



**Palm Beach County Taxpayer Action Board Proposal
PBC Budget Fiscal Year 2011
Executive Summary
September 6, 2010**

TAB has examined the proposed Palm Beach County budget in detail and concludes that the County has not been sufficiently aggressive in cutting spending and delaying or eliminating capital projects, given the very difficult economic conditions expected in the next few years. TAB has a specific set of proposals for the Fiscal Year 2011 budget and requests that the County Commissioners adopt those proposals.

Who We Are

Palm Beach County Taxpayer Action Board (TAB) was formed in July 2010. It is a loose coalition of several groups including South Florida 912, South Florida Tea Party, Palm Beach County Lower Taxes Now, Taxpayer Action Network, Singer Island Civic Association and other individuals who are members of business and civic groups throughout the county. Many of the same organizations had previously come together in opposition to the proposed Fire/Rescue sales tax.

Why Now?

County taxes and spending have been a concern for a number of groups and individuals over the years. Many have taken action and tried to slow the growth of spending, pointing out that it was dishonest and irresponsible to take advantage of inflated real estate valuations and homestead caps to run up double-digit increases year after year. On balance, these efforts went nowhere. Those who benefit from county spending, whether they are richly funded special interests with something to gain, or loosely organized “user communities” of taxpayer funded programs, have pretty much controlled the agenda. No one who attempted to speak for the taxpayer has gained much traction.

In the most recent past though, conditions have begun to change. In four years, four county commissioners have been arrested and punished. An ethics commission and an office of Inspector General has been established. The community has begun to take notice of what happens in county government, just as they have awakened to the serious challenges we face from the unchecked growth of the federal government.

It must be emphasized that TAB is concerned with SPENDING, not taxes, fees, transfers, grants, or other sources on the revenue side. It is excessive SPENDING that is the problem – SPENDING within our means – solve that and the revenue side will take care of itself.

We feel that county spending has become excessive and irresponsible. Specifically:

- The Average Fire/Rescue Employee, now receiving \$140,000 per year, is planned to get another 4% - to \$146,000 in FY2011. THIS IS EXCESSIVE, and compares to the average private sector compensation in the county of \$45,000.
- The budget for PBSO has grown 70% since 2003, compared to 20% inflation and 6% population growth. There is no transparency in the Sheriff's budget, and we feel the organization has expanded way beyond its core mission of law enforcement and corrections.
- The County-wide proposed budget cuts (blue and green pages), with the exception of the items flagged by TAB, represent a list of line items that do not appear to be essential services, and we wonder who would miss them if they are cut (other than the small group of direct beneficiaries).
- The number of capital projects on the drawing board in these difficult times would appear to be irresponsible if they are not urgently needed. We have identified \$100M in projects that should be deferred or canceled.
- There are few useful metrics in use to compare the performance of county departments to similar work in the private sector, and we believe productivity to be significantly lagging.
- Transparency and oversight is lacking in the Sheriff's office, both on their spending itself as well as the success or failure of major projects, and it appears that this cannot be remedied short of a charter change.
- There is no sunset review process in place for programs that have become obsolete.
- Categorization is needed to separate core services from discretionary programs started when economic conditions were more favorable, and a means is needed to end these programs.

The economic environment for Palm Beach County remains tenuous. County unemployment is 12.2%. The Property Appraiser projects another 6% decline in valuations for 2012 and less (but still a decline) in 2013. Federal ARRA funds, relied on in the 2010 budget, will stop. The County must cut spending now or impose very large tax increases going forward. In fact to maintain 2011 spending levels without the ARRA money would require a 31% higher property taxes! If the projects are not essential – WHY SPEND THE MONEY?

What we Want: The TAB Proposal

The TAB proposal for fiscal year 2011 comprises \$171 million in savings which are outlined below and which are detailed in the attached documents.

- **Implement ALL blue/green cuts with TAB modifications (Savings: \$53.1M)**
- **Defer Fire / Rescue raises for FY2011 (Savings: \$14M)**
- **Maintain PBSO proposed cuts plus additional challenge requested (Savings: \$3M)**
- **Implement specific HR program actions (Savings: \$1M)**
- **Cancel or defer specific ad-valorem capital projects (\$9.1M)**
- **Cancel or defer specific non ad-valorem capital (\$90.9M)**

Immediately after adoption of the Fiscal Year 2011 budget, the Commissioners should proceed with the County Charter Review (including at least one TAB member as part of that review). The Commissioners should also commence with a categorization of all Core Services and implement a Sunset Review Process.