



TOWN OF SOUTH PALM BEACH

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MEMO TO: Honorable Mayor, Vice Mayor and Town Council

FROM: Mo Thornton, Town Manager

DATE: August 30, 2018

SUBJECT: Fiscal Year 2018-2019 Proposed Budget

Ladies and Gentlemen:

It is my pleasure to present the final draft of the Annual Budget for the fiscal year beginning October 1, 2018 and ending September 30, 2019. This budget document is presented for adoption at the Wednesday, September 12, 2018, 7:00 p.m. First Budget Hearing and the Monday, September 24, 2018, Final Budget Hearing at 5:01 p.m.

Summary of Budget Highlights:

General Fund

Revenues:

Overall, projected revenues and the use of appropriated fund balances have dropped from \$2,627,966 to \$2,391,700 or 9%. This is due to the reduction in the use of appropriated fund balances and the transfer of the Infrastructure Surtax to its own fund.

Ad Valorem Taxes:

The proposed millage rate adopted by the Town Council at the July meeting remains at the full roll back rate of 3.7938. This rate provides projected revenues of \$1,237,000.

Shared Revenue:

State shared revenue line items including Gas Tax, Telecommunications Tax, State Revenue Sharing, and Sales Tax have been budgeted based on the trend of collections and as a whole have been reduced slightly. Previously, the Infrastructure Sales Surtax was budgeted in the General Fund. This line item was moved to a separate fund at the recommendation of the Town's auditors at the close of the FY 2017 audit.

Other Revenue Sources:

The projection for Interest Earnings has increased significantly due to the investment of the Town's surplus funds at the State Board of Administration. After a significant increase in revenue due to the 3550 project, the building permit revenue is expected to normalize at a lower

Other Revenue Sources, Continued.

level. Business Tax revenue has also been trimmed to reflect actual activity in this area. Culture and Recreation has been adjusted to reflect the increase in exercise classes and the decrease in attendance at the Music Series. This revenue item is flat. Other revenue line items have been budgeted based on the trend of collections, with no other significant changes.

Expenditures:

Overall, projected expenditures are reduced by \$62,950, or 2%. As with the revenue, this is due in large part to the removal of the Infrastructure Surtax revenue and the associated expenditure to a separate fund.

Legislative:

This category has increased slightly due to the full implementation of the council salary increase and an increase in per person spending for travel and per diem expenses.

Executive:

The projected expenditure for this department decreased by \$11,828 due to a reduction in employee costs.

Finance and Administrative:

A reduction in the number of positions and the transfer of some insurance expenses to Public Safety results in a decrease of \$92,950 from the adopted FY 2018 budget.

Public Safety:

An increase of \$113,250 for Public Safety results from the additional personnel costs of an added patrol position and a second sergeant position.

Public Works:

The removal of the funding for the beach project has reduced the Public Works budget by over \$200,000.

Culture and Recreation:

The expenditures for Culture and Recreation are increased to provide payment to instructors for the various exercise classes offered by the Town. The annual fireworks contribution was moved to Culture from Legislative.

Legal:

Legal fee projections are reduced by 18% based on the current spending trend and the transfer of \$7,500 to Legal Advertising.

Capital Outlay:

Projected capital projects for the coming year include landscaping improvements at Town Hall and along A1A, funding to continue the Town Hall project, a police vehicle, and certain other equipment.

Building and Code Enforcement:

Expenditure for the Building Official has increased to cover the additional inspection services needed for the 3550 project. The Information Technology is increased to provide for the computerization of the building permit process.

Summary of Budget Highlights:

Sewer Fund

Revenues:

Sewer Charges have been increased by 2.4% based on rise from \$2.38 per outlet to \$2.44 per outlet. Interest income has increased as a result of the investment of the surplus sewer funds in the State Board of Administration account.

Expenditures:

The City of Lake Worth has provided an estimate of \$201,079 as the projected cost of sewage disposal through the Subregional system. This represents a 5% increase over FY 2018. The previously approved pipe rehabilitation project has been contracted and will be encumbered at the closing of fiscal 2018. The projected capital project is the replacement of the generator at the lift station.

