

Palm Beach County



Taxpayer Action Board



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Content

- What is TAB?
- Palm Beach County Budget
 - Trends
 - Expectations and Issues
 - The TAB Proposal
- What You Can Do

TAB Coalition Partners



South Florida 912



South Florida Tea Party



PBC Lower Taxes Now



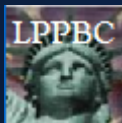
Taxpayer Action Network



Singer Island Civic Association



Town of Palm Beach County Budget Task Force



Libertarian Party of PBC



Tea Party in Action



BIZPAC



RCCPBC

TAB Value Proposition

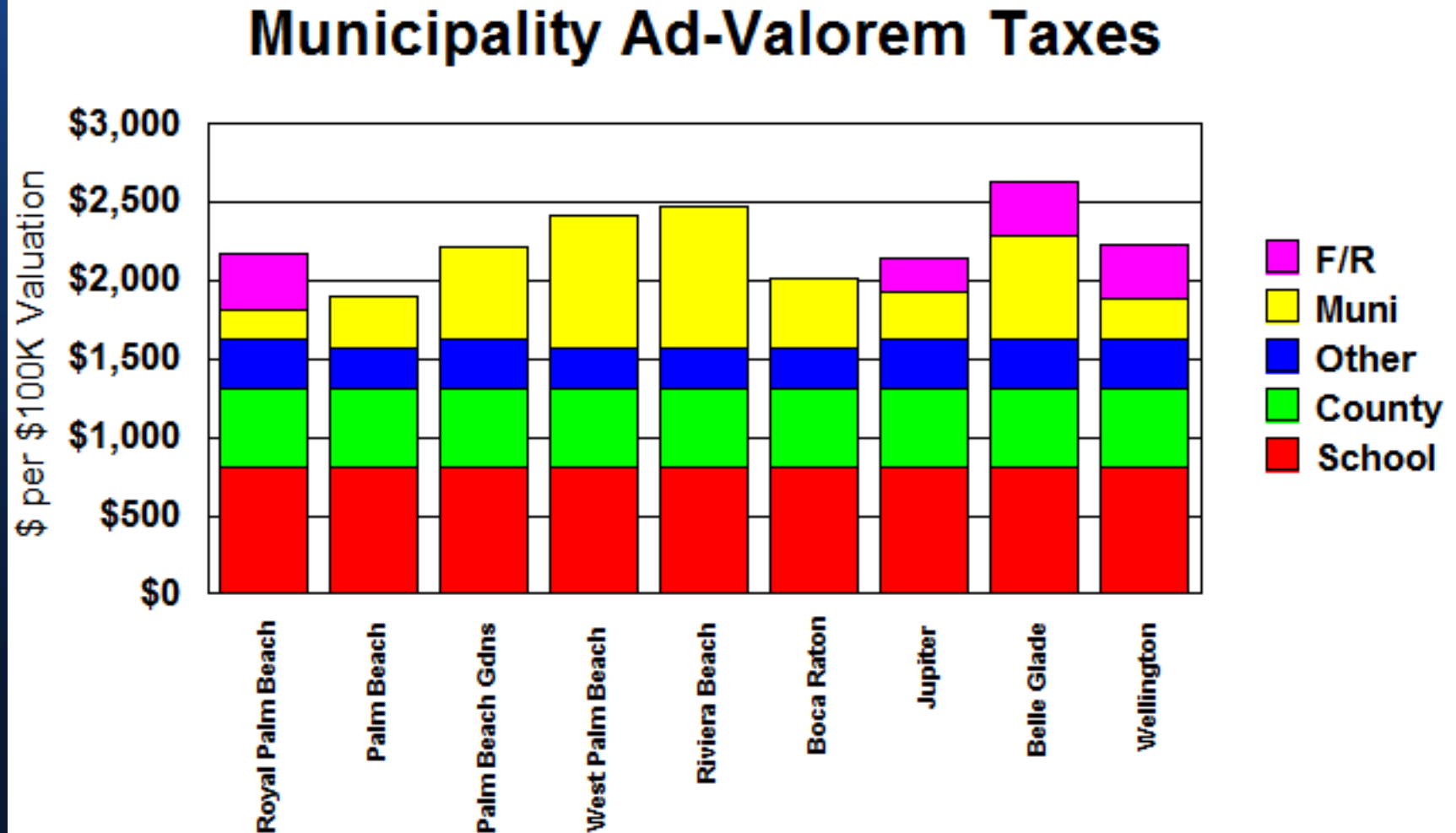
- Research
 - Trends, expectations and analysis of PBC Budget
- Strategy
 - Partner coordination, issue priorities, “big picture”
- Message
 - Talking points, proposal materials, presentations

Palm Beach County Budget

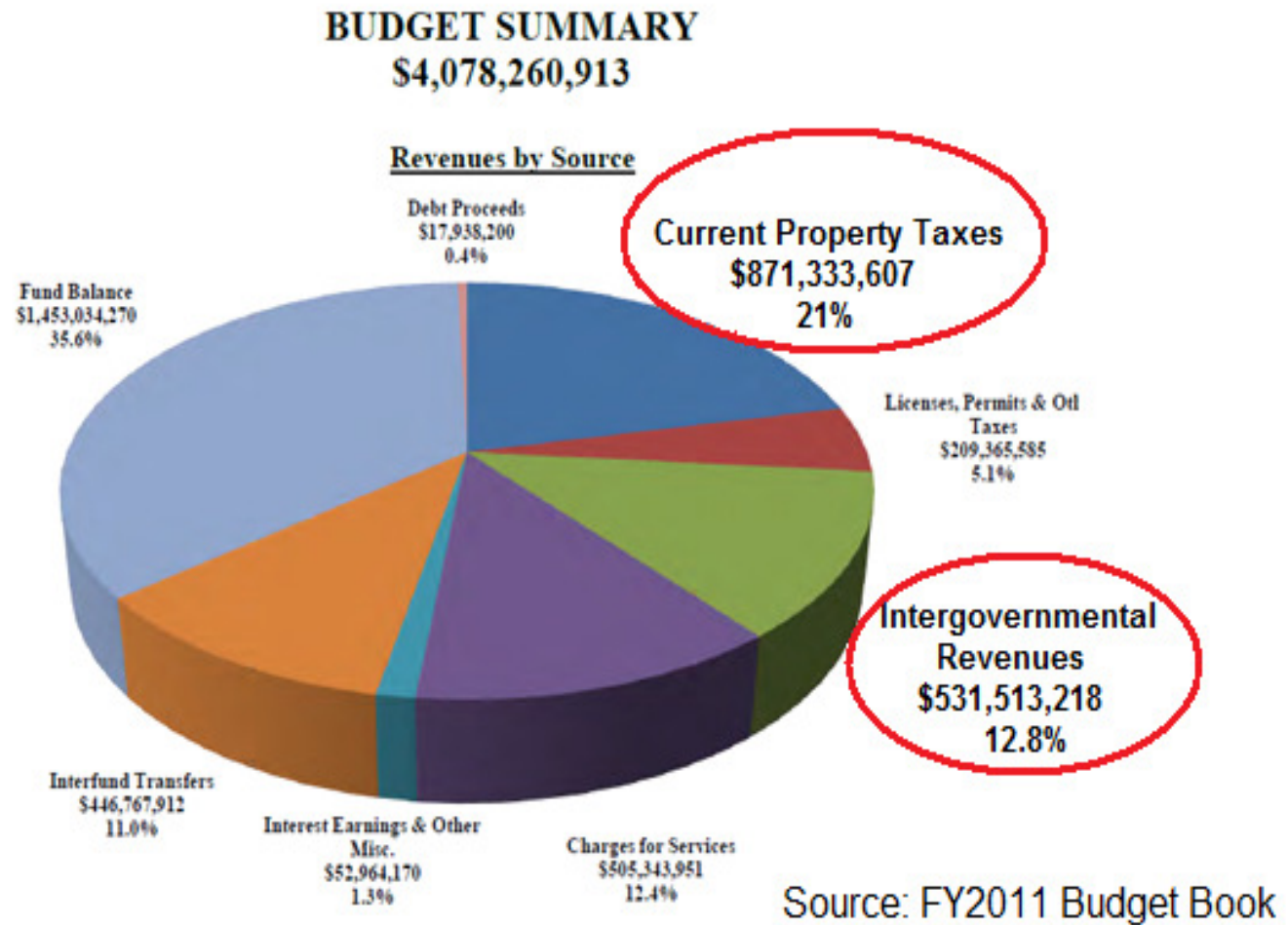
County Budget

- TAB is focused on the budget items under the control of the County Commission
 - Includes county-wide departments, Fire / Rescue, Constitutional Officers including PBSO, Library System (\$4B total)
 - Does not include: School System, Solid Waste Authority (\$245M), Health Care District (\$220M), Children's Services Council (\$117M), Municipalities, etc.

