



CITY OF RIVIERA BEACH

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

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 2020/2021, FY 2020/2021 ANNUAL BUDGET, AND 5-YEAR CAPITAL PROJECTS PLAN FOR FY 2020/2021 TO FY 2024/2025**

DATE: SEPTEMBER 8, 2020

COPY: GENERAL PUBLIC

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 8, 2020 agenda. The projected general fund revenues for FY 2020/2021 amounts to \$80,717,835 of which \$48.039 million or 60%, is anticipated to be derived from ad valorem taxes, contingent on the millage rate remaining at 8.4520 mills. The City collects approximately 38% 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 2020/2021 tentative general fund budget of expenditures is \$80,717,835 which is 3.83% higher than the FY 2019/2020 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% resulting in additional ad valorem taxes of \$2.733 million.

The proposed FY 2020/2021 budget for the General Fund proposes a 3.8% increase due to additional healthcare costs, wage increases stipulated in collective bargaining agreements, and inflationary increases for goods, services, and commodities. Approximately \$46.341 million or 57% of the budget is attributable to personnel costs being the most significant category of expenditures for the City. For FY 2020/2021, the City’s largest department is the Police Department with budgeted expenditures of \$23.363 million and a complement of 166.5 full-time equivalent (FTE) employees. The Procurement Department is the smallest with an estimated budget of \$0.704 million and a complement of 7 FTEs.

The City-wide annual operating budget proposed for FY 2020/2021 is approximately \$142.771 million which includes the following funds:

Governmental Funds:

General Fund	\$ 80,717,835
Debt Service Fund	6,955,344
Major Disaster Fund	830,180

Enterprise Funds:

Utility Special District Operating Fund	29,500,000
Utility Special District Debt Service Fund	4,264,050
Marina Operating Fund	2,746,444
Solid Waste Fund	4,263,166
Stormwater Operating Fund	3,226,343
Parking Fund	400,000

Internal Service Funds:

Information Technology Fund	3,531,465
General Insurance Fund	3,805,638
Fleet Services Fund	2,530,810

Total Appropriation	\$ 142,771,275
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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 2020/2021:

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

- Unfund 5 positions:
 - 2 Police Officers (vacant)
 - 1 Part-time Communications Operator (vacant)
 - 1 Part-time Senior Office Assistant (vacant)
 - 1 Part-time Crossing Guard (vacant)
- Unfunded 8 positions to fund PBA Contract:
 - 3 Sergeants
 - 5 Police Officers

Fire

- Create 3 firefighters to maintain staffing at Station 89
- Create 1 Executive Assistant position
- Convert 1 full-time Ocean Rescue position to part-time
- Implement fire assessment fee to fund:
 - 3 Firefighters
 - 2 EMS Captains

City Clerk

- Unfund 1 position:
 - Records Management Specialist (vacant)
- Convert 1 full-time Mail Courier position to part-time



City Attorney

- Unfund 1 position:
Labor Attorney (vacant)

Human Resources

- Unfund 3 positions:
Human Resource Administrator (filled until retirement)
Human Resource Administrator (vacant)
Insurance Technician (vacant)

Procurement

- Unfund 1 position:
Senior Procurement Specialist (vacant)
- Reclassify 1 position:
From Contracts Administrator to Contract Manager or Contract Coordinator

Library

- Unfund 1 position:
Senior Reference Librarian (vacant)

City Administration

- Unfund 2 positions:
Multimedia Specialist II (vacant)
Receptionist (vacant)

Finance and Administration Services

- Reclassify 3 positions:
From Treasury Manager to Treasury Services Administrator
From Customer Service Manager to Billing/AMI Administrator
From Assistant Customer Service Manager to Assistant Billing/AMI Administrator



Finance and Administration Services (continued)

- Unfund 6 positions:
 - Billing & Collection Technician (vacant)
 - Business Tax Receipt Specialist (vacant)
 - 2 Customer Service Representatives (vacant)
 - Transfer Customer Service Worker (filled)
 - Transfer Accounting Specialist (filled)

Information Technology

- Unfund 4 positions:
 - Information Services Technician (vacant)
 - Information Services Technician II (vacant)
 - System Administrator (vacant)
 - GIS/CADD Technician (filled)

Public Works

- Unfund 8 positions:
 - Project Manager (filled)
 - Staff Assistant (filled)
 - 4 Maintenance Workers (vacant)
 - Lead Electrician (vacant)
 - Assistant Public Works Director (vacant)

Fleet Services

- Unfund 1 position:
 - Senior Heavy Equipment Mechanic (vacant)

Development Services

- Add 1 position:
 - Permit Technician for front counter
- Reclassify 2 positions:
 - Principal planner position to Long-Range Planner
 - Code Inspector position to Field Supervisor



Parks and Recreation

- Unfund 12 positions:
 - Parks Superintendent (vacant)
 - 2 Program Aides – Full-time (vacant)
 - 8 Program Aides – Part-time (vacant)
 - Summer Program Coordinator (vacant)

Utility Special District

- Unfund 3 positions:
 - Backflow Technician (vacant)
 - Assistant Water Plant Superintendent (vacant)
 - Utility Engineer (filled)

Utility Special District (continued)

- Reclassify 1 position:
 - Water/Sewer Superintendent (vacant)
- Add 1 position:
 - Wastewater Collection Superintendent

Significant FY 2021 Budget Changes and Accomplishments:

At the start of the budget process in July 2020, the projected budget deficit was \$4.2 million. During the budget deliberation process for the FY 2021 budget, the following are the significant budget changes and accomplishments:

- Reduction of 43.5 FTE positions with a cost savings of \$1.8 million in base wages
 - Governmental Funds – 41.5 FTE positions
 - Enterprise Funds – 2 FTE positions
- At the start of the negotiations with the health insurance carrier, premiums were projected to increase by \$1.13 million. Over the course of discussions with the carrier, the health insurance premiums increase was \$0.534 million, a cost savings of \$0.596 million.
- CRA will commence the repayment of the Ocean Mall loan to the City on January 15, 2021.



Capital Projects

The Citywide Five-Year Capital Projects Plan for FY 2020/2021 through FY 2024/2025 is estimated at \$217,609,351 million, which includes \$40.366 million for general government projects and \$177.243 million for USD, Stormwater, and Marina. The FY 2020/2021 capital budget amounts to \$36,120,133, which includes \$11.936 million for general government and \$24.184 million for enterprise projects. Approximately \$40.829 million is allocated to completing projects, which were started in previous years' budgets with \$10.900 million for general government and enterprise funds totaling \$29.929 million. Included in the Five-Year Capital Projects Plan is approximately \$107.372 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 2020/2021 through FY 2024/2025.

Recommendation

Staff recommends that the City Council adopts the millage rate of 8.4520 for FY 2020/2021, the FY 2020/2021 Annual Budget, and the Five-Year Capital Projects Plan for FY 2020/2021 through FY 2024/2025.