

TOWN OF PALM BEACH

Information for First Public Hearing on: September 11, 2024

To: Mayor and Town Council

Via: Kirk Blouin, Town Manager

From: Bob Miracle, Deputy Town Manager, Finance and Administration

Re: FY25 Budget – First Public Hearing - Tentative Millage Rate and Budget Approval.

Date: September 1, 2024

STAFF RECOMMENDATION

Staff requests that the Town Council approve Resolution No. 100-2024 for the tentative millage rate and Resolution No. 115-2024 for the proposed budget for FY25.

Staff also requests that the Town Council approve Resolution Nos. 101-2024, 102-2024, 103-2024, 104-2024, 105-2024, 106-2024 and 108-2024 all relating to the Town's Non Ad Valorem Assessments.

GENERAL INFORMATION

At the July 11th Special Town Council meeting, the Town Council reviewed the proposed budget and millage rate for FY25. Changes made to the budget at that time include:

Millage Rate

- Maintain the millage rate at the current level of 2.6110

CIP Fund

- Use revenues from millage rate to fund the N. County Road Canopy drainage project
- Use transfer from Marina to fund paving projects

Marina Enterprise Fund

- Add an additional \$4 million transfer to CIP Fund for paving projects
- Add in \$575,000 for garbage redesign project

The proposed millage rate to be adopted at the September 11th public hearing is 2.6110, representing a 0.0% increase from the FY24 millage rate of 2.6110 and a \$79 per million increase for homestead property owners.

The attached exhibits show the final proposed General Fund budget for FY25, the 5-year Capital Improvement Plan and the Marina Enterprise Fund Budget.

An updated copy of the budget message is included for your convenience in this backup.

NON AD VALOREM ASSESSMENTS

The backup for non-ad valorem assessments is included within this document and each assessment Resolution has an accompanying memorandum describing the assessment detail.

SPECIAL CONSIDERATIONS

Second Public Hearing Date:

The second public hearing will be held on **Thursday, September 19, 2024 at 5:01pm.**

Attachments

cc: Carolyn Stone, Deputy Town Manager
Department Directors

GENERAL FUND REVENUES AND EXPENDITURES Budget Comparison Fiscal Years 2024 - 2025

	FY2024 Budget	FY2025 Budget	FY24 vs. FY25 \$ Difference	FY24 vs. FY25 % Change
Revenues				
Ad Valorem Taxes	\$ 72,130,510	\$ 79,745,500	\$ 7,614,990	10.56%
Non Ad Valorem Taxes	6,678,000	6,780,000	102,000	1.53%
Licenses & Permits	5,331,000	5,463,500	132,500	2.49%
Intergovernmental	1,240,200	1,272,500	32,300	2.60%
Charges for Services	8,175,638	9,975,775	1,800,137	22.02%
Fines and Forfeitures	1,128,000	1,128,000	-	-%
Investment Earnings	685,386	1,864,484	1,179,098	172.03%
Miscellaneous Revenues	595,200	1,328,700	733,500	123.24%
Interfund Transfers	1,121,000	1,134,000	13,000	1.16%
Transfer From Fund Balance	1,100,000	3,260,000	2,160,000	196.36%
Transfer from Building Fund	6,627,997	7,228,090	600,093	9.05%
Total Revenues	\$ 104,812,931	\$ 119,180,549	\$ 14,367,618	13.71%
Expenditures				
Department				
Legislative	\$ 151,550	\$ 151,550	\$ -	-%
General Government	679,400	896,400	217,000	31.94%
Town Manager	1,364,823	1,395,960	31,137	2.28%
Town Clerk	447,374	397,771	(49,603)	(11.09%)
Advice and Litigation	390,000	731,000	341,000	87.44%
Human Resources	973,047	1,160,515	187,468	19.27%
Information Systems	4,420,178	4,673,237	253,059	5.73%
Finance	2,076,603	2,152,522	75,919	3.66%
Recreation and Tennis	2,474,528	2,797,014	322,486	13.03%
Planning/Building/Zoning	2,346,434	2,853,221	506,787	21.60%
Library	385,351	396,912	11,561	3.00%
Fire-Rescue	17,383,195	19,151,909	1,768,714	10.17%
Police	20,125,258	23,719,210	3,593,952	17.86%
Public Works	20,677,905	22,136,581	1,458,676	7.05%
Contingency	600,000	600,000	-	-%
Salary Savings	-	(500,000)	(500,000)	-%
Transfer to Other Funds				
Transfer to CIP	10,308,122	14,250,622	3,942,500	38.25%
Transfer to Coastal	5,791,205	5,791,205	-	-%
Transfer to Equipment Replacement Fund	-	2,000,000	2,000,000	-%
Transfer to Debt Service	5,679,013	5,846,518	167,505	2.95%
Transfer to Risk Fund	2,329,817	2,329,817	-	-%
Transfer to OPEB Trust Fund	789,128	828,584	39,456	5.00%
Extraordinary Transfer to Retirement Fund	5,420,000	5,420,000	-	-%
Total General Fund Expenditures	\$ 104,812,931	\$ 119,180,549	\$ 14,367,618	13.71%