Summary of Budget Highlights:

Infrastructure Surtax Fund

Revenues and Expenditures:

Revenues of this fund are entirely made up from the proceeds of the voter approved one cent sales surtax for a ten year period, and the interest income received on those funds. The proceeds from the tax may be used for those capital projects that are so designated by the Town Council. The funding for FY 2019 has been earmarked as payment toward the beach project.

Respectfully Submitted,

Mo Thornton
Town Manager

Town of South Palm Beach
Summary Budget All Funds 10/01/2018-09/30/2019
GENERAL FUND

General Ledger Code/Description	FY2017 Actual	FY2018 To 7/31/2018	FY2018 Adopted	FY2019 Proposed
001.00.311.00300 AD VALOREM TAXES	\$1,233,243	\$1,261,786	\$1,237,588	\$1,237,000
001.00.312.00300 LOCAL OPTION GAS TAXES	\$10,030	\$8,504	\$9,500	\$10,100
001.00.314.00300 UTILITY TAXES	\$189,853	\$148,458	\$187,000	\$190,500
001.00.315.00300 COMMUNICATIONS SERVICE TAXES	\$31,913	\$31,834	\$42,500	\$37,500
001.00.316.00300 BUSINESS TAX RECEIPTS	\$2,592	\$3,016	\$11,000	\$3,000
001.00.322.00300 BUILDING PERMITS & RE-INSPECTION	\$524,162	\$384,601	\$200,000	\$200,000
001.00.323.00300 FRANCHISE FEES	\$103,791	\$65,280	\$112,000	\$99,500
001.00.335.00300 ALCOHOLIC BEVERAGE TAX	\$0	\$0	\$400	\$0
001.00.335.00301 HALF CENT SALES TAX	\$107,731	\$85,895	\$112,000	\$112,000
001.00.335.00302 STATE REVENUE SHARING	\$44,169	\$30,807	\$43,946	\$36,500
001.00.335.00303 INFRASTRUCTURE SALES SURTAX	\$0	\$0	\$83,500	\$0
001.00.347.00300 CULTURE & RECREATION	\$17,514	\$20,778	\$19,580	\$21,300
001.00.351.00300 FINES & FORFEITURES	\$10,406	\$7,605	\$8,000	\$9,500
001.00.360.00300 MISCELLANEOUS INCOME	\$23,994	\$13,620	\$20,000	\$18,300
001.00.361.00300 INTEREST AND OTHER EARNINGS	\$24,927	\$26,214	\$10,000	\$60,000
001.00.381.00300 INTERFUND TRANSFERS IN	\$55,000	\$80,000	\$80,000	\$80,000
001.00.381.00400 APPROPRIATED GF BALANCE CARRYOVER	\$0	\$0	\$60,000	\$0
001.00.381.00500 APPROPRIATED BEACH FUND BALANCE	\$0	\$0	\$235,000	\$0
001.00.381.00800 OTHER FINANCING SOURCES PERMITS	\$0	\$0	\$142,952	\$270,500
001.00.389.00300 GRANTS	\$1,000	\$0	\$23,000	\$6,000
Total General Fund Revenues	\$2,380,325	\$2,168,398	\$2,637,966	\$2,391,700
LEGISLATIVE				
001.01.511.11000 PAYROLL	\$14,800	\$14,600	\$19,800	\$20,400
001.01.511.21000 PAYROLL TAXES	\$1,132	\$1,117	\$1,515	\$1,600
001.01.511.31000 PROFESSIONAL SERVICES	\$132	\$216	\$1,608	\$1,700
001.01.512.40000 TRAVEL & PER DIEM	\$0	\$80	\$5,000	\$7,500
011.01.511.41000 TELECOMMUNICATIONS	\$1,996	\$2,261	\$2,200	\$2,200
001.01.511.52000 OPERATING SUPPLIES	\$4,790	\$2,012	\$3,000	\$1,500
001.01.513.54000 EDUCATION, DUES & SUBSCRIPTIONS	\$10,148	\$11,424	\$14,700	\$14,500
Total Legislative	\$32,998	\$31,710	\$47,823	\$49,400
EXECUTIVE				
001.02.512.11000 PAYROLL	\$103,798	\$69,440	\$110,334	\$105,000
001.02.512.21000 PAYROLL TAXES	\$7,759	\$5,367	\$8,441	\$8,050
001.02.512.22000 RETIREMENT CONTRIBUTIONS	\$23,722	\$16,249	\$25,307	\$26,400
001.02.512.23000 LIFE & HEALTH INSURANCE	\$20,979	\$11,562	\$25,246	\$19,300
001.02.512.24000 WORKERS COMPENSATION	\$278	\$61	\$285	\$120
001.02.512.40000 TRAVEL & PER DIEM	\$1,369	\$0	\$1,800	\$1,500
001.02.512.51000 OFFICE SUPPLIES	\$197	\$204	\$500	\$500
001.02.512.54000 EDUCATION, DUES & SUBSCRIPTIONS	\$4,921	\$2,595	\$6,285	\$5,500
001.02.512.55000 EXECUTIVE CONTINGENCY	\$8,430	\$34,069	\$75,000	\$75,000
Total Executive	\$171,453	\$139,547	\$253,198	\$241,370
FINANCE AND ADMINISTRATIVE				
001.03.513.12000 PAYROLL	\$86,132	\$75,788	\$143,117	\$74,461
001.03.513.21000 PAYROLL TAXES	\$6,440	\$5,870	\$10,948	\$5,700
001.03.513.22000 RETIREMENT CONTRIBUTIONS	\$15,907	\$15,210	\$21,344	\$6,625
001.03.513.23000 LIFE/HEALTH/DISABILITY INSURANCE	\$11,512	\$17,722	\$26,489	\$22,770
001.03.513.24000 WORKERS COMPENSATION	\$345	\$113	\$355	\$120

