



Budget in Brief

Fiscal Year 2023

AN OPEN LETTER FROM WEST PALM BEACH MAYOR KEITH A. JAMES

Mayor
Keith A. James



City Commission
(From Left:)
Christy Fox
Christina Lambert
Joseph Peduzzi
Cathleen Ward
Shalonda Warren



City Administrator
Faye W. Johnson

Assistant City Administrators
Armando Fana
Jose-Luis Rodriguez

Chief Financial Officer
Bridget M. Souffrant

Budget Office
Kyle Roberts
Rosanna Santana
Monica Garcia

Dear West Palm Beach neighbor:

I am pleased to share that the City of West Palm Beach has approved a balanced \$225 million general fund budget for Fiscal Year 2023 (FY23).

The approved budget is unlike others in recent times. Not only does it honor our city's commitment to a high quality of life; it enhances prioritized services for our residents, neighborhoods and businesses. It includes a heightened focus on community services, public health and safety, roadway repairs while continuing to promote economic development in our city. In a short period of time, we bounced back from the pandemic and have become a more resilient and thriving community that is attracting national and international attention.

Despite the lingering nationwide effects of the pandemic, the city continued its trend of new growth resulting in an unprecedented rise to the assessed value. With this rise in value, we were able to reduce the millage rate for the first time since 2008; the city is foregoing about \$2 million in tax revenue. The millage rate was reduced by \$0.15 from \$8.3465 to \$8.1965 per \$1,000 of assessed property value. Also, there is no change to the annual fire assessment fee which, per residential property, remains at \$100. In addition to the tax reduction, we also approved an additional \$25,000 Homestead Exemption for qualifying Seniors.

Following are some of the many programs and services provided in the budget:

- Public safety, including the second year of the contractual significant market pay adjustments along with the 5% step pay for our Police Officers and Firefighters; as well as full staffing, bunker gear and vehicle replacements for Fire Station 8.
- Parks and recreation, including staffing for lifeguards to perform year-round swim instruction as well as continued youth and adult programming,
- Library services and restored funding for Library digital and hard copy materials,
- Additional staffing to alleviate illegal dumping within the city,
- Restored positions that were dissolved in the FY 2021 pandemic-induced budget reductions and new positions to improve service delivery,
- Mental health and other services for individuals experiencing homelessness, as well as workforce/affordable housing development incentives, and resources to expand community engagement, and
- Contractual cost of living increases (5%) for SEIU and PMSA, including non-union employees (5%) to address retention and market challenges.

In other elements of the budget, the Public Utilities Water & Sewer Fund and Stormwater Fund will continue to finance protection of water quality from source to tap and the continued provision of services to valued water customers. Like FY22, there will be no increases to water rates in FY23. The 2020 approved not to exceed \$30 million Parks Bond will continue to fund much needed improvements in many city parks and recreational facilities.

I invite you to learn more about the budget on the Finance Department's page on the city's website, wpb.org/finance. Copies of the budget are available upon request through the City Clerk's office.

After experiencing significant challenges with the FY21 budget due, in part, to adverse economic impacts of the public health crisis, our fiscal position is strong and much improved. The city's local economy recovered much faster than anticipated. We're experiencing record breaking permit, development and corporate relocation activity. This, along with other economic engines, resulted in increased operating revenue. Through sound conservative financial planning, we are honoring our commitment to be judicious and fiscally responsible.

I extend my sincere gratitude to City Staff, City Administration and the City Commission for their engagement and hard work to develop a balanced and fiscally responsible annual budget.

In my ongoing quest to make West Palm Beach a community of opportunity for all, our city is forging new paths for local businesses, neighborhoods and residents. We are becoming a premier world-class inclusive place to live and work. Not for some, but for all. And I am delighted to have you as a neighbor to share in our city's transformative and ongoing success.