Pay-as-you-go Capital Improvement Plan FY2025 Budget

Item #	Location	Accumulated Project Budget through FY24	FY2024 Available Balance as of 8/23/24	FY2025 Budget	FY2026 Estimated	FY2027 Estimated	FY2028 Estimated	FY2029 Estimated	FY2025-2029 Total
Pavement Management									
	Town-Wide Paving Program	\$ 6,325,524	\$ 14,836	\$ 4,000,000	\$ 4,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 23,000,000
	Canopy Drainage (N. County Rd)	\$ 0	\$ 0	\$ 2,600,000	\$ 1,400,000				\$ 4,000,000
	Crosswalk Improvements	\$ 1,000,000	\$ 825,069						\$ -
	Town-wide Sidewalk and Curb				\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,200,000
	Mast Arm Replacements	\$ 116,155	\$ 27,564		\$ 1,000,000	\$ 1,000,000			\$ 2,000,000
	PHB Flashing Beacon @ Breakers/Via Bethesda								\$ -
	Ibis Way & Island Rd Briddges				\$ 200,000	\$ 1,800,000	\$ 150,000	\$ 1,500,000	\$ 3,650,000
	Total Pavement Management	\$ 7,441,679	\$ 867,469	\$ 6,600,000	\$ 6,900,000	\$ 8,100,000	\$ 5,450,000	\$ 6,800,000	\$ 33,850,000
Drainage System									
1	D-2 Palmo Way	\$ 396,370	\$ 111,371			\$ 450,000	\$ 5,000,000	\$ 5,000,000	\$ 10,450,000
2	D-3 Tangier Avenue	\$ 200,000	\$ 139,900		\$ 300,000		\$ 590,000	\$ 4,500,000	\$ 5,390,000
3	D-8 Country Club Road	\$ 1,675,683						\$ 1,215,000	\$ 1,215,000
4	D-12 Everglade Avenue	\$ 1,345,832	\$ 27,751						\$ -
5	D-17 Clarendon Avenue	\$ 179,786	\$ 125,000	\$ 6,750,000					\$ 6,750,000
6	Stormwater Pumpstation Condition Assessment	\$ 100,000						\$ 120,000	\$ 120,000
7	Resiliency Implementation			\$ 100,000			\$ 100,000		\$ 200,000
8	Seagreass Surveys - Stormwater	\$ 20,000	\$ 5,089						\$ -
9	Stormwater Pump/R&R	\$ 200,778	\$ 4,897	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 625,000
10	Minor Drainage Improvements	\$ 350,000	\$ 143,698	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
11	Structural Upgrades				\$ 100,000	\$ 700,000	\$ 330,000	\$ 60,000	\$ 1,190,000
12	Fuel System Upgrades				\$ 80,000	\$ 500,000			\$ 580,000
13	Wet Well Light Upgrades				\$ 70,000	\$ 430,000			\$ 500,000
14	Pump Can Rehabilitation/ Replacement			\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 2,000,000
	Total Drainage System	\$ 4,468,449	\$ 557,706	\$ 7,325,000	\$ 1,225,000	\$ 2,655,000	\$ 6,595,000	\$ 11,470,000	\$ 29,270,000
Sanitary Sewer System									
1	A-4 The Breakers	\$ 912,000	\$ 180,650						\$ -
2	A-5 Royal Poinciana Way (S of S-2)			\$ 2,500,000					\$ 2,500,000
3	A-6 Royal Palm Way/Intracoastal	\$ 2,490,802	\$ 36,134						\$ -
4	A-39 Phipps Park	\$ 1,847,250	\$ 1,453,992	\$ 298,000					\$ 298,000
5	A-41 Palm Beach Par 3 Golf Course					\$ 140,000	\$ 3,113,200		\$ 3,253,200
6	A-42 Bellaria Condominium	\$ 80,000	\$ 80,000		\$ 120,000	\$ 3,307,500			\$ 3,427,500
7	A-43 Atriums of Palm Beach	\$ 90,000	\$ 90,000	\$ 130,000	\$ 3,239,400				\$ 3,369,400
8	E-3 Garden Road (trail)							\$ 796,900	\$ 796,900
9	E-5 Country Club Drive	\$ 1,400,715	\$ 370,731						\$ -
10	E-6 Tangier Avenue	\$ 2,277,063	\$ 446,144						\$ -
11	E-7 North Lake Way (Next to D-4)			\$ 173,000	\$ 691,400				\$ 864,400
12	E-11 El Vedado Way				\$ 120,000			\$ 1,162,500	\$ 1,282,500
13	E-13 Clarendon Ave (Ejector Station)			\$ 350,000					\$ 350,000
14	E-19 Mar a Lago				\$ 190,000	\$ 740,000			\$ 930,000
15	S-2 Royal Poinciana Way (N of A-5)	\$ 100,000	\$ 71,262	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
16	Ejector Stations - 21 in Total		\$ 10,041	\$ 100,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 8,100,000
17	Land Implementation	\$ 2,851,508	\$ 96,121	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000
18	Wastewater Pumpstation Condition Assessment	\$ 180,000	\$ 4,900						\$ -

