



**CITY OF PALM BEACH GARDENS
MEMORANDUM**

DATE: August 25, 2011
TO: Allan Owens, Finance Administrator
FROM: Mary O. Anderson-Pickle, Deputy Finance Administrator *MOP*
SUBJECT: Council Approved Communication Service Tax Rate of 3.5% and its Impact on the 2012 Proposed Budget

On July 19, 2011, Council approved, on first reading, Ordinance 13, 2011, increasing the Local Communications Service Tax from 1.5% to 3.5%. This rate was approved by Council on second reading of the Ordinance, which took place on August 11, 2011. The initial Proposed Operating and Capital Improvements Budget submitted by staff was based on increasing this tax to 5.22%. By approving a rate of 3.5%, the following adjustments have been made to the Fiscal Year 2011/2012 Proposed Operating and Capital Improvements Budget:

- General Fund revenues have been reduced by \$861,575, from \$64,926,752 to \$64,065,177.
- General Fund reserves have been reduced by the same amount, from \$20,731,321 to \$19,869,746.

With the above adjustments to the General Fund, total sources for all funds is \$107,718,653, consisting of total estimated balances carried forward of \$28,429,070 and projected total revenues of \$79,289,583. Total sources of funds are balanced with projected total expenditures of \$82,396,827 and ending reserves of \$25,321,826, for a total use of funds of \$107,718,653.