Town of South Palm Beach
Summary Budget All Funds 10/01/2018-09/30/2019
GENERAL FUND

001.03.513.32000	ACCOUNTING & AUDITING	\$61,380	\$32,602	\$30,745	\$26,000
001.03.513.40000	TRAVEL & PER DIEM	\$4,405	\$736	\$3,000	\$1,000
001.03.513.41000	TELEPHONE & POSTAGE	\$3,813	\$5,170	\$5,400	\$5,550
001.03.513.43000	UTILITIES	\$16,193	\$12,326	\$15,800	\$15,800
001.03.513.44000	COPIER EXPENSE	\$3,432	\$5,815	\$8,200	\$8,200
001.03.513.45000	PROPERTY/GEN LIABILITY INSURANCE	\$26,408	\$24,934	\$34,113	\$15,110
001.03.513.46000	BUILDING/EQUIPMENT MAINTENANCE	\$4,922	\$3,013	\$18,100	\$26,350
001.03.513.49000	MISCELLANEOUS EXPENSES	\$9,116	\$13,032	\$10,000	\$21,250
001.03.513.51000	OFFICE SUPPLIES	\$5,077	\$4,228	\$7,500	\$7,500
001.03.513.52000	INFORMATION TECHNOLOGY	\$26,581	\$42,644	\$44,415	\$50,000
001.03.513.54000	EDUCATION, DUES & SUBSCRIPTIONS	\$3,023	\$1,660	\$3,000	\$3,140
Total Administration and Finance		\$284,686	\$260,863	\$382,526	\$289,576
PUBLIC SAFETY					
001.04.521.12000	PAYROLL	\$464,582	\$417,015	\$538,756	\$598,375
001.04.521.14000	OVERTIME	\$39,227	\$12,180	\$12,000	\$17,000
001.04.521.21000	PAYROLL TAXES	\$36,416	\$31,654	\$40,911	\$47,100
001.04.521.22000	RETIREMENT CONTRIBUTIONS	\$126,835	\$104,749	\$124,768	\$151,000
001.04.521.23000	LIFE/HEALTH/DISABILITY INSURANCE	\$91,760	\$101,289	\$138,263	\$178,000
001.04.521.24000	WORKERS COMPENSATION	\$15,862	\$9,678	\$16,258	\$10,500
001.04.521.31000	PROFESSIONAL SERVICES	\$65,520	\$62,072	\$62,135	\$65,400
001.04.521.40000	TRAVEL & PER DIEM	\$3,674	\$1,251	\$2,000	\$2,000
001.04.521.41000	TELECOMMUNICATIONS	\$9,255	\$6,999	\$10,540	\$10,300
001.04.521.45000	LIABILITY INSURANCE	\$5,000	\$1,966	\$5,000	\$9,400
001.04.521.46000	FLEET MAINTENANCE	\$5,806	\$5,507	\$9,500	\$9,500
001.04.521.49000	HURRICANE CONTINGENCY	\$1,108	\$2,006	\$6,500	\$6,500
