



City of
Lake Worth
Beach
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City of Lake Worth Beach Budget Workshop I

Budget Drivers- General Discussion



REVENUES

- General Fund
- Special Revenue Funds
- Enterprise Utility Funds



General Fund Revenues

		FY 2020 Budget	Projected Increase	Projected Revenue	Potential Monthly Cash Flow Constraints	% of Revenue
General Fund						
Ad valorem taxes		8,896,180.00	530,524.68	9,426,704.68	74,134.83	25.22%
	CRA 's Allocation	1,802,170.00	108,130.20	1,910,300.20		
	Subtotal	10,698,350.00	638,654.88	11,337,004.88	74,134.83	25.22%
Local Receipts						
	Permits, Fees and Special Assessments	1,212,540.00	-	1,212,540.00	10,104.50	3.44%
	Charges for Services	419,784.00	-	419,784.00	3,498.20	1.19%
	Inspections	370,000.00	-	370,000.00	3,083.33	1.05%
	Surcharges	841,450.00	-	841,450.00	7,012.08	2.39%
	Parking Permits / Boat Launch	46,151.00	-	46,151.00	384.59	0.13%
	Culture and Recreation	136,466.00	-	136,466.00	1,137.22	0.39%
	Fines and Forteitures	676,520.00	30,185.00	706,705.00	5,637.67	1.92%
	Other Local Receipts	111,938.00	-	111,938.00	932.82	0.32%
	Subtotal	3,814,849.00	30,185.00	3,845,034.00	31,790.41	10.81%



General Fund Revenue – Considerations

- Revenue Assumptions
 - Ad-Valorem Taxes
 - Growth Rate Assumption, 1.06% based on County projections
 - General Revenues
 - Essentially projecting flat revenues for each General Fund Category
 - Limited revenue options
 - Limited tax levy options
 - Limited local receipts options- only 10% of all general fund revenue
- Considerations & Concerns
 - Sensitivity analysis only, Covid19/Corona impact on cash flows and revenue collection rates
 - Actual experience, depth and duration remain uncertain
 - Potential impact approximating \$300,000 per month – primary timing differences
 - Inter-fund transfers are being held constant
 - General fund tends to provide assistance to other non-enterprise fund deficits, therefore⁵ important to maintain/build fund balance reserves



Revenues – Special Revenue Funds

		FY 2020 Budget	Projected Increase	Projected Revenue	Potential Monthly Cash Flow Constraints	% of Revenue
<u>Building Special Revenue Fund</u>				-		
Permits		1,202,000.00	-	1,202,000.00	100,166.67	98.76%
Other Revenue		15,150.00	-	15,150.00	126.25	1.24%
	Total	1,217,150.00	-	1,217,150.00	100,292.92	100.00%
		-		-		
<u>Beach Special Revenue Fund</u>						
Parking		2,678,682.00	-	2,678,682.00	223,223.50	67.60%
Rentals and Programs		1,041,548.00	-	1,041,548.00	86,795.67	26.28%
Fines and Forfeitures		227,500.00	-	227,500.00	18,958.33	5.74%
Other Revenue		14,823.00	-	14,823.00	1,235.25	0.37%
	Total	3,962,553.00	-	3,962,553.00	330,212.75	100.00%
		-	-	-		
<u>Golf Course Special Revenue Fund</u>						
Charges for Service		1,216,325.00	-	1,216,325.00	101,360.42	100.00%



Special Revenue Funds; Revenue Considerations

Revenue Projections

- Current projections reflect flat revenues for each revenue category

Considerations & Concerns

- *For sensitivity analysis only*, Covid19/Corona impact on cash flows and revenue collection rates
- More rate setting options vs. general fund- demand elasticity awareness
- Actual experience, depth and duration remain uncertain
- Potential monthly impact range from \$100,000 for Building and Golf Course to \$330,000 for Beach Fund
- Typically, are lost revenue vs. timing differences
- Potential Fund Balance concerns
- Inter-fund transfers are being held constant



