Recommendation From
Boynton Beach Financial Advisory Committee

Subject / Topic: Suggested Increases in Revenue Sources-2011/2012 Budget Year

Reviewed By: William Shulman

Recommendation (Specific Action Recommended): Strongly suggest these recommendations be implemented especially in view of projected budget deficits for the 2011/2012 budget year.

Pros of Recommendation: Will increase revenues as follows:

Revenue increases for fees	$ 456,772
Fire assessment increases	759,467
Total	$ 1,196,739 *

* Excludes other possible revenue increases not determinable at this time.

Cons of Recommendation: There may be some negative feedback from certain citizens and businesses, since some people do not want to pay additional fees. But the increased revenues derived from this program will assist in keeping the property tax ratable increase to a lower level so that these people who complain (and who also reside in Boynton Beach and are subject to property taxes) will benefit from lower property taxes.

References (Staff, Documents, and Public): See page 1 of cover letter "Reviewed the Following Documents)

Impact on 2011/2012 Budget: Could possibly reduce the projected budget deficit by approximately $1,200,000

Impact on Out Year Budgets: Could also assist in reducing future budgets by approximately $1,200,000

Impact on Citizens: Affirmative impact. Will reduce any increases in property taxes for taxpayers.

Impact on Staff: Will require City staff to implement fee increases for all selected departments subject to fee increases.

Committee Vote Results: For: __7___Against___0__

Attn: Kurt Bressner, City Manager

Date: February 15, 2011

Subject: Proposed Suggested Increases in Revenue Sources for Boynton Beach for Budget Year 2011-2012

From: William Shulman, Financial Advisory Committee

Methodology and Discussion:

A. Reviewed the following documents:

1. City of Boynton Beach , Financial Services Department, Financial Advisory Committee Review of Revenue Projections for all Funds (through F/Y 2010/2011

2. City of Boynton Beach 2010/2011 Revenue Projections.

3. Ordinance of the City Commission of City of Boynton Beach Amending Chapter 13 of the Code of Ordinances Section 13-4 by Providing for a 5% increase in the Business Tax Fee Schedule(Proposed 6/19/2009)

4. Various Other Fee Schedules and Documents from Other Boynton Beach Departments.

5. Articles from Newspapers and Internet Sources

6. 2010 Local Government Financial Information Handbook, October, 2010, Published by the Florida Legislature, Office of Economic and Demographic Research.

B. Prepared a Summary Schedule by:

1. Type of revenue source

2. Proposed 2010/2011 annual revenue sources(only those applicable to this assignment)

3. Comments and methods of increasing revenues

4. Anticipated additional revenues

C. Discussion

1. In most cases it was determined that all departments, for all uses, should increase fees by a minimum of 10%. This is based on lack of increases over the past several years and the cost of living increases that did prevail during this period, thereby increasing the costs to deliver these services even with the City "pay freeze" which is effect.

2. It should be pointed out that there are several exceptions. It was determined that the licenses for alcoholic beverages , and all fines i.e. code enforcement , false alarms, library parking, etc. should be increased by 20% to act as a deterrent for future citizen violations

3. Further, the Fire Assessment increase should be approximately 30% because the present fee is so low ($68) and the increase to $88 for residential should be acceptable. See Survey Monkey results regarding this item.

D. Other Items

There are other items which should be considered for additional sources of revenue that will need further and more extensive research and investigation:

1. Selling Waste Management Services to Ocean Ridge.

2. Selling Building Services to Briny Breezes and Ocean Ridge.

3. Assessing internet usage fees.

4. More intense marketing of Intercoastal Boat Club.

5. Developing a program for naming rights at various public sites.

6. Possibility of getting revenue from inserting ad flyers in mailings of our water bills to residents. See examples of FP&L ad flyers.

7. Soliciting voluntary contributions from not- for – profit organizations such as religious organizations, hospitals, schools,

who avail themselves to City services. In so doing, we must be certain that such voluntary solicitations are not construed as a "tax". See article in the Wall Street Journal dated January 28, 2011.

With regard to items number 1, 2, 3, 4, 5, 6, each of the appropriate City departments should immediately begin instituting a planned program to implement these programs, if said program will increase revenues.

As to item 7, if this is agreeable and acceptable by the City Manager, the Financial Audit Committee can begin this program; similar to what was presented in the Solicitation of Homeowner contributions.

E. Resultant Possible Increases in Revenues

Based on a preliminary analysis and subject to further scrutiny and review, it is deemed that the following additional revenues could be achieved for the City of Boynton Beach. This excludes the items listed in Paragraph D. Other Items

Proposed Suggested Increasing Revenue Sources for Boynton Beach
(Excludes Shopper Hopper, Pensions, and Medical Premium Reimbursements)