001.04.521.51000	OFFICE SUPPLIES	\$629	\$1,639	\$2,000	\$2,000
001.04.521.52000	OPERATING SUPPLIES	\$33,361	\$24,062	\$47,825	\$41,000
001.04.521.54000	EDUCATION, DUES & SUBSCRIPTIONS	\$3,321	\$2,837	\$7,365	\$9,000
001.04.521.55000	GRANTS	\$1,045	\$0	\$21,000	\$1,000
Total Public Safety		\$903,401	\$784,904	\$1,044,821	\$1,158,075
PUBLIC WORKS					
001.05.539.12000	PAYROLL	\$19,352	\$18,954	\$18,720	\$24,825
001.05.539.21000	PAYROLL TAXES	\$1,481	\$1,492	\$1,432	\$1,900
001.05.539.22000	RETIREMENT CONTRIBUTION	\$0	\$2,463	\$0	\$2,050
001.05.539.24000	WORKERS COMPENSATION	\$835	\$436	\$856	\$600
001.05.539.34000	CONTRACTUAL SERVICES	\$137,667	\$2,472	\$238,500	\$6,000
001.05.539.43000	UTILITIES	\$1,065	\$1,279	\$3,500	\$3,500
001.05.539.46000	REPAIRS AND MAINTENANCE	\$22,805	\$19,604	\$20,800	\$21,845
Total Public Works		\$183,205	\$46,700	\$283,808	\$60,720
CULTURE AND RECREATION					
001.06.570.34000	CONTRACTUAL SERVICES	\$21,640	\$19,790	\$19,180	\$26,000
001.06.570.47000	PRINTING AND POSTAGE	\$922	\$0	\$350	\$0
001.06.570.49000	CULTURAL EXPENSE	\$6,875	\$4,467	\$7,000	\$8,850
Total Culture & Recreation		\$29,437	\$24,257	\$26,530	\$34,850
LEGAL					
001.07.514.31000	CORPORATE	\$43,756	\$44,571	\$50,000	\$50,000
001.07.514.31001	LABOR	\$50,376	\$1,431	\$20,000	\$10,000
001.07.514.31002	CODIFICATION	\$12,761	\$1,061	\$9,490	\$5,000
Total Legal		\$106,893	\$47,063	\$79,490	\$65,000

Town of South Palm Beach
Summary Budget All Funds 10/01/2018-09/30/2019
GENERAL FUND

CAPITAL OUTLAY

001.08.580.49000	CONTINGENCIES	\$0	\$0	\$5,000	\$0
001.08.580.62001	INFRASTRUCTURE	\$11,292	\$52,532	\$62,000	\$60,000
001.08.580.62010	BUILDING IMPROVEMENTS	\$44,619	\$5,602	\$0	\$45,000
001.08.580.64002	EQUIPMENT	\$2,636	\$9,040	\$27,287	\$23,000
001.08.580.64010	POLICE PATROL VEHICLE	\$0	\$41,421	\$43,000	\$38,000
Total Capital Outlay		\$58,547	\$108,595	\$137,287	\$166,000