Pay-as-you-go Capital Improvement Plan (continued)
FY2025 Budget

Item #	Location	Accumulated Project Budget through FY24	FY2024 Available Balance as of 8/23/24	FY2025 Budget	FY2026 Estimated	FY2027 Estimated	FY2028 Estimated	FY2029 Estimated	FY2025-2029 Total
19	Resiliency Implementation			\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
20	Wastewater Pump/R&R	\$ 110,000	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000
21	Sanitary Sewer Air Release Valve R&R	\$ 100,000	\$ 60,957	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
Total Sanitary Sewer System		\$ 12,439,338	\$ 2,900,932	\$ 3,936,000	\$ 6,745,800	\$ 6,572,500	\$ 5,498,200	\$ 4,344,400	\$ 27,096,900
Town Facilities									
1	Bradley Park Restrooms & Tea House						\$ 20,000	\$ 20,000	\$ 20,000
2	Central Fire Station / EOC	\$ 149,000	\$ 42,162		\$ 200,000		\$ 500,000	\$ 700,000	\$ 700,000
3	Phipps Ocean Park Lifeguard Building	\$ 150,000	\$ 56,972						\$ -
4	Pinewalk Transfer Station			\$ 35,000					\$ 35,000
5	Police Department	\$ 410,000	\$ 28,480		\$ 1,500,000		\$ 300,000	\$ 150,000	\$ 1,950,000
6	Public Works Facility	\$ 1,977,766	\$ 372,665				\$ 150,000	\$ 150,000	\$ 150,000
7	Skees Road Storage			\$ 280,000					\$ 280,000
8	Skees/Okeechobee Landfill		\$ 20,220	\$ 200,000					\$ 200,000
9	South Fire Station			\$ 300,000	\$ 2,270,000				\$ 2,570,000
10	Town Hall	\$ 21,552	\$ -		\$ 200,000		\$ 170,000	\$ 370,000	\$ 370,000
11	6th Street Facility/Old Purchasing					\$ 2,200,000			\$ 2,200,000
12	Royal Poinciana Way Median	\$ 200,000	\$ -						\$ -
13	Central Fire Fuel Tank	\$ 2,914,698	\$ 473,830						\$ -
14	North Fire Station	\$ 17,596,769	\$ 1,166,268						\$ -
15	Midtown Beach Linear Park	\$ 470,000	\$ 80,000			\$ 80,000	\$ 3,000,000		\$ 3,080,000
16	Phipps Park Tennis Resurface and Fence Replacement	\$ 350,000	\$ 394,000						\$ -
17	Seaview Tennis and Recreation Center	\$ 13,397,523	\$ 85,704		\$ 135,000	\$ 150,000			\$ 285,000
Total Town Facilities		\$ 37,637,308	\$ 2,720,302	\$ 815,000	\$ 4,305,000	\$ 2,430,000	\$ 3,300,000	\$ 990,000	\$ 11,840,000
General Engineering Services			\$ 27,555	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000
Water Feasibility Study		\$ 696,330	\$ -	\$ 75,000					\$ 75,000
CIP Expenditures - Subtotal			\$ 7,073,964	\$ 18,951,000	\$ 19,375,800	\$ 19,957,500	\$ 21,043,200	\$ 23,804,400	\$ 103,131,900
Town Wide Undergrounding Transfer - Sales Tax			\$ 500,000	\$ 500,000					\$ 500,000
Water Main Improvements			\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000
Expenditures/Encumbrances to date			\$ 30,781,657						\$ -
CIP Expenditures			\$ 39,355,621	\$ 20,451,000	\$ 20,375,800	\$ 20,957,500	\$ 22,043,200	\$ 24,804,400	\$ 108,631,900