Type of Revenue Source	Estimated Proposed Annual Revenue 2010-2011	Comments and Methods for Increasing Revenues	Anticipated Additional Revenues
Occupational Licenses:			
Current Business License	$1,250,000	There has not been an increase since 06/20/06. A fee increase of 5% was submitted 06/16/09. An increase of 8% for all categories is recommended.	$100,000
Penalties of License	11,000	An increase of 10% is recommended	1,100
O/L Pre-Inspection Fee	21,000	An increase of 10% is recommended	2,100
Building Permits	440,000	Last increase was 12/1/09. Recommend an across the board increase of 10% in all categories.	44,000
Electric Permits	2,000	Question why these revenues are so low. A 10% increase is recommended.	200
Plumbing Permits	7,000	Question why these numbers are so low. An increase of 10% is recommended	700
Other Land Developer Fees	3,000	An increase of 10% is recommended	300
Penalties on Permit	41,000	An increase of 10% is recommended	4,100
Parking Decals	185,000	Increase parking decals by 10% rounded up to nearest dollar.	18,500
Garage Sale Permit	1,000	Question why these revenues are so low. Garage sales are not being policed.	
Security Alarm Permit	15,000	An increase of 10% is recommended	1,500
Mobile Home License	40,000	An increase of 10% is recommended	4,000
Alcohol Beverage License	35,000	An increase of 20% is recommended.	7,000
Site Plan Approval Fee	35,000	An increase of 10% is recommended	3,500
Environmental Review Fees	30,000	An increase of 10% is recommended	3,000
Tax Searches	30,000	An increase of 10% is recommended	3,000
Police Special Detail	525,000	Diverting Police for special details should be costly to citizens requesting such service. An increase of 15% is recommended.	78,750
Protective Fire Inspections	10,000	An increase of 10% is recommended.	1,000
Abandoned Property	65,000	An increase of 20% is recommended.	13,000
Tennis Center Permits	48,000	Permits average about $300 each from $265 for individual resident to $397 for family resident. Increase by 10% or $30. 193 Permits at $30 each.	5,790
Tennis Center Daily Fees	15,000	Rates are lower than Delray. For F/Y/E 9/30/10, there were 2,562 visits. Increase by $2.00	5,124
Pool Daily Fees	7,000	Fees $2.00 adults, $1.00 children 5-17 yrs of age. A 30 time visitor pass is $50.00. Increase by 10% on all fees.	700
Beach Daily Parking Fees	200,000	Fees $5.00 from 11/15; $10, from 11/16 - 4/30, decals $40 per year for non residents $90 per year. Increase all rates by 10%.	20,000
Recreation Special Detail	7,000	Pavilion Fees range from $2 to $25. Raise all fees by 10% except Jaycee #1.	700
Library Fines	40,000	All fines should be increased across the board by	4,000
Code Enforcement Fines	80,000	10% and enforcement of improper behavior should	8,000
Police Parking Fines	25,000	result in fines to deter recurrence of infraction. This	2,500
False Alarm Fines	40,000	may assist in reducing such infractions.	4,000
False Alarm Fines/Fire	10,000		1,000
Rental of City Facilities	60,000	An increase of 10% is recommended.	6,000
Beach Chair Umbrellas	24,000	An increase of 10% is recommended.	2,400

Type of Revenue Source	Estimated Proposed Annual Revenue 2010-2011	Comments and Methods for Increasing Revenues	Anticipated Additional Revenues
Fire Assessment	~~7,497,334~~ 3,797,334	Increase fire assessment from $68 to $88 or 29.41% for residential and approximately 30% for commercial use or an average of 29.7% increase. See survey monkey.	759,467 ~~2,226,711~~
Golf Course			
Cart & Green Fees	1,697,389	Increase all tee off fees by $1.00 times 71,297 tee offs per year.	71,297
APH Dues Boynton	24,977	No Change	-
APH Dues County	24,977	No Change	-
Range Balls	82,000	Cost is $1.00 for 10 balls. Tokens used. 8,200 range balls. Increase to $1.10 for 10 balls.	8,200
Merchandise	85,000	No Change. This should be a "loss leader."	-
Surcharge Improvements	136,219	Increase by 5%	6,811
Resident I.D. Cards	50,000	Increase to $55.00 from $50.00. 10% Increase.	5,000
		Total 1,196,739	~~$2,663,983~~
Other			
Internet Usage Fees		We would need to check the revenue book to determine if a local tax on internet services is appropriate.	
Inter Coastal Boat Club		Attempt to market this facility so as to increase revenues.	
Fees at Ocean Ridge Beach		This may be a duplication See page 2. Beach daily parking fees.	
Selling Waste Management to Ocean Ridge		The Waste Management Department should investigate the profitability of selling its services to Ocean Ridge.	
Selling Building Services to Briny Breezes & Ocean Ridge		The Building Department should make a concerted effort to sell these services to Briny Breezes & Ocean Ridges.	
Consider Soliciting Voluntary Contributions from Non-Profit Organizations, i.e. Schools, Hospitals, Religious Organizations		See articles in Wall Street Journal dated 1/28/10 entitled: "Strapped Cities. Hit non-profits with Fees." These matters should not be framed as a tax but rather as a contribution to the General Fund of the Boynton Beach City Government so that city services continue at a high level as in the past.	
Insert Ad Mailings in Water Bills for fee.		See ad insert in the FPL invoice sent to their customers. This could be inserted in Boynton Beach water bills.	
Special Events Cost Reimbursements		Reimbursements to the City of Boynton Beach that provide service for Special Events should be increased.	
Reimbursements from Non-Profit Organizations should be increased			