BUILDING AND CODE ENFORCEMENT

001.09.513.12000	PAYROLL	\$38,187	\$31,540	\$39,715	\$40,906
001.09.513.21000	PAYROLL TAXES	\$2,871	\$2,299	\$3,038	\$3,130
001.09.513.22000	RETIREMENT CONTRIBUTIONS	\$2,913	\$2,551	\$3,145	\$3,380
001.09.513.23000	LIFE/HEALTH/DISABILITY INSURANCE	\$8,035	\$8,433	\$10,545	\$11,330
001.09.513.24000	WORKERS COMPENSATION	\$345	\$36	\$354	\$99
001.09.513.31000	PROFESSIONAL SERVICES	\$117,797	\$62,522	\$80,000	\$200,000
001.09.513.40000	TRAVEL AND PER DIEM		\$0	\$500	\$500
001.09.513.52000	INFORMATION TECHNOLOGY	\$618	\$1,675	\$4,655	\$10,155
001.09.513.54000	EDUCATION, DUES & SUBSCRIPTIONS	\$0	\$0	\$1,000	\$1,000
Total Building and Code Enforcement		\$170,766	\$109,056	\$142,952	\$270,500

TOTAL EXPENDITURES

\$1,941,386	\$1,552,695	\$2,398,435	\$2,335,491
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NET REVENUE (EXPENSE) GENERAL FUND

\$438,939	\$615,703	\$239,531	\$56,209
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Sewer Fund
FY2019

Revenues

401.00.343.00500	SEWER CHARGES	\$378,205	\$431,149	\$430,350	\$441,300
401.00.360.00100	MISCELLANEOUS INCOME	\$11,833	\$6,442	\$0	\$0
401.00.361.00100	INTEREST INCOME	\$584	\$2,868	\$2,000	\$10,000
401.00.381.00300	APPROPRIATED FUND BALANCE	\$0	\$0	\$500,000	\$0
Total Utility Revenues		\$390,622	\$440,459	\$932,350	\$451,300

Expenditures

401.09.535.31000	PROFESSIONAL SERVICES	\$0	\$9,528	\$27,000	\$7,500
401.09.535.34000	DISPOSAL CHARGES	\$162,296	\$174,793	\$191,486	\$201,079
401.09.535.43000	UTILITIES - WATER AND ELECTRIC	\$5,712	\$4,180	\$7,200	\$7,000
401.09.535.45001	PROPERTY INSURANCE	\$2,750	\$2,750	\$2,750	\$2,750
401.09.535.46000	REPAIRS & MAINTENANCE	\$76,926	\$7,132	\$25,000	\$25,000
401.09.535.49001	MISCELLANEOUS EXPENSES	\$203	\$379	\$3,100	\$3,100
401.09.535.49002	CONTINGENCIES	\$10,222	\$0	\$15,000	\$15,000
401.09.535.59000	DEPRECIATION EXPENSE	\$40,436	\$30,819	\$41,000	\$41,000
401.09.535.63000	CAPITAL OUTLAY - INFRASTRUCTURE	\$0	\$0	\$500,000	\$50,000
401.09.581.91000	INTERFUND TRANSFERS OUT	\$55,000	\$80,000	\$80,000	\$80,000
Total Utility Expenses		\$353,545	\$309,581	\$892,536	\$432,429

Excess (Revenues)/Expenditures

\$37,077	\$130,878	\$39,814	\$18,871
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Other Sources/(Uses) - Fund Balance

\$29,248	\$130,878	\$34,184	\$0
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Total Operating Budget

\$382,793	\$440,459	\$932,350	\$451,300
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Town of South Palm Beach
Summary Budget All Funds 10/01/2018-09/30/2019
Infrastructure Surtax Capital Projects Fund
FY2019

Revenues

310.00.312.00600	DISCRETIONARY SALES SURTAX	\$59,657	\$75,853	\$83,500	\$100,000
310.00.361.00100	INTEREST INCOME	\$0	\$0	\$0	\$100
Total Surtax Revenues		\$59,657	\$75,853	\$83,500	\$100,100

Expenditures

310.11.541.31000	PROFESSIONAL SERVICES	\$0	\$0	\$0	\$100,000
310.11.541.63000	CAPITAL OUTLAY - INFRASTRUCTURE	\$0	\$0	\$0	\$0
Total Surtax Expenses		\$0	\$0	\$0	\$100,000

Excess (Revenues)/Expenditures	\$59,657	\$75,853	\$83,500	\$100
Other Sources/(Uses) - Fund Balance	\$0	\$0	\$0	\$0
Total Operating Budget	\$59,657	\$75,853	\$83,500	\$100,100