Ad-Valorem Taxes by City

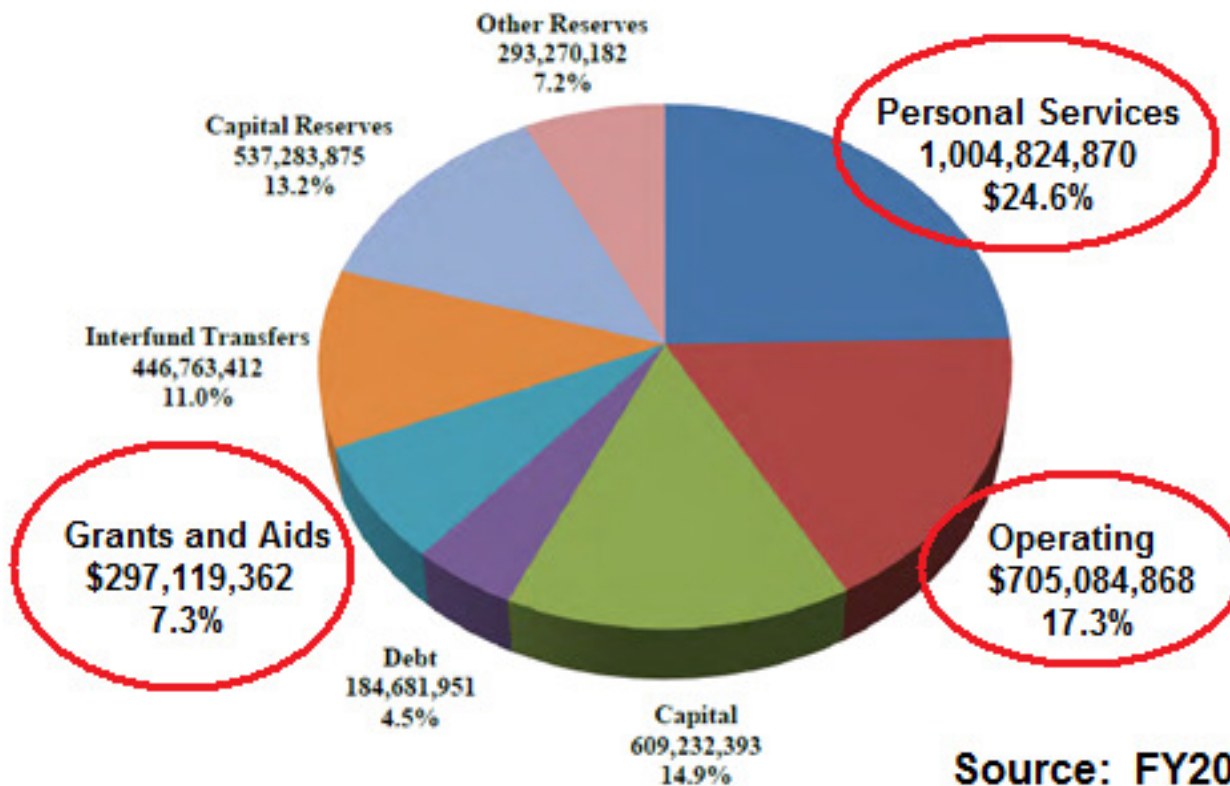


County Revenue



County Spending

Total of all Funds \$4,078,260,913



Source: FY2011 Budget Book

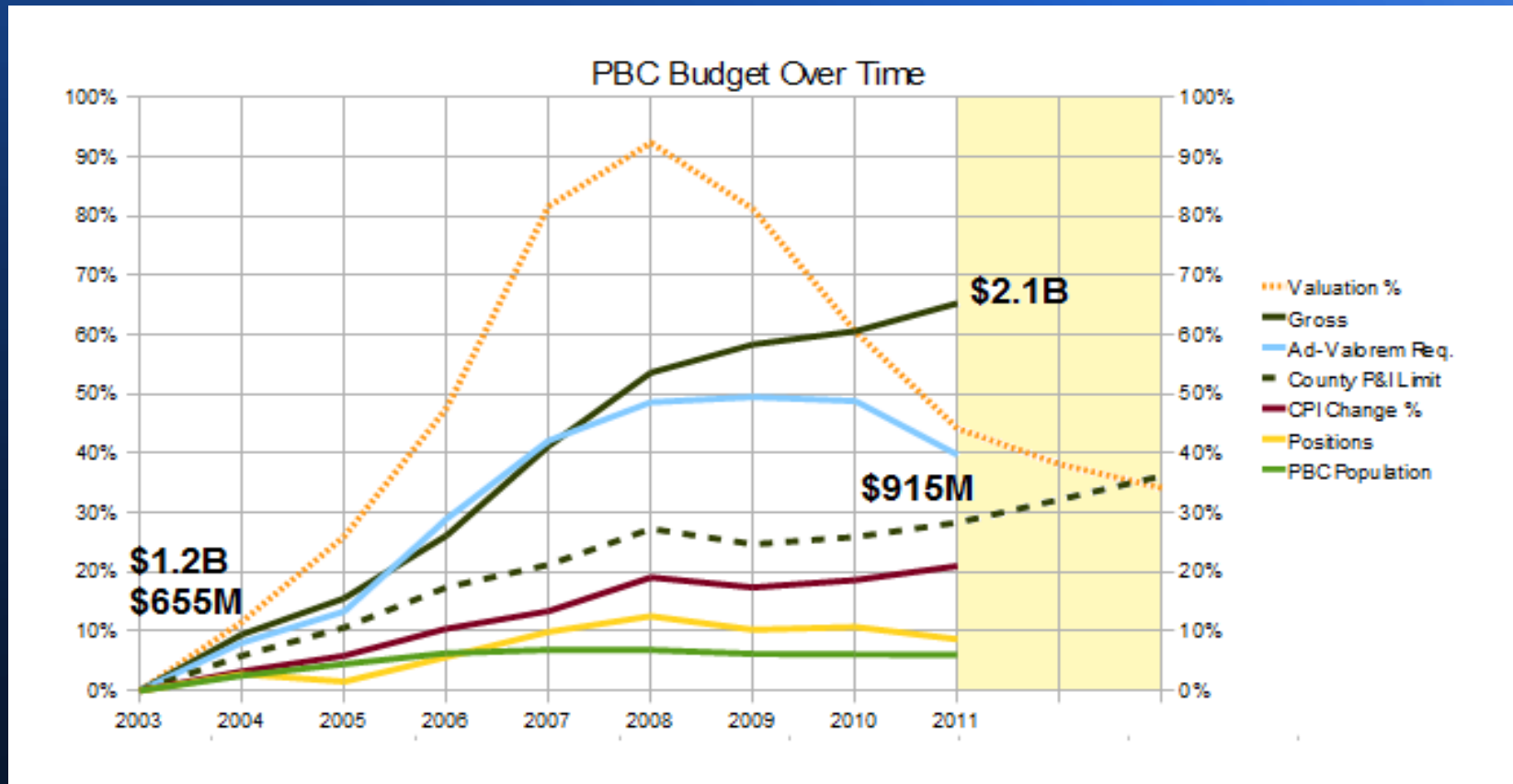
County Budget

- Spending Rollup

Grand Total BCC Departments/Agencies, Judicial and Constitutional Officers				
	2010	2011	Change	%
Appropriations	2,002,415,799	2,061,241,727	58,825,928	2.9%
Net Ad Valorem Requirement	974,437,390	915,000,961	(59,436,429)	(6.1%)
Positions	11,379	11,166	(213)	(1.9%)

Note that although “Net Ad Valorem Requirement” is decreasing, the spending part of the budget (Appropriations) is **INCREASING** by \$59M or 2.9%. Later we will examine why this is possible.

