2022
Tuesday, September 21st 5:01 PM	Town Commission Public Hearing – To adopt final millage and final budget ordinances for FY 2022

FY 2022 Budget

End of Presentation

Fire Rescue Dept Implementation Costs

➢ City of Delray Beach Contract – FY 2022	$4,990,200
▪ Reflects 5% increase over FY 2021 Budget	
➢ Current Fire Station Repairs & Maintenance	$15,000
➢ Fire Rescue Consultants/Fire Rescue Chief	$440,000
▪ $40,000 Budgeted in Town Manager's Office in FY 2022	
General Fund Total	**$5,445,200**
➢ New Vehicle for Fire Rescue Chief	$47,520
▪ Budgeted in Discretionary Sales Tax Fund in FY 2022	
➢ Office Renovation in Town Hall	$50,365
▪ Office space for Human Resources & Fire Dept.	
Town-wide Total	**$5,543,085**

Potential Additional Costs in FY 2022:

- Human Resources Position
- Fire Rescue Command Staff
- Design & Construction of Fire Station Addition