Yours in service,



Keith A. James, Mayor



WEST PALM BEACH BY THE NUMBERS



117,286
Residents



43,849
Households



\$54,603
Household Income



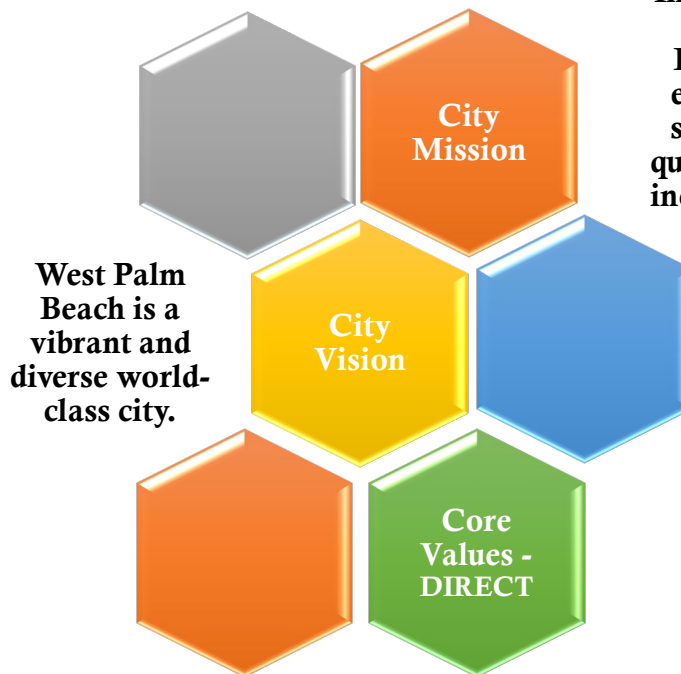
57.73
Square Miles

About the Budget

The City of West Palm Beach's FY23 Budget in Brief is provided to serve as an overview of the City's budget. This document provides a summary of the highlights to the budget, revenues the City expects to receive and planned areas where the money will be spent.

The adopted budget is a deliberate balance of revenues and expenditures prepared in accordance with Florida's statutory Truth in Millage process and best serves the City's prioritization for provision of core services and commission initiatives. State law requires that the City adopt a balanced budget prior to the beginning of its fiscal year on October 1st.

The FY23 budget was developed to assure that fundamental services are appropriately delivered, and programs are maintained at current levels. The budget is a responsible allocation of public resources that maintains the City of West Palm Beach as a safe, attractive and vibrant community for the satisfaction of its residents and visitors.



West Palm Beach is a vibrant and diverse world-class city.

In partnership with our communities, West Palm Beach, delivers exceptional customer service that enhances quality of life, embraces inclusion, and promotes opportunity for all.

- Diversity:** We find strength in celebrating our differences, promoting mutual Understanding and inclusiveness.
- Integrity:** We demonstrate the ethical principles underlying public service; believing honesty and follow-through support credibility.
- Respect:** We treat our constituents, stakeholders, and each other with dignity, courtesy and esteem.
- Excellence:** We deliver high-quality services in a friendly manner, based on an understanding of our constituents and their needs.
- Collaboration:** We build partnerships, which ensure our community's success.
- Transparency:** We recognize that openness, accountability and two-way communication makes mutual trust possible and invites participation.

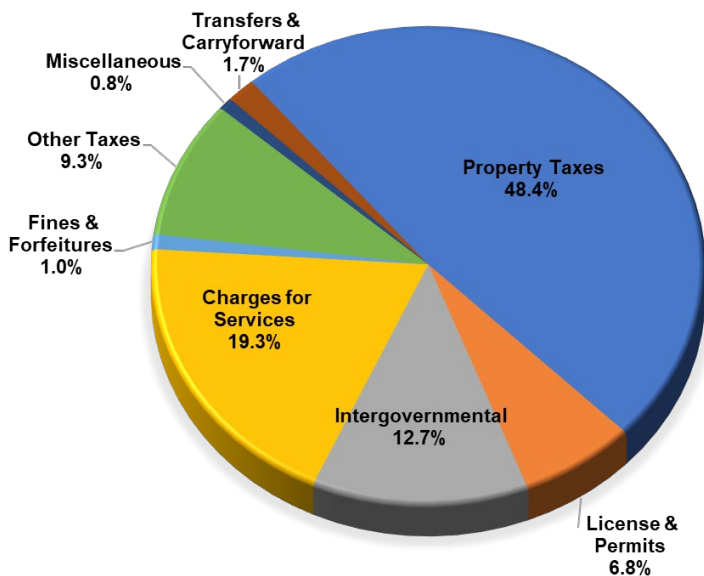
Where the Money Comes From

The City of West Palm Beach has an approved total Citywide Budget of **\$658,705,191** which is a 15.6% increase over last year's budget. The total citywide budget includes a General Fund budget of **\$225,437,742** which is a 9.6% increase over last year.