Pay-as-you-go Capital Improvement Plan (continued)
FY2025 Budget

Item #	Location	Accumulated Project Budget through FY24	FY2024 Available Balance as of 8/23/24	FY2025 Budget	FY2026 Estimated	FY2027 Estimated	FY2028 Estimated	FY2029 Estimated	FY2025-2029 Total
REVENUES									
	General Fund Transfer		\$ 10,308,122	\$ 14,250,622	\$ 13,000,000	\$ 13,500,000	\$ 14,500,000	\$ 15,000,000	\$ 70,250,622
	Transfer from Building Fund			\$ 60,000	\$ 834,000	\$ 440,000	\$ 60,000	\$ 194,000	\$ 1,588,000
	Transfer from Debt Service Fund		\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Transfer from Marina Fund		\$ -	\$ 4,000,000	\$ -	\$ -	\$ 6,000,000	\$ 6,000,000	\$ 16,000,000
	Water Main Improvements		\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000
	Grants		\$ 1,043,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Interest		\$ 2,500,000	\$ 2,000,000	\$ 1,250,000	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 5,250,000
	1 Cent Sales Tax		\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000
	Capital Improvement Program Revenues		\$ 16,351,122	\$ 21,810,622	\$ 16,084,000	\$ 15,940,000	\$ 22,060,000	\$ 22,694,000	\$ 98,588,622
	Surplus/(Deficit)		\$ (23,004,499)	\$ 1,359,622	\$ (4,291,800)	\$ (5,017,500)	\$ 16,800	\$ (2,110,400)	\$ (10,043,278)
	Beginning Reserve Balance		\$ 23,782,707	\$ 778,208	\$ 2,137,830	\$ (2,153,970)	\$ (7,171,470)	\$ (7,154,670)	
	Ending Reserve Balance		\$ 778,208	\$ 2,137,830	\$ (2,153,970)	\$ (7,171,470)	\$ (7,154,670)	\$ (9,265,070)	

Marina Enterprise Fund

Revenue and Expense Summary

	FY2022 Actual	FY2023 Actual	FY2024 Budget	FY2024 Adjusted*	FY2024 Projected	FY2025 Budget	% Change
Revenues							
Annual/Seasonal Leases	6,187,165	11,202,114	13,262,000	13,262,000	9,555,000	9,850,000	(25.73%)
Transient Rental	3,803,573	3,235,785	1,750,000	1,750,000	3,560,000	3,670,000	109.71%
Electricity	497,913	683,447	650,000	650,000	650,000	650,000	-%
Waiting List Applic Fee	-	70,000	-	-	20,000	20,000	100.00%
Merchandise	-	-	20,000	20,000	3,000	3,000	(85.00%)
Interest Earnings	(256,291)	749,916	250,000	250,000	950,000	500,000	100.00%
Sales Tax Commissions	360	360	-	-	360	-	-%
Miscellaneous Revenue	1,360	⁽⁰⁾	-	-	-	-	-%
TOTALS	10,234,080	15,941,623	15,932,000	15,932,000	14,738,360	14,693,000	(7.78%)
Expenses							
Salaries and Wages	331,246	390,247	457,400	457,400	407,500	485,714	6.19%
Employee Benefits	189,419	189,126	208,058	208,058	202,454	237,924	14.35%
Contractual	1,896,110	2,467,490	2,914,704	2,983,331	2,377,320	2,698,859	(7.41%)
Commodities	47,355	54,197	53,700	55,250	23,356	53,700	-%
TOTALS	2,464,130	3,101,060	3,633,862	3,704,039	3,010,630	3,476,198	(4.34%)
Over/(Under) Expenses	7,769,950	12,840,563	12,298,138	12,227,961	11,727,730	11,216,802	
Depreciation	(1,650,358)	(1,800,390)	(1,723,069)	(1,723,069)	(1,723,069)	(1,718,888)	
Capital Expenses	(4,761,696)	(43,323)	(81,725)	(84,393)	-	(623,125)	
Reclass to Capital Assets	4,761,696	-	-	-	-	-	
Contingency	-	-	(185,883)	(185,883)	-	(173,680)	
Transfer to General Fund	(511,665)	(620,465)	(1,096,000)	(1,096,000)	(1,096,000)	(1,109,000)	
Transfer to TWUU Fund	(2,600,000)	(2,600,000)	(4,100,000)	(4,100,000)	(4,100,000)	(6,000,000)	
Transfer to Capital (307)	-	-	-	-	-	(4,000,000)	
Pension/OPEB Expense	(406,926)	(33,993)	-	-	-	-	
Debt Service Costs	(677,043)	(675,006)	(1,992,463)	(1,992,463)	(1,992,463)	(1,996,244)	
M & I Reserve (1% Revenue)	-	-	(158,217)	(158,217)	(158,217)	(141,930)	
Total Revenues Over/(Under) Expenses	1,923,958	7,067,386	2,960,781	2,887,936	2,657,981	(4,546,064)	
Beginning Net Assets	12,006,656	13,930,615	20,998,001	20,998,001	20,998,001	23,655,982	
Ending Net Assets	13,930,615	20,998,001	23,958,782	23,885,937	23,655,982	19,109,917	