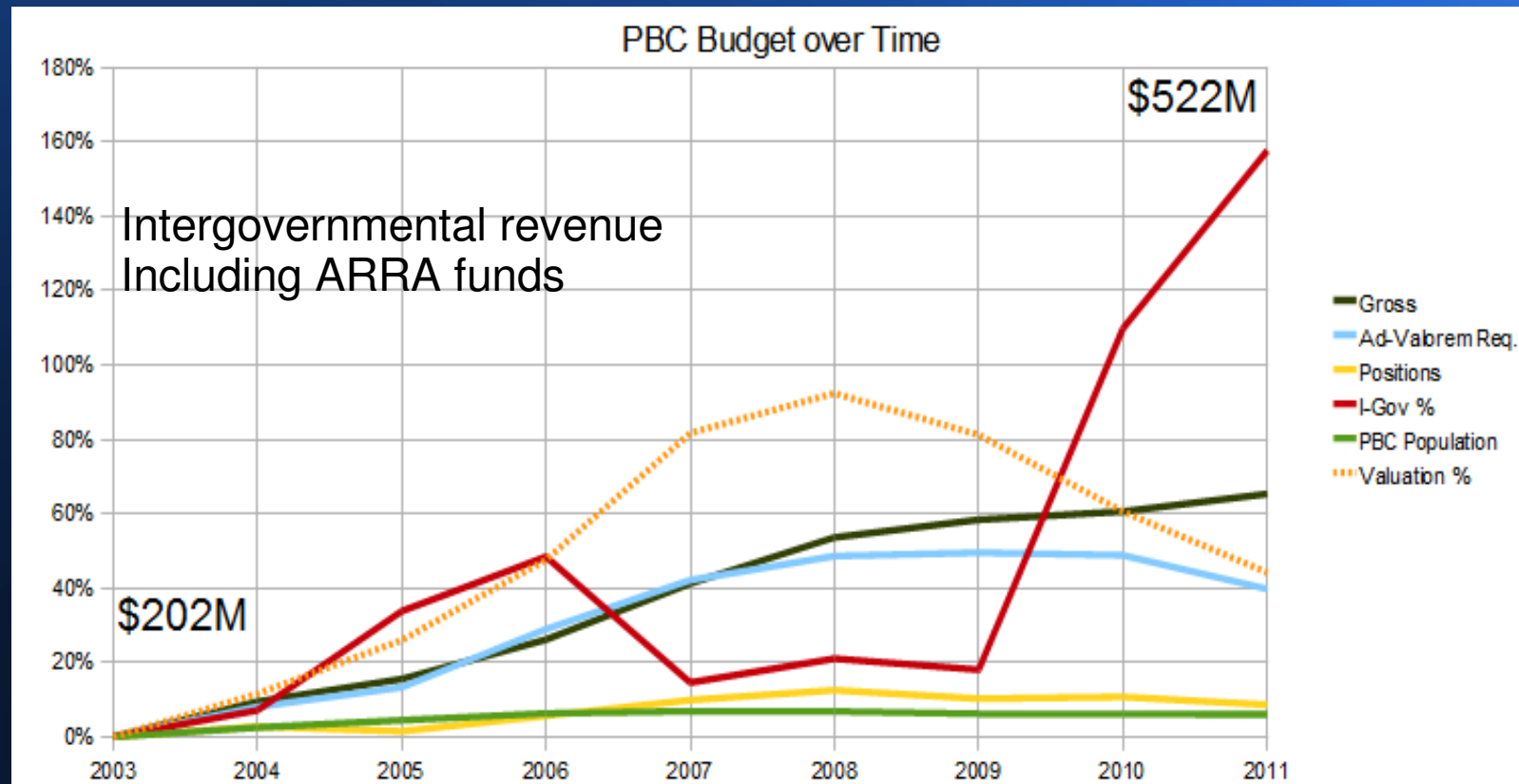
County Budget



Spending is up 11X population growth, 3X rate of inflation

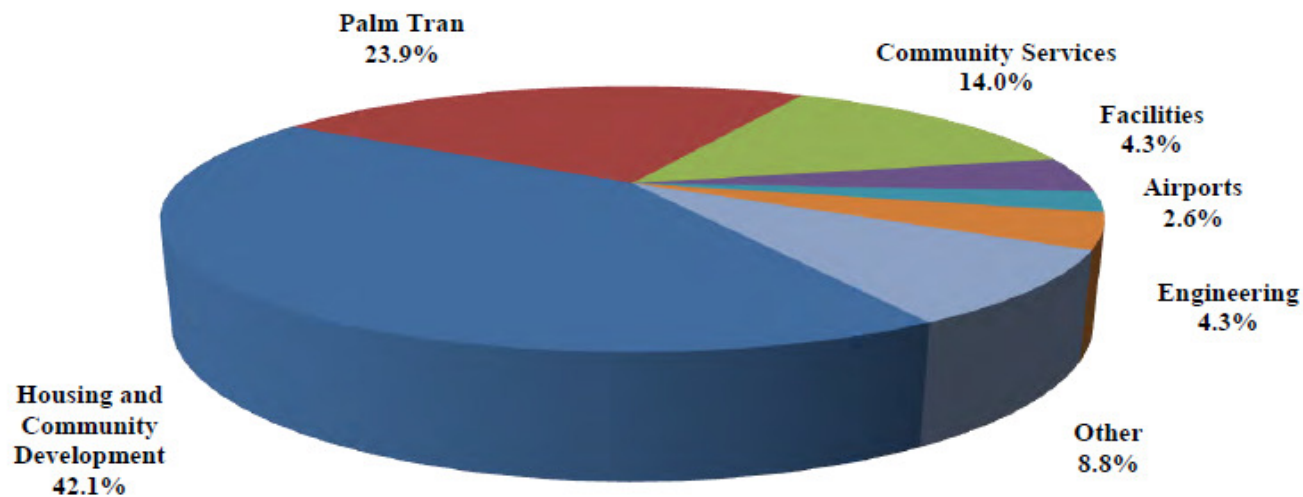
County Budget

- Why Spending Can Increase

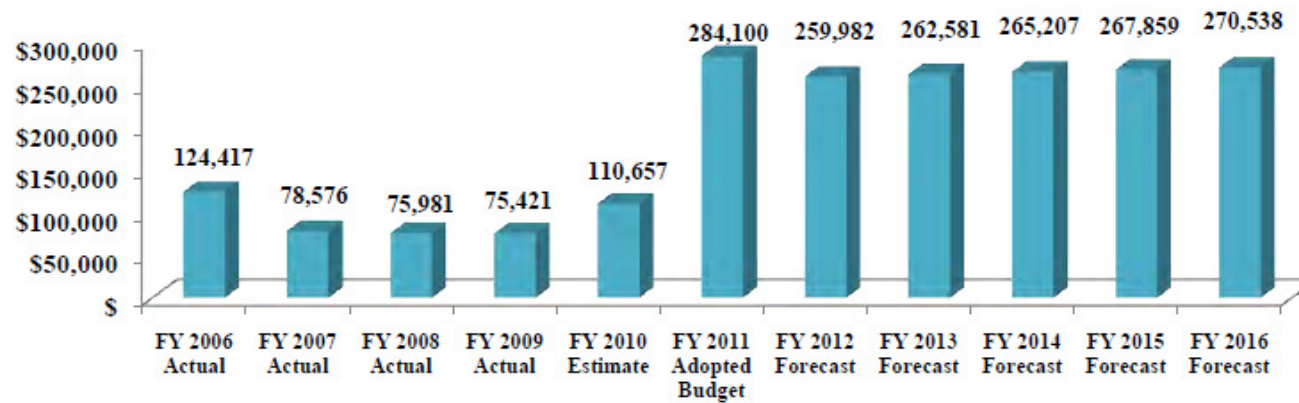


Federal Grants

FY 2011 Federal Grants by Department



Federal Grants (\$000)



