

CITY OF DELRAY BEACH

FISCAL YEAR 2025-26 Budget Workshop

July 8, 2025

PRESENTED by:

Terrence R. Moore, ICMA-CM, City Manager

Henry M. Dachowitz, CPA, MBA, Chief Financial Officer



General Fund – City Manager Recommended 06/10/2025 Workshop

Initial Projected Shortfall	\$	(23,936,834.00)
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(1) Additional Projected Ad Valorem Revenues due to increase in Total Assessed Values based on current millage rate	\$	8,507,825
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(2) Vacancies as of 05/27/2025 - \$4,741,888 @ 50%	\$	2,370,944
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(3) Attrition: Fire, Police, Park 3%, All other Depts 1%	\$	1,914,396
Salaries \$ 1,778,352		
FICA \$ 136,044		

(4) Non personnel expenses reduction by 5%	\$	3,963,693
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(5) Travel & Training	\$	245,500
Reduction: 10% Police & Fire, 40% other depts		

(6) Contributions from Reserves	\$	6,934,476
	\$	23,936,834

Revised Shortfall

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Millage Rates Scenarios FY 2025-26

	Operating Millage			
	5.9063	6.0563	6.0611	6.2611
- 2026 Proposed Revenues as of 07/03/2025	180,351,927	180,351,927	180,351,927	180,351,927
- 2026 Proposed Expenditures as of 07/03/2025	202,436,340	203,297,456	203,317,172	204,138,661
Initial Projected Shortfall	(22,084,413)	(22,945,529)	(22,965,245)	(23,786,734)
Additional Expenditures				
- Fire 3/3		1,300,000	1,300,000	1,300,000
- A-Guide		927,000	927,000	927,000
- 2026 Revised Proposed Expenditures as of 07/03/2025	202,436,340	205,524,456	205,544,172	206,365,661
Revised Projected Shortfall	(22,084,413)	(25,172,529)	(25,192,245)	(26,013,734)
Adjustments				
(1) Additional Projected Ad Valorem Revenues due to increase in Total Taxable Values	8,766,913	11,610,447	11,701,440	15,492,819
(2) Vacancies as of 05/27/2025 - \$4,741,888				
@ 50%	2,370,944	2,370,944	2,370,944	
@ 20%				1,185,472
'(3) Attrition:				
Fire, Police, Parks 5%, All other Depts 1.5%		3,045,803	3,045,803	
Fire, Police, Parks 3%, All other Depts 1%	1,843,507			1,843,507
(4) Non personnel expenses reduction estimate - (Dept \$778,286 reductions included)	-	-	-	-
(5) Travel & Training (10% Police & Fire, 40% other depts)	245,500	245,500	245,500	245,500
(6) Contributions from Reserves	8,857,548	7,899,836	7,828,558	7,246,436
	22,084,413	25,172,529	25,192,245	26,013,734
Revised Shortfall	-	-	-	-

Fund Balance Ratios for Millage Rates Scenarios

FY 2025-26

	<u>Fund Balance Calculation</u>			
	5.9063	6.0563	6.0611	6.2611
Fiscal Year 2024 Audited	50,784,442	50,784,442	50,784,442	50,784,442
Projected Draw on Reserves FY 2025	2,000,000	2,000,000	2,000,000	2,000,000
Projected Fund Balance @ 09/30/2025	48,784,442	48,784,442	48,784,442	48,784,442
Projected Drawdown FY 2026	8,857,548	7,899,836	7,828,558	7,246,436
Projected Fund Balance @ 09/30/2026	39,926,894	40,884,606	40,955,884	41,538,006
Projected Expenditures for Fund Balance Calculation	192,906,188	194,792,010	194,811,726	198,020,981
Fund Balance Ratio	20.7%	21.0%	21.0%	21.0%