Revenues –Enterprise Utility Funds

<u>Electric Utility Fund</u>		<u>FY 2020 Budget</u>	<u>Projected Increase</u>	<u>Projected Revenue</u>	<u>Potential Monthly Cash Flow Constraints</u>	<u>% of Revenue</u>
Charges for Service		60,457,845.00	-	60,457,845.00	503,815.38	98.31%
Fines and Forfeitures		1,037,975.00	-	1,037,975.00	8,649.79	1.69%
	Total	61,495,820.00	-	61,495,820.00	512,465.17	100.00%
		-	-	-		
<u>Water Utility Fund</u>						
Charges for Service		15,322,000.00	-	15,322,000.00	127,683.33	95.89%
Fines and Forefitures		657,454.00	-	657,454.00	5,478.78	4.11%
	Total	15,979,454.00	-	15,979,454.00	133,162.12	100.00%
		-	-	-		
<u>Sewer Utility Fund</u>						
Charges for Service		9,078,653.00	-	9,078,653.00	75,655.44	99.45%
Fines and Forfeitures		50,500.00	-	50,500.00	420.83	0.55%
	Total	9,129,153.00	-	9,129,153.00	76,076.28	100.00%
		-	-	-		
<u>Stormwater Utility Fund</u>						
Charges for Service		1,875,000.00	-	1,875,000.00	15,625.00	8 72.03%
Other Revenue		53,150.00	-	53,150.00	442.92	2.04%



Enterprise Utility Revenue Funds; Revenue Considerations

General Revenues

- Current projections reflect flat revenues for each revenue category
- Because of rate flexibility, budget options are greatest amongst City funds
- Conducting 3rd party rate analysis for Electric, Water and Sewer

Considerations & Concerns

- *For sensitivity analysis only*, Covid19/Corona impact on cash flows and revenue collection rates
- Actual experience, depth and duration remain uncertain
- Potential monthly impact range up to \$515,000, or \$790,000 for combined utilities
- Typically, are timing differences vs. lost revenues
- Potential Fund Balance concerns



Expenditures

Expenditure Highlights and Discussion

- Operating Budget Drivers
 - Salaries
 - Health Insurance and Benefits
 - Pension Contributions
 - Net Operating Expenditures
 - Information Technology
 - Property and Liability Insurance
 - Debt Service
- Capital / Repair and Maintenance



General Fund Expenditures

	FY 2020 Budget	Projected Increase	Projected FY 2021 Budget	Growth Factor	% of Total Budget
<u>General Fund</u>					
Salaries	5,758,316.00	172,749.48	5,931,065.48	3.00%	15.17%
Benefits	1,181,119.00	76,772.73	1,257,891.74	6.50%	3.22%
Defined Benefit Pension	6,675,952.00	1,520,009.73	8,195,961.73	22.77%	20.96%
Defined Contribution Pension	58,655.00	1,759.65	60,414.65	3.00%	0.15%
Operating Expenditures	8,350,914.00	83,509.14	8,434,423.14	1.00%	21.57%
Information Technology	706,456.00	105,968.40	812,424.40	15.00%	2.08%
Property and Liability Insurance	561,140.00	28,057.00	589,197.00	5.00%	1.51%
Public Safety	13,382,660.00	133,826.60	13,516,486.60	1.00%	34.57%
Debt Service (1)	75,269.00	224,731.00	300,000.00	298.57%	0.77%
Total	26,750,481.00	2,247,222.73	28,997,703.73	6.39%	100.00%