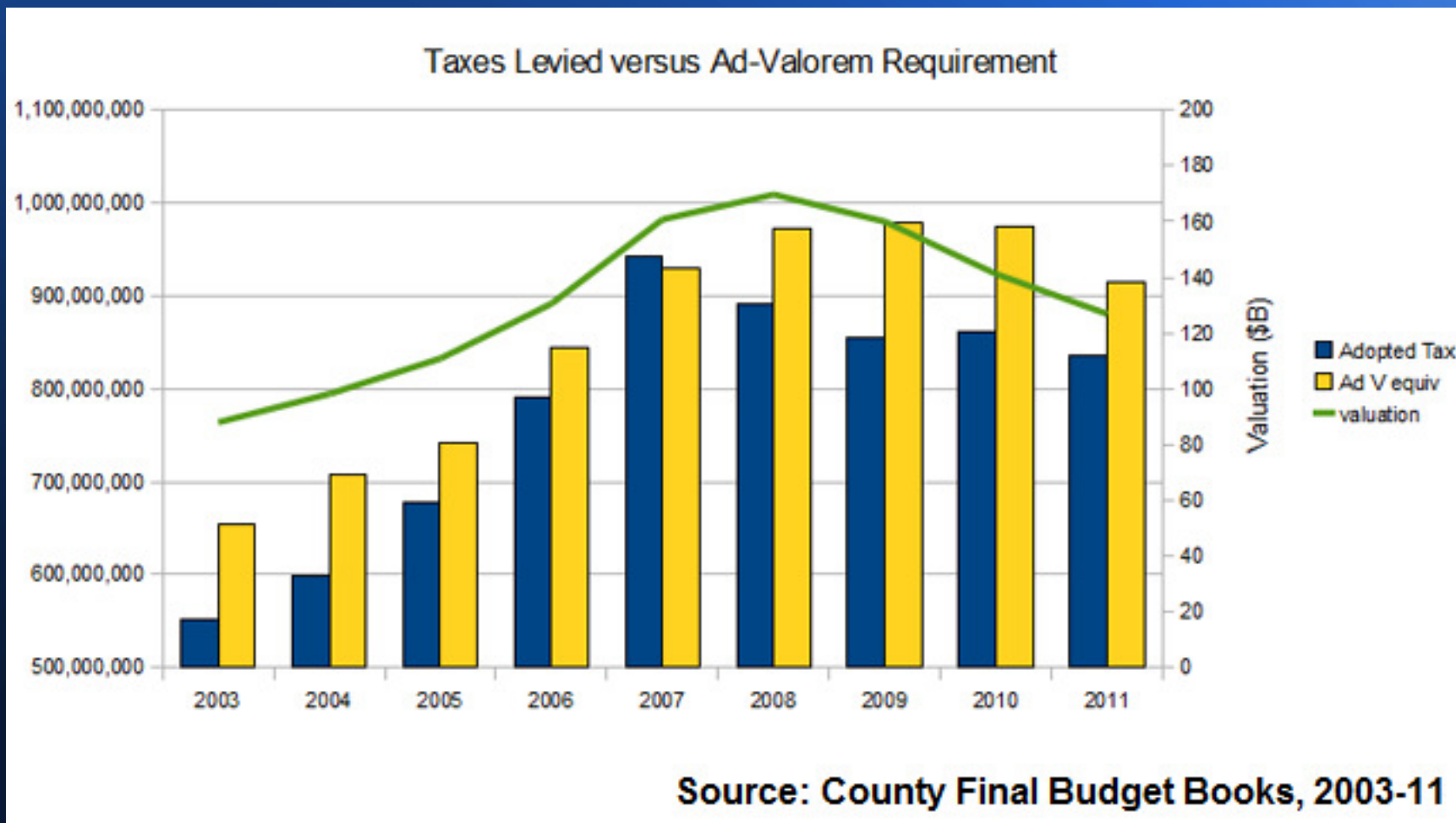
Source FY2011
Budget Book

Example of Federal Grants



23 Hybrid Buses purchased with ARRA Grants

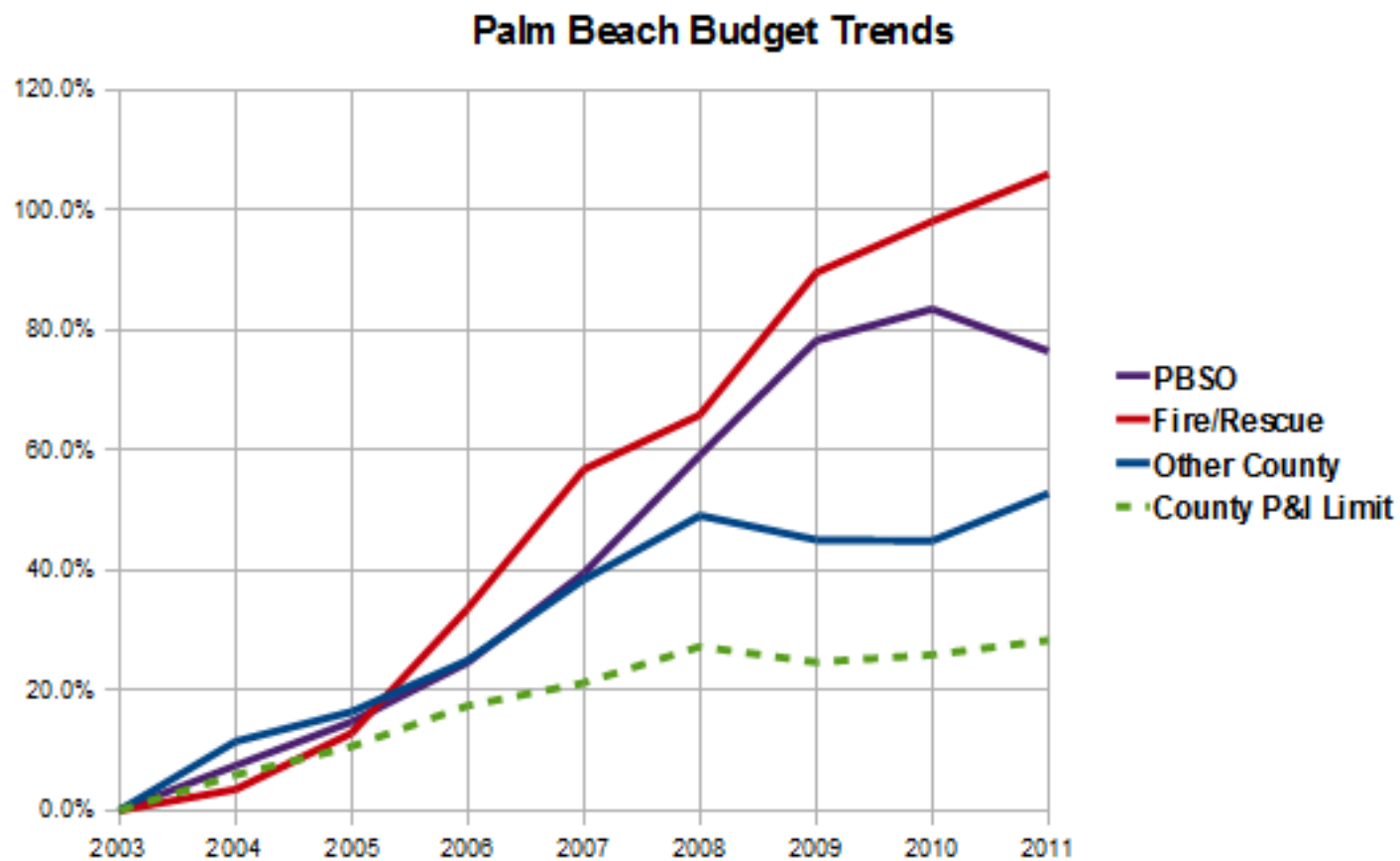
County Budget



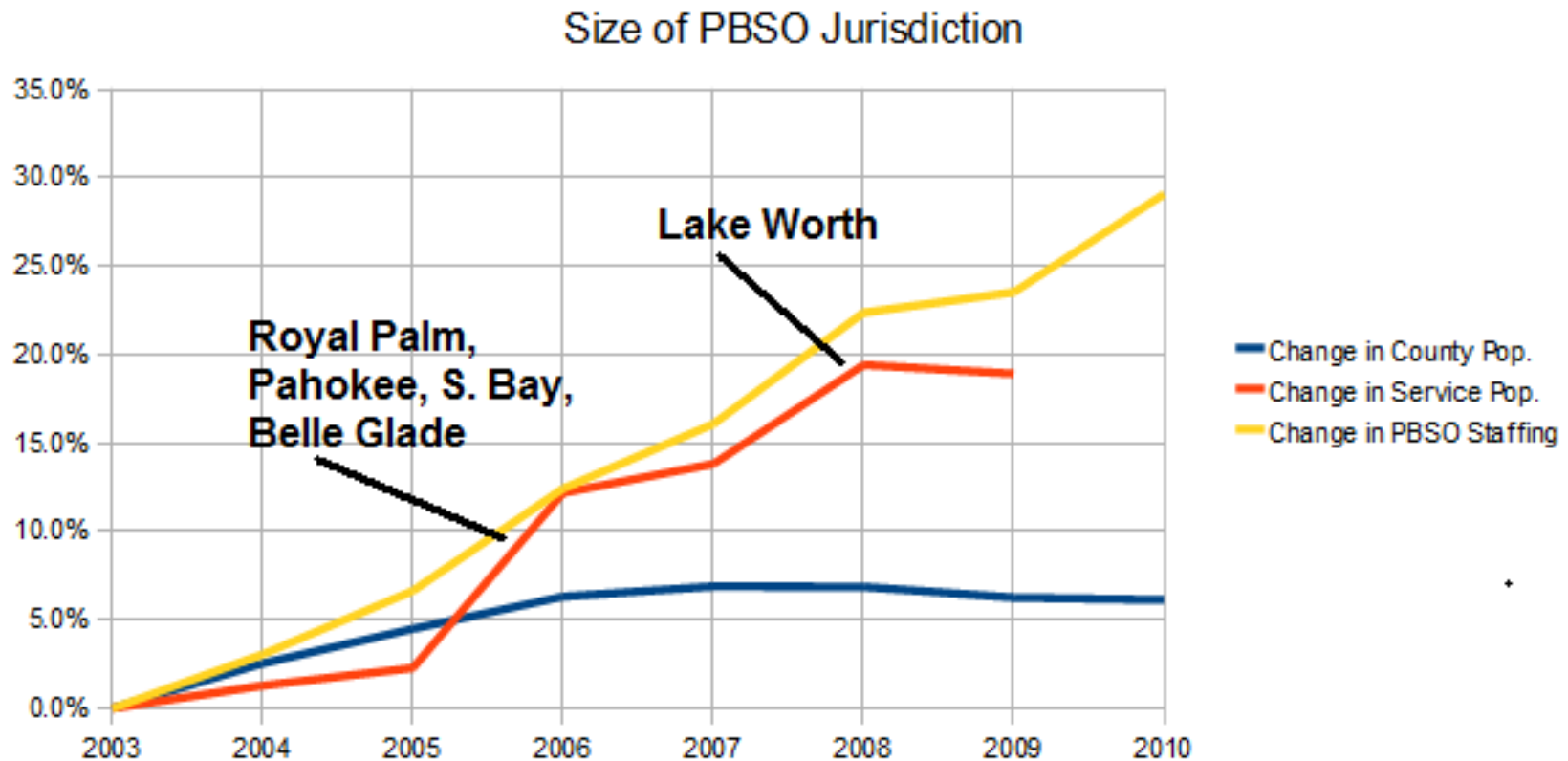
County Budget

- Key Budget Points
 - Spending growth 3X inflation, 11X population growth
 - As tax receipts slow and decline, grants enable spending
 - Additional spending cuts are avoided by spending reserves (“ad valorem requirement” exceeds budgeted tax receipts by \$79M in 2011, \$112M in 2010)