Calculation of Taxable Value for Average Residential Taxpayer

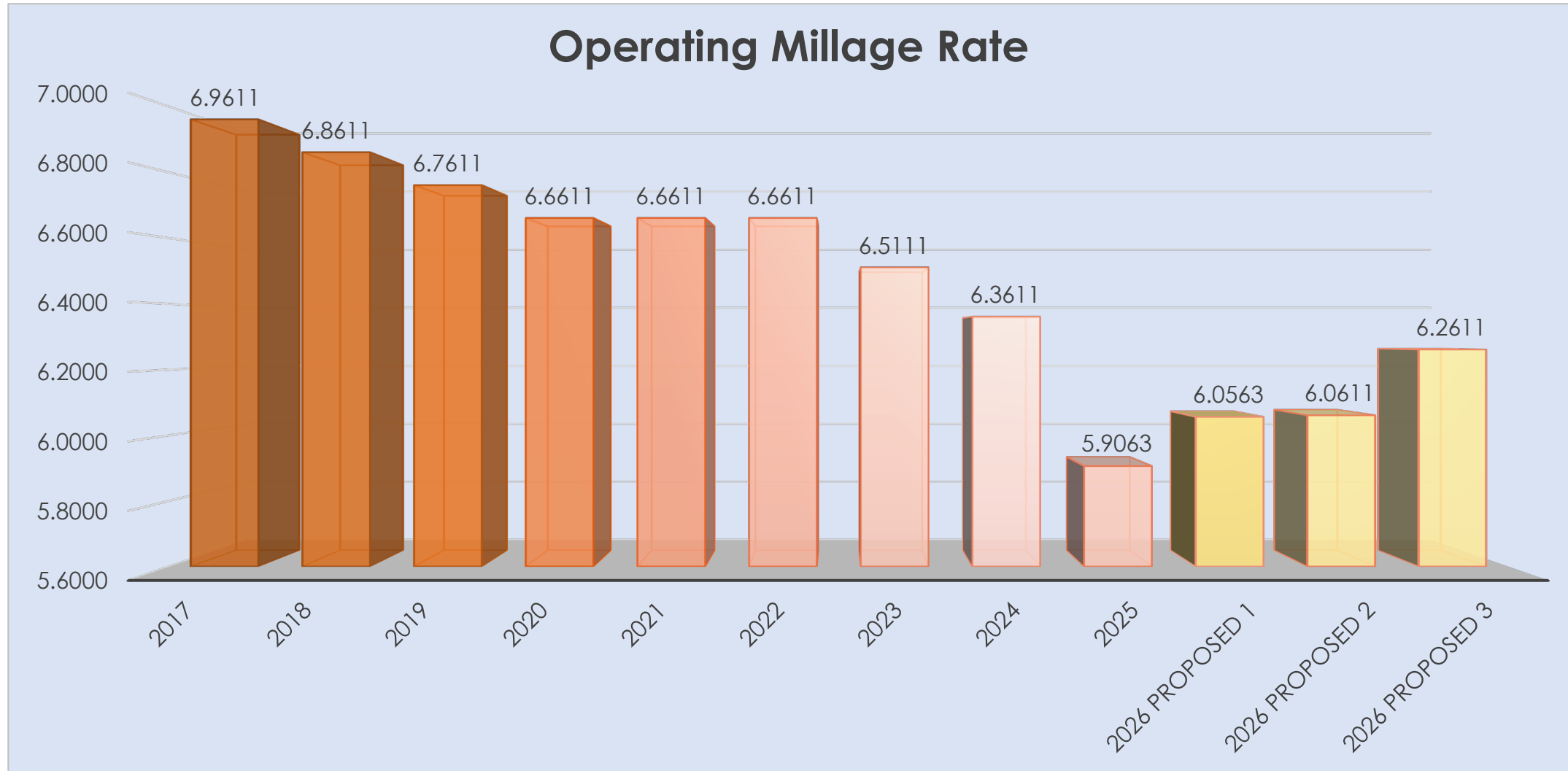
2025 numbers for use in FY2026 Optg Budget