General Fund Expenditures – Discretionary vs. Non-Discretionary

	FY 2020 Budget	Projected Increase	Projected FY 2021 Budget	Growth Factor	% of Total Budget
<u>Discretionary vs. Non-Discretionary</u>					
Salaries	5,758,316.00	172,749.48	5,931,065.48	3.00%	15.17%
Benefits	1,181,119.00	76,772.73	1,257,891.74	6.50%	3.22%
Pension Contributions	902,963.00	99,699.38	1,002,662.38	11.04%	2.56%
Discretionary Expenditures	5,488,526.00	155,349.02	5,643,875.02	2.83%	14.44%
Non Discretionary	23,419,557.00	1,842,813.12	25,262,370.12	7.87%	64.61%
Total	36,750,481.00	2,347,383.73	39,097,864.73	6.39%	100.00%



Building Fund Expenditures

	FY 2020 Budget	Projected Increase	Projected FY 2021 Budget	Growth Factor	% of Total Budget
Building Fund			-		
Salaries	524,187.00	15,725.61	539,912.61	3.00%	53.80%
Benefits	120,737.00	7,847.91	128,584.91	6.50%	12.81%
Defined Benefit Pension	50,441.00	5,851.16	56,292.16	11.60%	5.61%
Defined Contribution Pension	17,547.00	526.41	18,073.41	3.00%	1.80%
Operating Expenditures	168,203.00	1,682.03	169,885.03	1.00%	16.93%
Information Technology	77,429.00	11,614.35	89,043.35	15.00%	8.87%
Property and Liability Insurance	1,652.00	82.60	1,734.60	5.00%	0.17%
Public Safety			-	#DIV/0!	0.00%
Debt Service (1)			-	#DIV/0!	0.00%
Total				4.51%	100.00%



Beach Fund Expenditures

	FY 2020 Budget	Projected Increase	Projected FY 2021 Budget	Growth Factor	% of Total Budget
Beach Fund			-		
Salaries	1,483,992.00	44,519.76	1,528,511.76	3.00%	36.79%
Benefits	262,558.00	17,066.27	279,624.27	6.50%	6.73%
Defined Benefit Pension	184,768.00	21,433.09	206,201.09	11.60%	4.96%
Defined Contribution Pension	-	-	-	#DIV/0!	0.00%
Operating Expenditures	1,949,989.00	19,499.89	1,969,488.89	1.00%	47.41%
Information Technology	49,082.00	7,362.30	56,444.30	15.00%	1.36%
Property and Liability Insurance	108,583.00	5,429.15	114,012.15	5.00%	2.74%
Public Safety			-	#DIV/0!	0.00%
Debt Service (1)			-	#DIV/0!	0.00%
Total				2.85%	100.00%



Golf Fund Expenditures

	FY 2020 Budget	Projected Increase	Projected FY 2021 Budget	Growth Factor	% of Total Budget
Golf Fund			-		
Salaries	185,196.00	5,555.88	190,751.88	3.00%	15.51%
Benefits	13,543.00	880.29	14,423.30	6.50%	1.17%
Defined Benefit Pension	21,630.00	2,509.08	24,139.08	11.60%	1.96%
Defined Contribution Pension	-	-	-	#DIV/0!	0.00%
Operating Expenditures	892,080.00	8,920.80	901,000.80	1.00%	73.25%
Information Technology	24,736.00	3,710.40	28,446.40	15.00%	2.31%
Property and Liability Insurance	67,846.00	3,392.30	71,238.30	5.00%	5.79%
Public Safety	-	-	-	#DIV/0!	0.00%
Debt Service (1)	-	-	-	#DIV/0!	0.00%
Total	1,205,031.00	24,968.76	1,229,999.76	2.07%	100.00%