The City continues to experience growth and stability in its revenue streams with increasingly new development and new assessed value added to the tax rolls. Property Tax revenue accounts for 48% of the General Fund revenue sources. The \$8.1965 adopted millage rate will generate \$109M in FY23.

FY23 Revenue highlights include:

- + + Property Taxes – increased by 14.5% or \$13.8M
 - Accounts for millage reduction of \$0.15
- + + Charges for Services – increased by 5.1% or \$2.1M
- + + Intergovernmental Revenues – increased by 7.5% or \$2.0M



Revenue Sources	FY22 Adopted Budget	FY23 Adopted Budget	\$ Variance 22 vs 23
Property Taxes	95,408,749	109,219,752	13,811,003
License & Permits	14,920,875	15,298,401	377,526
Intergovernmental	26,583,843	28,583,186	1,999,343
Charges for Services	41,218,073	43,321,430	2,103,357
Fines & Forfeitures	1,865,860	2,269,244	403,384
Other Taxes	20,991,800	21,053,800	62,000
Miscellaneous	2,279,487	1,874,560	-404,927
Transfers & Carryforward	2,311,955	3,817,369	1,505,414
Total General Fund Revenues	\$205,580,642	\$225,437,742	\$19,857,100

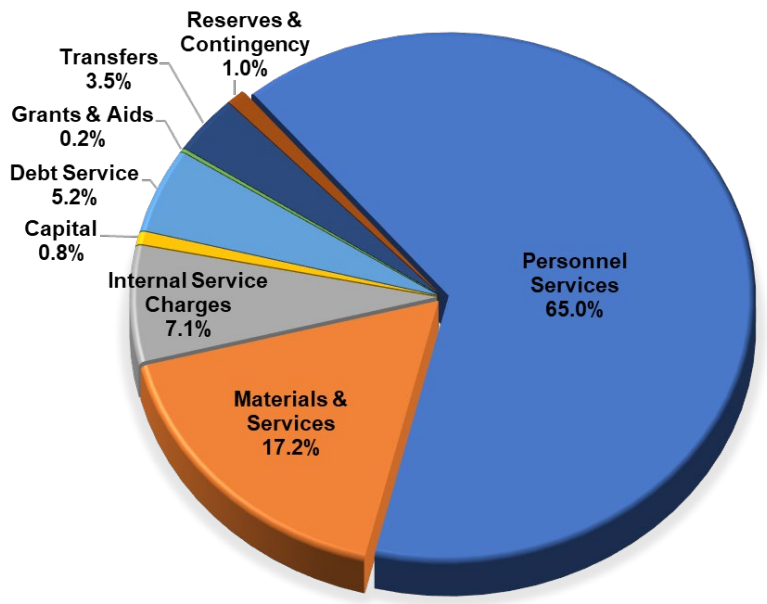


Where the Money Goes

The FY23 General Fund budget prioritizes essential services for our residents and neighborhoods. It will maintain the overall quality of life for residents, help make our community even safer, and promote continued economic development within our city.

Highlighted benefits achieved by this balanced budget include:

- ✚ Maintains all external core services such as police, fire, library, parks and recreation etc.
- ✚ Maintains all internal core services such as fleet, legal, finance, human resources etc.
- ✚ Addresses staffing shortages and workload impact all while balancing organizational needs:
 - Restores several positions removed from the FY21 pandemic induced budget reduction.
 - Funds 32.5 new positions which increases capacity within key operations.
- ✚ Includes increased funding for vehicle replacements to continue updating the City's fleet.
- ✚ Includes unprecedented funding towards road-paving to augment other funding sources and address additional roadway repairs.
- ✚ Increases funding for contingency in the event of any unforeseen operational expenses.
- ✚ Maintains funding for economic development incentives.