Budget Trends by Major Function

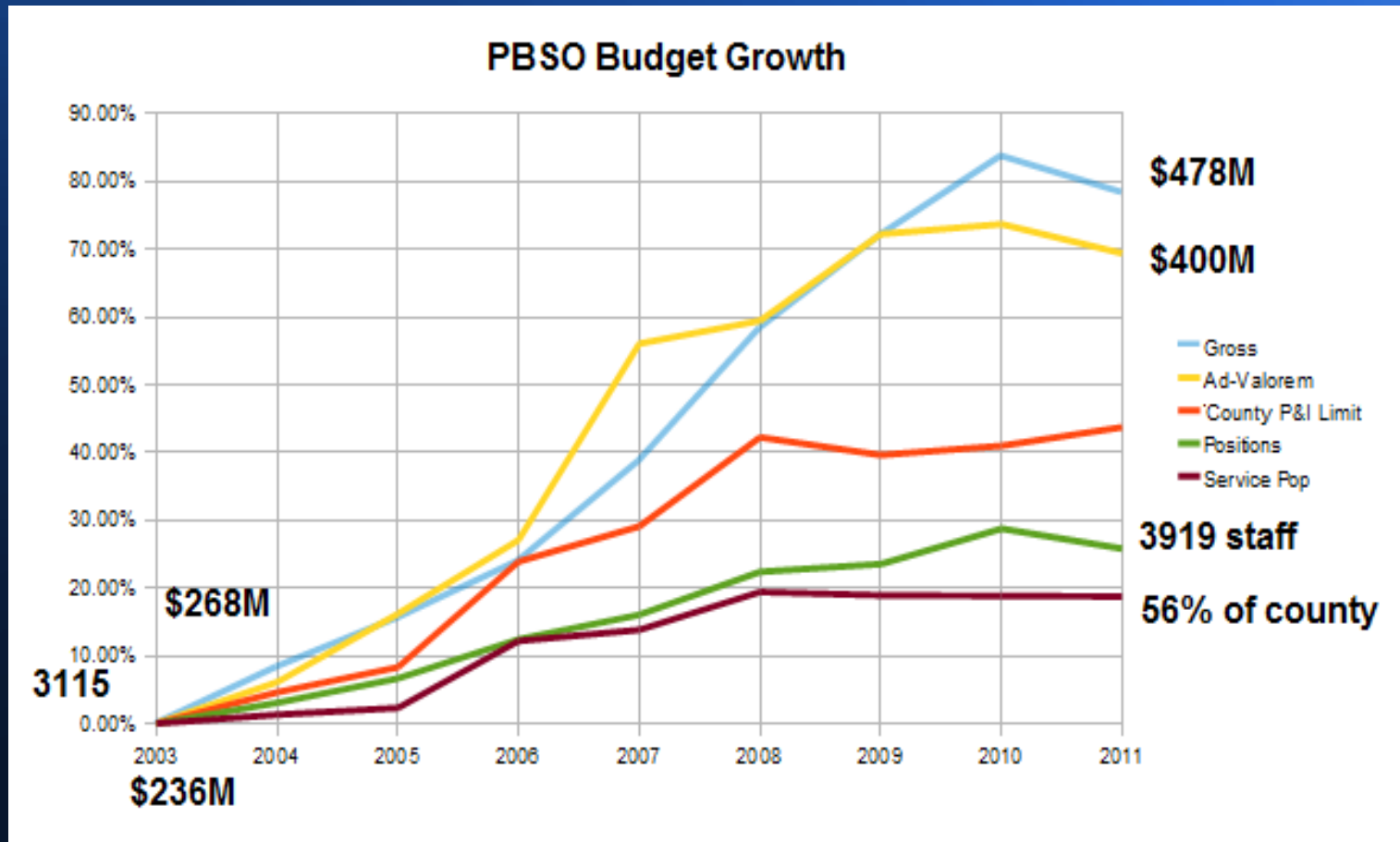


Palm Beach County Sheriff

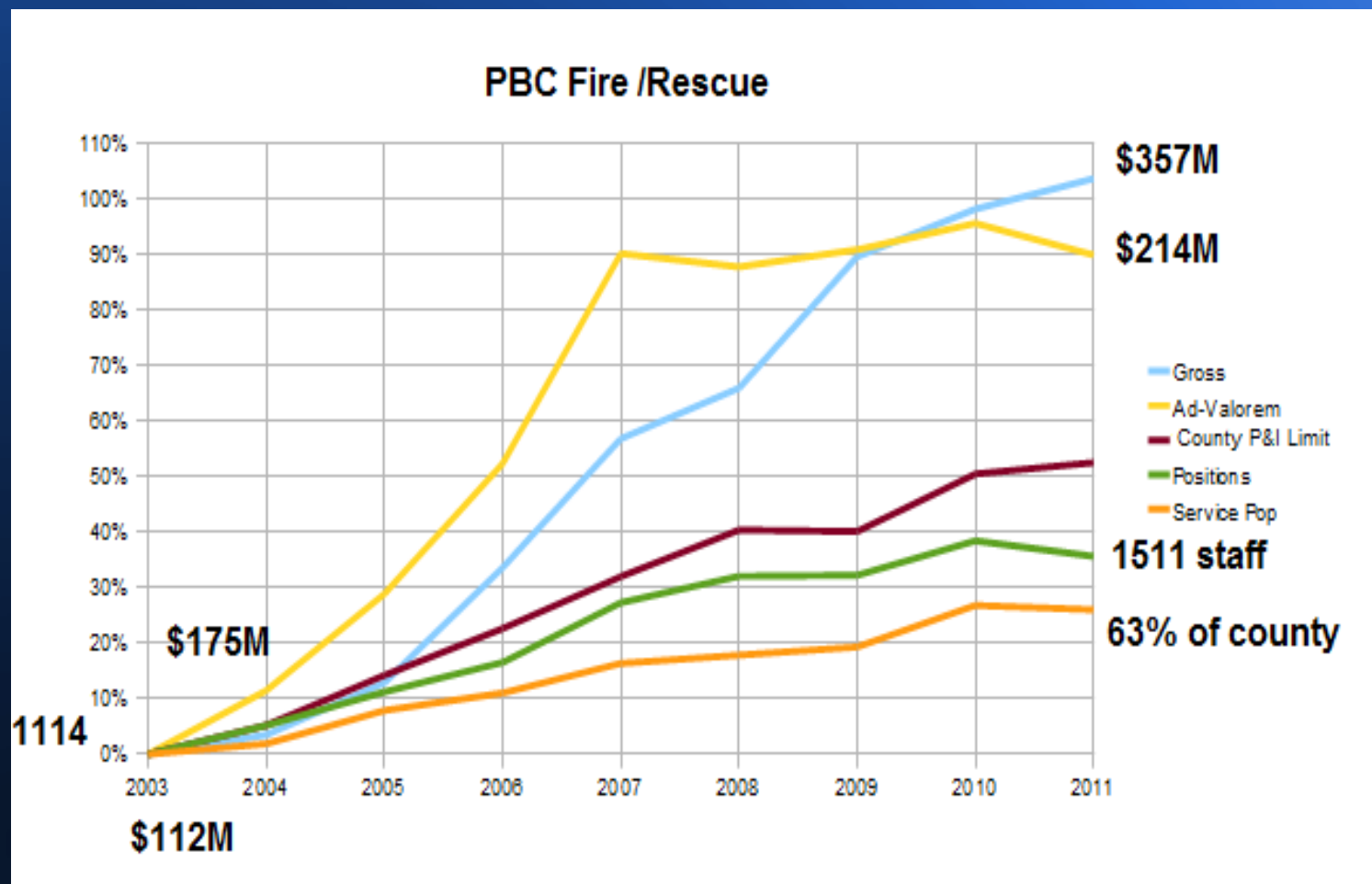


Source: PBSO Resource Guides

Palm Beach County Sheriff



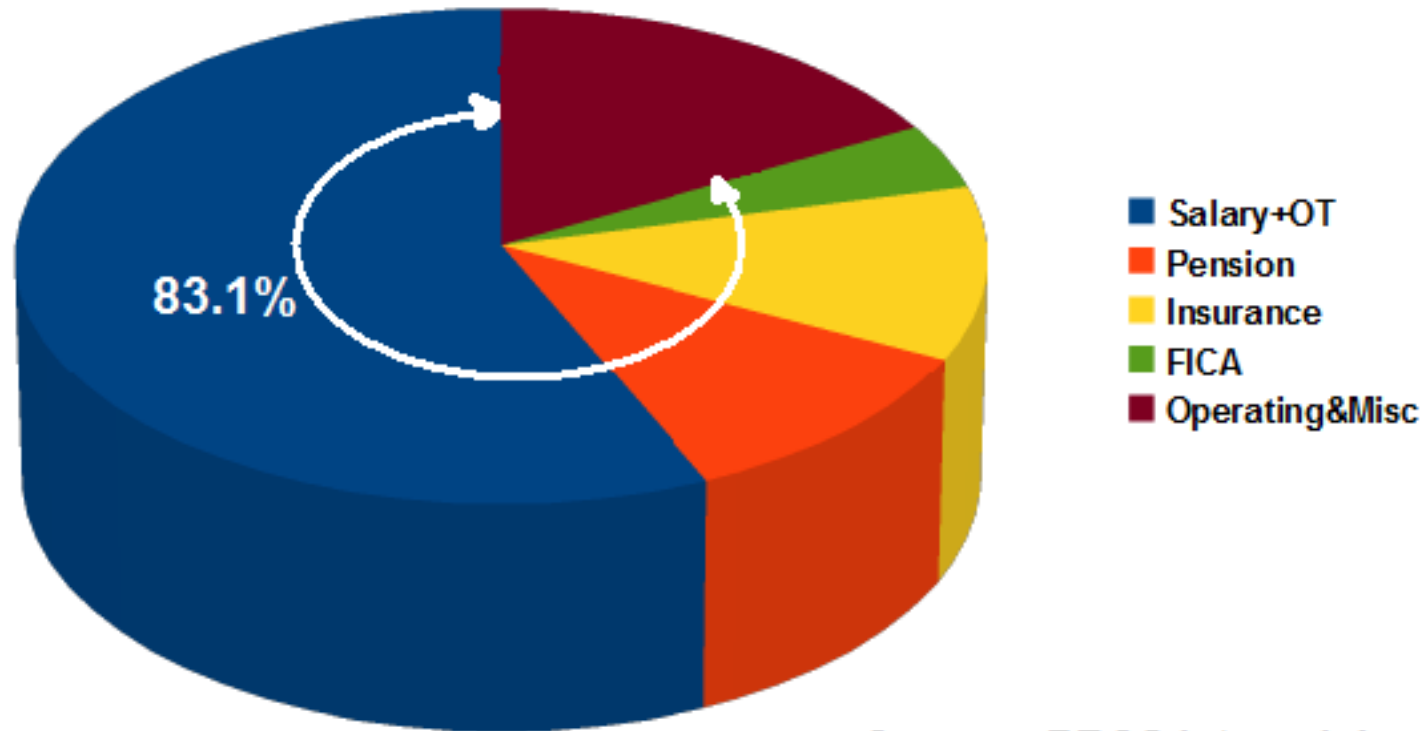
Palm Beach County Fire-Rescue



Palm Beach County Sheriff

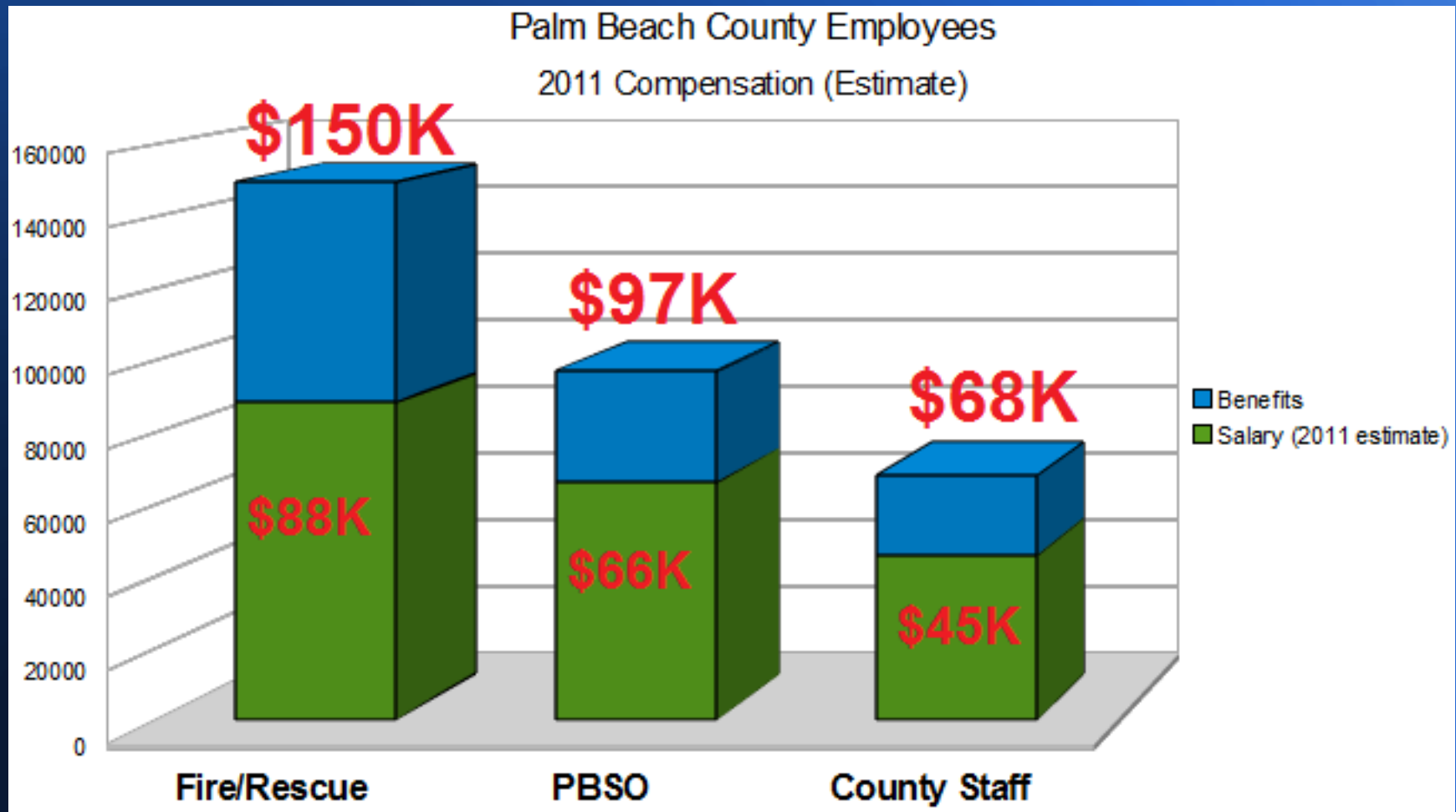
2011 PBSO Budget Allocation

\$469,291,694 (Preliminary budget data)