	Just Value = Market Value	Assessed Value	Taxable Value	Number of Parcels	%age of Tot Parcels	Avg Taxable Value per Parcel	\$ increase from FY2024	% increase from FY2024
Single Family Residential	\$14,995,385,461	\$9,974,867,398	\$9,399,927,079	15,435	46.6%	\$609,001	\$52,784	9.5%
Condominiums	\$4,744,761,416	\$3,827,131,936	\$3,549,418,778	13,477	40.7%	\$263,369	\$17,795	7.2%
ALL OTHER PROPERTIES	\$8,214,942,653	\$7,366,684,438	\$6,243,195,993	4,195	12.7%	\$1,488,247	\$2,839,276	210.2%
TOTALS	\$27,955,089,530	\$21,168,683,772	\$19,192,541,850	33,107	100.0%			
Calculation of Avg Residential Unit								
Single Family Residential					46.6%	\$609,001	\$52,784	9.5%
Condominiums					40.7%	\$263,369	\$17,795	7.2%
					Weighted Average	\$447,888	\$36,895	9.0%

Impact of Millage Rate Increases on Average Residential Taxpayer

	FY2025 Current	FY2026 Proposal #1	FY2026 Proposal #2	FY2026 Proposal #3
Millage Rate	5.9063	6.0563	6.0611	6.2611
Change in Millage Rate from FY2025	0.0000	0.1500	0.1548	0.3548
Taxable Value of Average Residence	\$447,888	\$447,888	\$447,888	\$447,888
<u>Increase in CITY Portion of Optg Tax Bill</u>				
Annual	\$0.00	\$67.18	\$69.33	\$158.91
Monthly	\$0.00	\$5.60	\$5.78	\$13.24

