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**CITY OF RIVIERA BEACH**

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**TO:** HONORABLE MAYOR RONNIE FELDER  
HONORABLE CHAIRWOMAN, KASHAMBA MILLER-ANDERSON  
HONORABLE CHAIR PRO TEM, JULIA BOTEL, ED. D  
HONORABLE COUNCILMEMBER, TRADRICK MCCOY  
HONORABLE COUNCILMEMBER, SHIRLEY LANIER  
HONORABLE COUNCILMEMBER, DOUGLAS LAWSON

**FROM:** JONATHAN E. EVANS, CITY MANAGER, MPA, MBA, ICMA-CM  
RANDY M. SHERMAN, DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES, CPA, CPFO, CTP

**SUBJECT:** **ADOPTION OF THE MILLAGE RATE FOR FY 2019/2020, FY 2019/2020 ANNUAL BUDGET, AND 5-YEAR CAPITAL PROJECTS PLAN FOR FY 2019/2020 TO FY 2023/2024**

**DATE:** SEPTEMBER 5, 2019

**COPY:** GENERAL PUBLIC

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**Background**

The premise of this memorandum is to seek approval from the City Council to adopt the three budget related ordinances presented on the September 9, 2019 agenda. The projected general fund revenues for FY 2019/2020 amounts to \$77,743,783 of which \$45.3 million or 59%, is anticipated to be derived from ad valorem taxes, contingent on the millage rate remaining at 8.4520 mills. The City collects approximately 38.1% of the entire tax bill levied on real and tangible property located within the City's municipal boundaries. The balance of the tax levy is distributed to other government entities such as Palm Beach County and the Palm Beach County School District.

The FY 2019/2020 tentative general fund budget of expenditures is \$77,743,783 which is 3.67% higher than the FY 2018/2019 budget. The millage rate of 8.4520 mills remains the same as adopted in the previous year's budget, however, a tax revenue increase is presented as the taxable



value within the City's municipal boundaries has increased by approximately 6.80% resulting in additional ad valorem taxes of \$2.912 million.

The proposed FY 2019/2020 budget for the General Fund proposes a 3.7% increase due to additional healthcare costs, wage increases stipulated in collective bargaining agreements, and inflationary increases for goods, services, and commodities. Approximately \$43.4 million or 56% of the budget is attributable to personnel costs being the most significant category of expenditures for the City. For FY 2019/2020, the City's largest department is the Police Department with budgeted expenditures of \$20.901 million and a complement of 178 full-time equivalent (FTE) employees. The Procurement Department is the smallest with an estimated budget of \$0.713 million and a complement of 8 FTEs.

The City-wide annual operating budget proposed for FY 2019/2020 is approximately \$136.8 million which includes the General Fund, Utility Special District (USD), Stormwater, and Marina.

The relatively small increase of available revenues provided limited opportunities for operational enhancements. However, the following items are included in the operating budgets for FY 2019/2020:

#### Personnel Costs

- Full funding for wage and salary commitments
- Full funding for the health insurance rate increase
- Full funding to meet required pension obligations

#### Position Changes

- Police Department:
  - Add one part-time Detective position
  - Add one Communication Supervisor position
  - Add one part-time School Cross Guard position
  - Unfund three Police Sergeant positions
- Public Works Department:
  - Add Assistant Public Works Director position
  - Unfund Engineering Technician position
  - Unfund Operations Manager position
- Legal Department:
  - Add Labor Relations Attorney position
- City Administration:
  - Add Deputy Manager position



- Library:
  - Unfund one part-time Library Page position
  - Unfund one part-time Program Aide position
- Information Technology Department:
  - Add two Information Technology Technician positions
- Development Services Department:
  - Unfund Code Compliance Officer II
  - Unfund Executive Assistant position
- Finance and Administrative Services Department:
  - Delete two part-time Business Tax Receipt Specialist positions
  - Add one full-time Business Tax Receipt Specialist position
- Procurement Department:
  - Transfer of Senior Procurement Specialist position from USD
- Utility Special District:
  - Unfund two Water Plant Operator positions
  - Add one full-time Senior Equipment Operator
  - Transfer Senior Procurement Specialist position to Procurement Department

### **Significant Budget Changes:**

- Add \$125,000 for the ShotSpotter program.
- Add \$75,000 to conduct a fire assessment study.
- Add \$15,000 in operational expenses for the Justice Service Center.
- Add \$5,000 for educational initiatives.
- Add \$300,000 to contingency to address wages resulting from market conditions and compression in City's pay plan.

### **Capital Projects**

The City-wide Five-Year Capital Projects Plan for FY 2019/2020 through FY 2023/2024 is estimated at \$341.188 million, which includes \$123.196 million for general government projects and \$217.992 million for USD, Stormwater, and Marina. The FY 2019/2020 capital budget amounts to \$45.157 million which includes \$10.300 million for general government and \$34.857 million for enterprise projects. Approximately \$38.911 million is allocated to completing projects which were started in previous years' budgets with \$21.263 million for general government and enterprise funds totaling \$17.648 million. Included in the Five-Year Capital Projects Plan is approximately \$206.818 million for additional debt issuance, grants or public-private partnerships, which are necessary to ensure construction of the infrastructure and capital projects disclosed in the Five-Year Capital Projects Plan for FY 2019/2020 through FY 2023/2024.



**Recommendation**

Staff recommends that the City Council adopts the millage rate of 8.4520 for FY 2019/2020, the FY 2019/2020 Annual Budget, and the Five-Year Capital Projects Plan for FY 2019/2020 through FY 2023/2024.