Source: PBSO internal documents

Palm Beach County Compensation



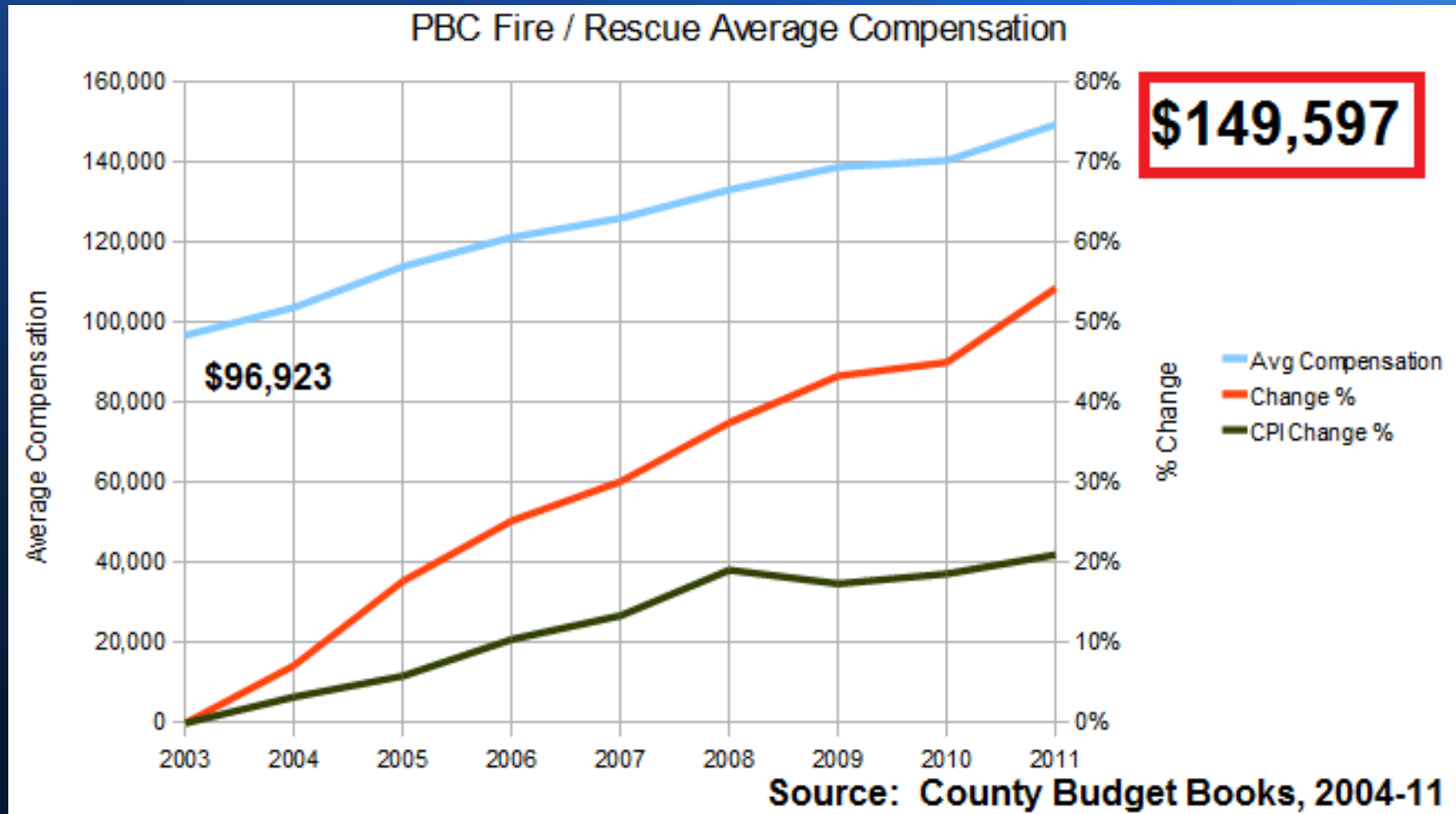
Palm Beach County Fire-Rescue

Fire-Rescue Titles

	Count	Avg. Gross
"Chief"	51	146K
"Captain"	268	117K
"Lieutenant"	175	92K
"Firefighter"	809	75K
"Other"	201	60K

- 33% are Lieutenant and above
- 21% are Captain and above

Palm Beach County Fire-Rescue



What's Ahead?