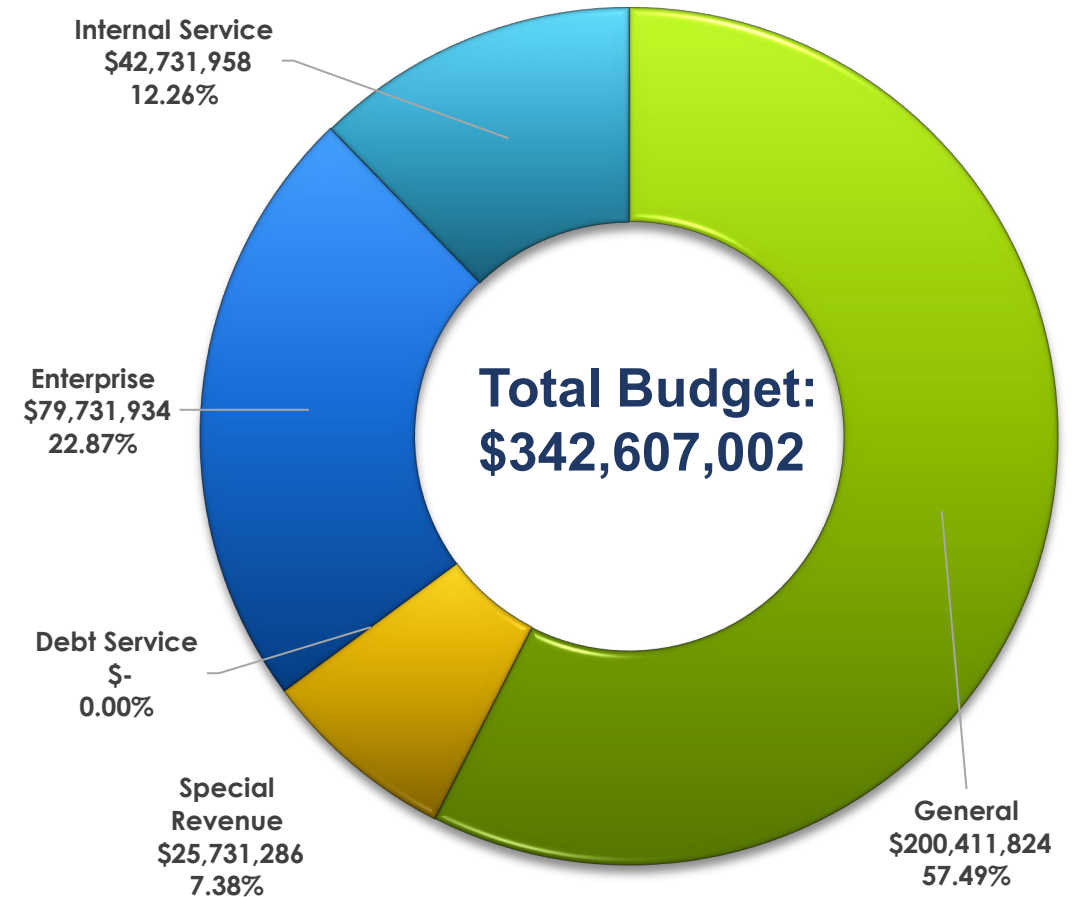
Millage Rate History – Last Ten Years



Ad Valorem Tax Revenue Projections				
Year	Taxable Value	% Change in Taxable Value	Property Tax Revenue Collected	
2017	8,799,184,526	10.33%	59,282,428	
2018	9,610,320,394	9.22%	63,702,987	
2019	10,415,841,453	8.38%	68,084,866	
2020	11,089,878,317	6.47%	71,371,233	
2021	11,888,367,678	7.20%	76,496,032	
2022	12,501,909,398	5.16%	80,357,912	
2023	14,404,201,390	15.22%	90,551,572	
2024	16,332,926,092	13.39%	100,354,137	
2025 (Est.)	18,064,780,439	10.60%	106,696,013	
2026 (Est.)	19,644,281,405	8.74%	121,214,172	

Projected Citywide Operating Expenses Budget FY 2025-26 by Fund Type

Fund Type	2026 Budget Dept	Weight
General	200,411,824.00	57.49%
Enterprise	79,731,934.00	22.87%
Internal Service	42,731,958.00	12.26%
Special Revenue	25,731,286.00	7.38%
Total	348,607,002.00	100%



ENTERPRISE FUNDS

FINANCIAL CONDITION HEADING INTO FY26



Enterprise Funds:

- Water & Sewer Utility
- Stormwater Utility
- Sanitation Fund
- City Marina
- Municipal/Lakeview Golf Course
- Cemetery Fund

- Enterprise funds operate like regular business “enterprises”
- The financial goal for enterprise funds is to charge a user fee that will be sufficient to cover the cost of providing services

ENTERPRISE FUNDS

At-a-Glance

Water & Sewer Fund

- Rate adjustment of 4.5% to be effective on October 1, 2025
- Projected monthly bill of \$72.20 for average customer with 6,000 gals of usage

Stormwater Fund

- New stormwater rate structure implemented in October 2023
- Planned borrowing to fund capital projects/grant matches

Sanitation Fund

- Rate adjustment of 2.14% effective October 1, 2025
- Curbside collection for residential single-family of \$19.54/month

Municipal/Lakeview Golf Courses

- Overdue renovations/repairs

City Marina/Cemetery

- Construction of mausoleum

INTERNAL SERVICE FUNDS

At-a-Glance

Garage Fund

- Continuation of fleet replacement program via lease-purchase
- Increase in vehicle rental charges to user departments
- Debt Service for Capital Lease Program

Insurance Fund

- Total fund expenses allocated to City user departments
- Increase of 4.5% in total fund expenses (from \$26.8M to \$28.0M)

OTHER FUNDS

At-a-Glance

Special Revenue Funds

- Law Enforcement Trust Fund
- Special Projects Funds
- Recreation Impact Fee Fund
- Neighborhood Services Fund
- Beautification Trust Fund
- Local Option Gas Tax Fund (1 – 5 Cents)
- Local Option Gas Tax Fund (1 - 6 Cents)
- Building Permit Fund
- Caron Foundation Fund
- Opioid Settlement Fund

Debt Service Funds

- General Obligation Bond Fund
- Utility Tax Debt Service Fund

FY2026 Budget Process – Next Steps