Electric Utility Fund Expenditures

	FY 2020 Budget	Projected Increase	Projected FY 2021 Budget	Growth Factor	% of Total Budget
Electric Utility Fund			-		
Salaries	7,941,293.00	238,238.79	8,179,531.79	3.00%	12.91%
Benefits	1,288,191.00	83,732.41	1,371,923.42	6.50%	2.17%
Defined Benefit Pension	1,409,012.00	163,445.39	1,572,457.39	11.60%	2.48%
Defined Contribution Pension	18,510.00	555.30	19,065.30	3.00%	0.03%
Operating Expenditures	48,113,031.00	378,480.06	48,491,511.06	0.79%	76.55%
Information Technology	597,104.00	89,565.60	686,669.60	15.00%	1.08%
Property and Liability Insurance	734,788.00	36,739.40	771,527.40	5.00%	1.22%
Public Safety			-	#DIV/0!	0.00%
Debt Service (1)	-	2,250,000.00	2,250,000.00	#DIV/0!	3.55%
Total				5.39%	100.00%



Water Utility Fund Expenditures

	FY 2020 Budget	Projected Increase	Projected FY 2021 Budget	Growth Factor	% of Total Budget
Water Utility Fund			-		
Salaries	2,727,861.00	81,835.83	2,809,696.83	3.00%	16.92%
Benefits	521,959.00	33,927.33	555,886.34	6.50%	3.35%
Defined Benefit Pension	617,860.00	71,671.76	689,531.76	11.60%	4.15%
Defined Contribution Pension	19,735.00	592.05	20,327.05	3.00%	0.12%
Operating Expenditures	11,028,720.00	44,807.40	11,073,527.40	0.41%	66.70%
Information Technology	531,656.00	79,748.40	611,404.40	15.00%	3.68%
Property and Liability Insurance	40,467.00	2,023.35	42,490.35	5.00%	0.26%
Public Safety	-	-	-	#DIV/0!	0.00%
Debt Service (1)	-	800,000.00	800,000.00	#DIV/0!	4.82%
Total				7.20%	100.00%



Local Sewer Utility Fund Expenditures

	FY 2020 Budget	Projected Increase	Projected FY 2021 Budget	Growth Factor	% of Total Budget
Local Sewer Utility Fund			-		
Salaries	1,177,345.00	35,320.35	1,212,665.35	3.00%	12.06%
Benefits	261,553.00	17,000.95	278,553.95	6.50%	2.77%
Defined Benefit Pension	241,658.00	28,032.33	269,690.33	11.60%	2.68%
Defined Contribution Pension	7,610.00	228.30	7,838.30	3.00%	0.08%
Operating Expenditures	7,323,474.00	57,928.24	7,381,402.24	0.79%	73.39%
Information Technology	37,316.00	5,597.40	42,913.40	15.00%	0.43%
Property and Liability Insurance	61,118.00	3,055.90	64,173.90	5.00%	0.64%
Public Safety	-	-	-	#DIV/0!	0.00%
Debt Service (1)	-	800,000.00	800,000.00	#DIV/0!	7.95%
Total				10.40%	100.00%



Storm Water Utility Fund Expenditures

	FY 2020 Budget	Projected Increase	Projected FY 2021 Budget	Growth Factor	% of Total Budget
Storm Water Utility Fund			-		
Salaries	483,085.00	14,492.55	497,577.55	3.00%	16.57%
Benefits	96,650.00	6,282.25	102,932.25	6.50%	3.43%
Defined Benefit Pension	101,370.00	11,758.92	113,128.92	11.60%	3.77%
Defined Contribution Pension	1,540.00	46.20	1,586.20	3.00%	0.05%
Operating Expenditures	1,805,731.00	8,558.11	1,814,289.11	0.47%	60.43%
Information Technology	27,738.00	4,160.70	31,898.70	15.00%	1.06%
Property and Liability Insurance	39,021.00	1,951.05	40,972.05	5.00%	1.36%
Public Safety	-	-	-	#DIV/0!	0.00%
Debt Service (1)	-	400,000.00	400,000.00	#DIV/0!	13.32%
Total				17.50%	100.00%