Expense Category	FY22 Adopted Budget	FY23 Adopted Budget	\$ Variance 22 vs 23
Personnel Services	136,067,549	146,533,234	10,465,685
Materials & Services	36,433,007	38,675,434	2,242,427
Internal Service Charges	14,772,739	16,075,750	1,303,011
Capital	500,000	1,750,000	1,250,000
Debt Service	12,087,150	11,656,000	-431,150
Grants & Aids	433,061	432,061	-1,000
Transfers	3,146,239	8,061,822	4,915,583
Reserves & Contingency	2,140,897	2,253,441	112,544
Total General Fund Expenses	\$205,580,642	\$225,437,742	\$19,857,100



Your Property Taxes Explained

The Property Appraiser provides The City’s estimated total assessed taxable value every year by June 1. The City then uses this estimate for budget planning purposes. For Tax year 2022, the City of West Palm Beach’s assessed taxable value is \$18.3M billion which is a 17.6% growth in value and an increase in tax revenue of \$13.8M over last year. This includes new construction of \$420M that was added to the tax roll.

MILLAGE RATE REDUCTION

\$8.3465 → \$8.1965

The City approved a millage reduction of \$0.15 bringing the operating millage down to \$8.1965 from \$8.3465. This is the first millage reduction since 2008.

An additional \$25,000 Homestead Exemption for Seniors was also approved.

AD VALOREM TAX CALCULATION

The millage rate is the ad valorem tax rate levied per \$1,000 of a property’s taxable value. The rate is expressed in mills, which is equal to 0.1% of the taxable value. Each taxing authority adopts a millage rate every year that appears on the property tax bill.

To calculate the tax levy using a given millage rate, the formula is:

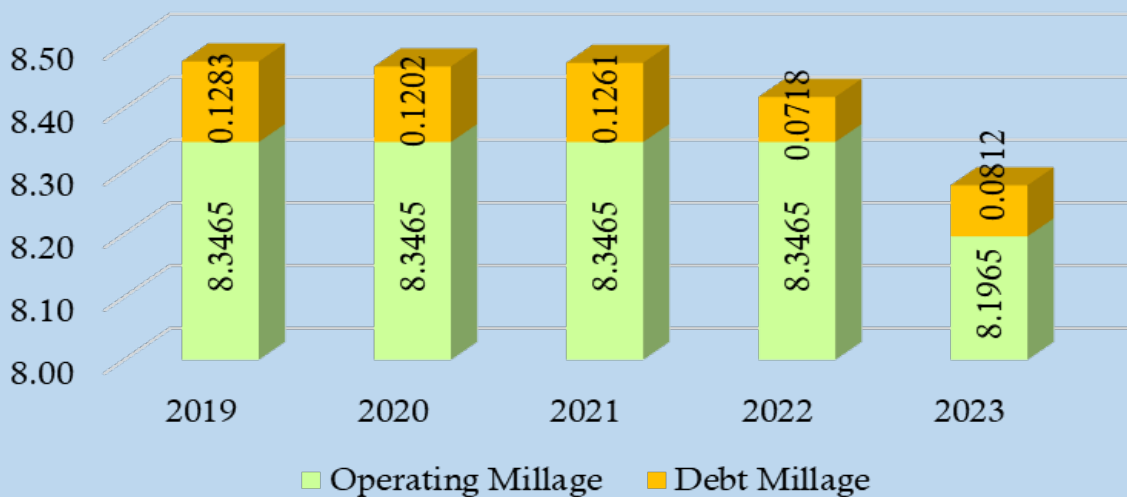
$$\text{Taxable Value} / 1,000 \times \text{Millage Rate} = \$ \text{ Ad Valorem Tax}$$

For example, a West Palm Beach property with an assessed value of \$400,000 and exemptions of \$50,000 has a taxable value of \$350,000.

The ad valorem property tax for West Palm Beach would then be:

$$\$350,000 / 1,000 \times 8.2777 \text{ Mills} = \$2,897$$

City of West Palm Beach Millage Rate History



Named the “Best Farmers Market” in 2022
for the second consecutive year



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