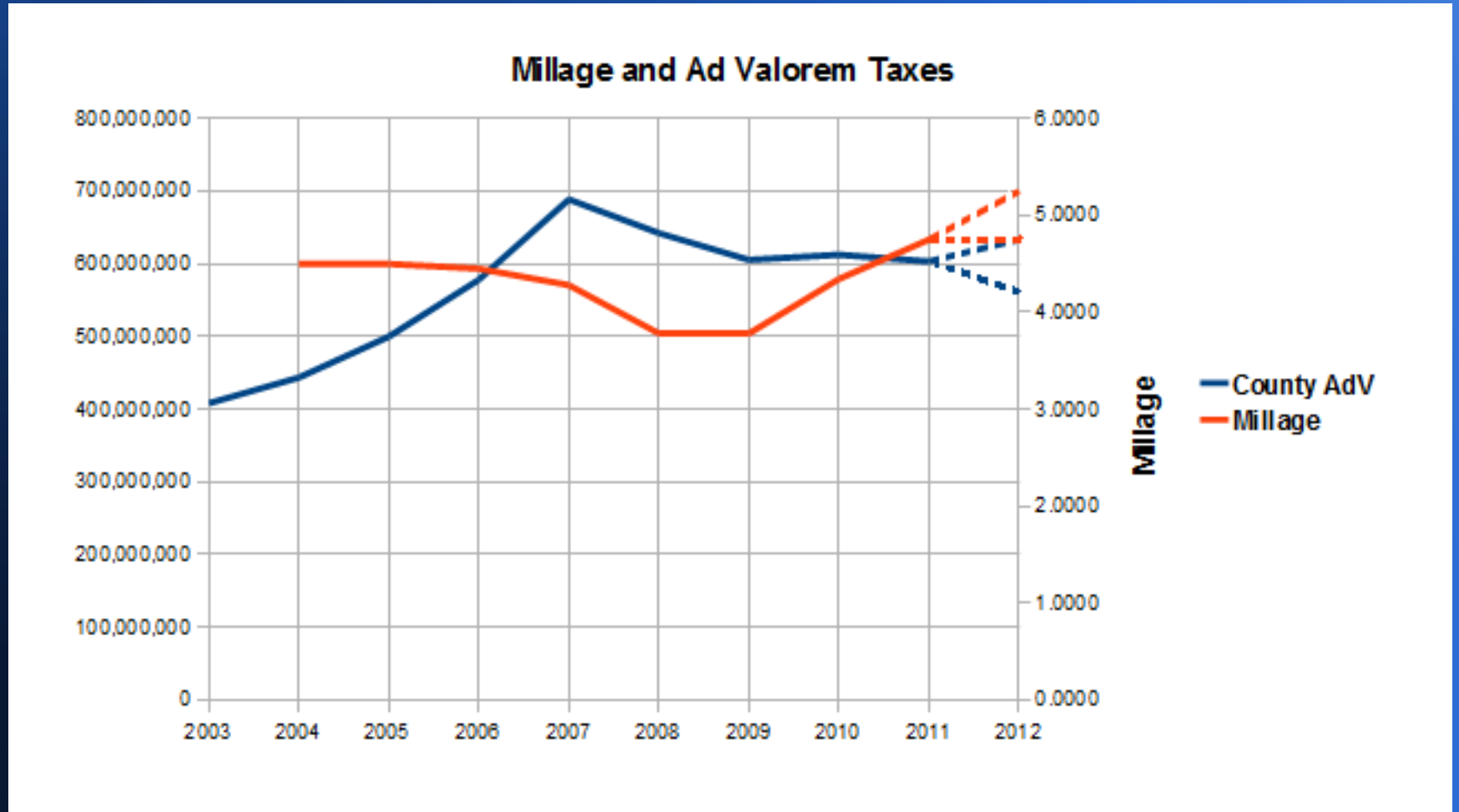
2012 Budget Drivers

- Decreasing Valuations \$127B → \$121B
 - Countywide Rollback = 5.00 millage (+5.2%)
 - Weisman target = 4.95 (+4.2%)
- Personal Services Costs
 - Pensions (10.77% regular, 23.25% special risk)
 - Longevity raises
 - Health Insurance
- Reduced availability of federal and state grants

2012 Budget Expectations

- County estimates \$60M shortfall at flat millage
 - \$30M revenue shortfall from 5% valuation decline
 - \$30M additional problem from personal service increases and loss of grant funding
- Millage range:
 - No change (4.75) – requires \$60M in cuts
 - Rollback – 5.00 mils (+5.3%) - requires \$30M cut
 - No cuts – 5.25 mils (10.5% increase)

Millage Trend



The 2012 TAB Proposal

(tentative pending county submission)

The 2012 TAB Proposal (tentative)

- 2012 Budget
 - No millage increase (keep 4.75 / 3.4581)
- Charter Changes
 - Implement county version of “Smart Cap”
 - Require online disclosure of PBSO budget
- Legislative Changes
 - Support FRS Reform (HB1405 or better)
 - Modify PBSO “Career Services Act”

The TAB Proposal – 2012 Budget

- No change to millage in 2012
 - 4.75 county-wide = \$573M of tax revenue (\$60M cut*)
 - 3.4581 F/R MSTU = \$170M (est. \$9M cut)
- Why?
 - Composite P&I measure for 2012 is \$560M and \$166M respectively – close enough
 - In range for smart cap baseline for 2013
 - Feasible and simple to explain

The TAB Proposal – 2012 Budget

- How?
 - Anticipate up to \$30M in FRS savings, depending on actions by the legislature
 - Draw from \$31M of 2011 “blue pages” itemized in 2011 TAB Proposal
 - Expect matching cuts from PBSO

Coming Events

- PB County Charter Review
 - April 5: Commissioners “wish list” at night meeting
 - May/June: 5 regional public meetings
 - August: Online survey to rank ideas
 - February 2012: BCC Workshop to prioritize
 - April 2012: Charter Amendment written
 - November 2012: Voters decide

The TAB Proposal – Charter

- Add county “Smart Cap” (SR0958) to charter
 - Limit spending increase to population + inflation
 - BCC super majority for override
- Require online disclosure of PBSO budget detail
- Open collective bargaining negotiations to public scrutiny (as per 447.605(2) FS)

The TAB Proposal - Legislative

- Support FRS reform (HB1405 or better)
- Modify “PBSO Career Service Act”
- Support “Paycheck Protection Act” SB830 (aka “Thrasher Bill” preventing paycheck collection of funds for political purposes

FRS - Pension Reform

	Current FRS	Rick Scott Proposal	SB1130	HB1405
Accrual Rates	3% special risk 1.6% general + 3 others	2.0% special risk 1.6% all others	NO CHANGES to current plan	NO CHANGES to current plan
Participant Contributions	None	5% across the board	Tiered 0-\$40K, 0 \$40-\$70K, 2% \$70K+, 4%	3% across the board
Defined Contribution Plan	Offered, with few takers	Only option for new hires	Only option for new hires with starting salary > \$75K	NO CHANGES
COLA	fixed 3% / year	Eliminated for accruals past July 2011 (protects current retirees and accumulated benefits)	NO CHANGES to current plan	NO CHANGES to current plan
DROP Program	Continue working for 5 years while pension accumulates, then lump sum	Eliminated after July, 2011	NO CHANGES to current plan	Eliminated after July, 2011

FRS – Pension Reform

Group	Number of employees	Average Salary	Scott Proposal Savings	SB1130 Savings	HB1405 Savings
County Staff	5,731	\$45.9K	\$13.2M	-\$0.3M	\$9.1M
PBSO (general risk)	1,808	\$53.0K	\$4.8M	-\$0.1M	\$3.3M
Fire/Rescue (general risk)	208	\$85.0K	\$0.9M	\$0.0M	\$0.6M
Schools	20,986	\$41.3K	\$43.3M	-\$1.1M	\$30.1M
TOTAL (contr.)	32,147		\$62.2M	-\$1.5M	\$43.1M
Governor 2% accrual					
PBSO special risk	2111	\$77.7K	\$20.3M	-\$0.1M	\$8.5M
F/R special risk	1303	\$88.6M	14.3M	-\$0.1	\$6.0M
TOTAL (accr.)	3414		\$34.6M	-\$0.2	\$14.5M
TOTAL (both)			\$96.8M	-\$1.7	\$57.6M

PBSO Career Service Protection

“...no existing employer-paid benefits and emoluments to all certified and non-certified employees of the Sheriff with regard to the pay plan, longevity plan, tuition-reimbursement plan, career-path program, health insurance, life insurance, and disability benefits may be reduced except in the case of exigent operation necessity”

FS 2004-404 (HB106)

Coming Events.

- 2012 Budget Meetings
 - Workshops
 - June 13, 14
 - July 11, 12
 - Public Hearings
 - September 13, 27

How You Can Help

- Register at pbctab.org for action alerts and county news (or send note to info@pbctab.org)
- Participate in “Calls to Action”
 - Eg. Support the Governor on FRS Reform
- Attend meetings on charter review, budget
- Form your own working group to engage county government

Democracy must be something more than two
wolves and a sheep voting on what to have for
dinner.

-- James Bovard, Civil Libertarian (1994)

For More Information:

pbctab.org