Refuse Fund Expenditures

	FY 2020 Budget	Projected Increase	Projected FY 2021 Budget	Growth Factor	% of Total Budget
Refuse Fund			-		
Salaries	1,715,990.00	51,479.70	1,767,469.70	3.00%	24.79%
Benefits	467,361.00	30,378.47	497,739.47	6.50%	6.98%
Defined Benefit Pension	413,014.00	47,909.62	460,923.62	11.60%	6.47%
Defined Contribution Pension	-	-	-	#DIV/0!	0.00%
Operating Expenditures	4,170,863.00	32,662.94	4,203,525.94	0.78%	58.96%
Information Technology	52,772.00	7,915.80	60,687.80	15.00%	0.85%
Property and Liability Insurance	132,256.00	6,612.80	138,868.80	5.00%	1.95%
Public Safety	-	-	-	#DIV/0!	0.00%
Debt Service (1)	-	-	-	#DIV/0!	0.00%
Total	6,952,256.00	176,959.33	7,129,215.33	2.55%	100.00%



Combined Revenues and Expenditures

Projected Surplus <Deficits>

		FY 2020 Budget	Projected Increase	Projected FY 2021 Budget
General Fund				
	Revenue	37,081,448.00	668,839.88	37,750,287.88
	Expenditures	36,750,481.00	2,347,383.73	39,097,864.73
	Projected Surplus <Deficit>	330,967.00	(1,678,543.85)	(1,347,576.85)
				-



Combined Revenues and Expenditures

Projected Surplus <Deficits>

		FY 2020 Budget	Projected Increase	Projected FY 2021 Budget
Special Revenue Funds				
Building Fund				
	Revenue	1,217,150.00	-	1,217,150.00
	Expenditures	960,196.00	43,330.06	1,003,526.06
	Projected Surplus <Deficit>	256,954.00	(43,330.06)	213,623.94
				-
Beach Fund				
	Revenue	4,039,053.00	-	4,039,053.00
	Expenditures	4,038,972.00	115,310.46	4,154,282.46
	Projected Surplus <Deficit>	81.00	(115,310.46)	(115,229.46)
				(0.00)
Golf Course Fund				
	Revenue	1,216,325.00	-	1,216,325.00
	Expenditures	1,205,031.00	24,968.76	1,229,999.76



Projected Surplus <Deficits>, cont.

		FY 2020 Budget	Projected Increase	Projected FY 2021 Budget
Enterprise / Utility Funds				
Electric Fund				
	Revenue	61,495,820.00	-	61,495,820.00
	Expenditures	60,101,929.00	3,240,756.96	63,342,685.96
	Projected Surplus <Deficit>	1,393,891.00	(3,240,756.96)	(1,846,865.96)
				(0.00)
Water Utility Fund				
	Revenue	15,979,454.00	-	15,979,454.00
	Expenditures	15,488,258.00	1,114,606.13	16,602,864.13
	Projected Surplus <Deficit>	491,196.00	(1,114,606.13)	(623,410.13)
				-
Local Sewer Fund				
	Revenue	9,129,153.00	-	9,129,153.00
	Expenditures	9,110,074.00	947,163.46	10,057,237.46
	Projected Surplus <Deficit>	19,079.00	(947,163.46)	(928,084.46)



Projected Surplus <Deficits>, cont.

		FY 2020 Budget	Projected Increase	Projected FY 2021 Budget
Stormwater Fund				
	Revenue	2,603,150.00	-	2,603,150.00
	Expenditures	2,555,135.00	447,249.78	3,002,384.78
	Projected Surplus <Deficit>	48,015.00	(447,249.78)	(399,234.78)
				(0.00)
Refuse Fund				
	Revenue	6,956,030.00	-	6,956,030.00
	Expenditures	6,952,256.00	176,959.33	7,129,215.33
	Projected Surplus <Deficit>	3,774.00	(176,959.33)	(173,185.33)
				0.00
	Net; Enterprise Funds	1,955,955.00	(5,926,735.65)	(3,970,780.65)
				(0.00)



Capital / Repair and Maintenance

- Capital Budget
- On-going repair and maintenance