

# CITY OF DELRAY BEACH

## FISCAL YEAR 2024-25 Budget Workshop

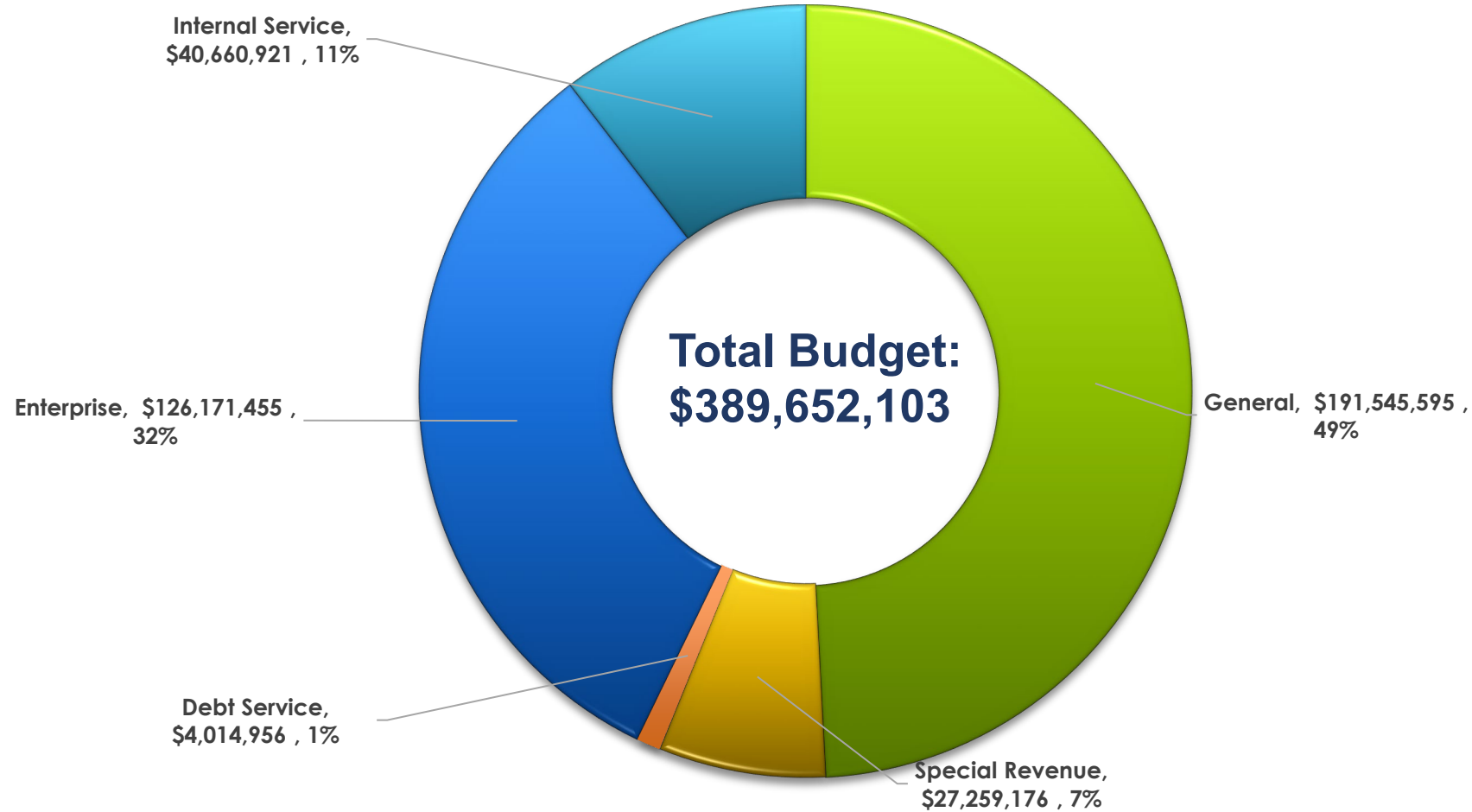
July 9, 2024

**PRESENTED by:**

Terrence R. Moore, ICMA-CM, City Manager  
Hugh Dunkley, CPA, CPFO, CGFO  
Chief Financial Officer



# Citywide Operating Budget by Fund Type



# Proposed Millage Rates

Millage Rate Recommendation			
	FY2023 Adopted	FY2024 Adopted	FY2025 Recommendation
Operating Millage Rate	6.5111	6.3611	6.2611
Debt Millage Rate	0.1554	0.1371	0.0337
Total Millage Rate	<b>6.6665</b>	<b>6.4982</b>	<b>6.2948</b>

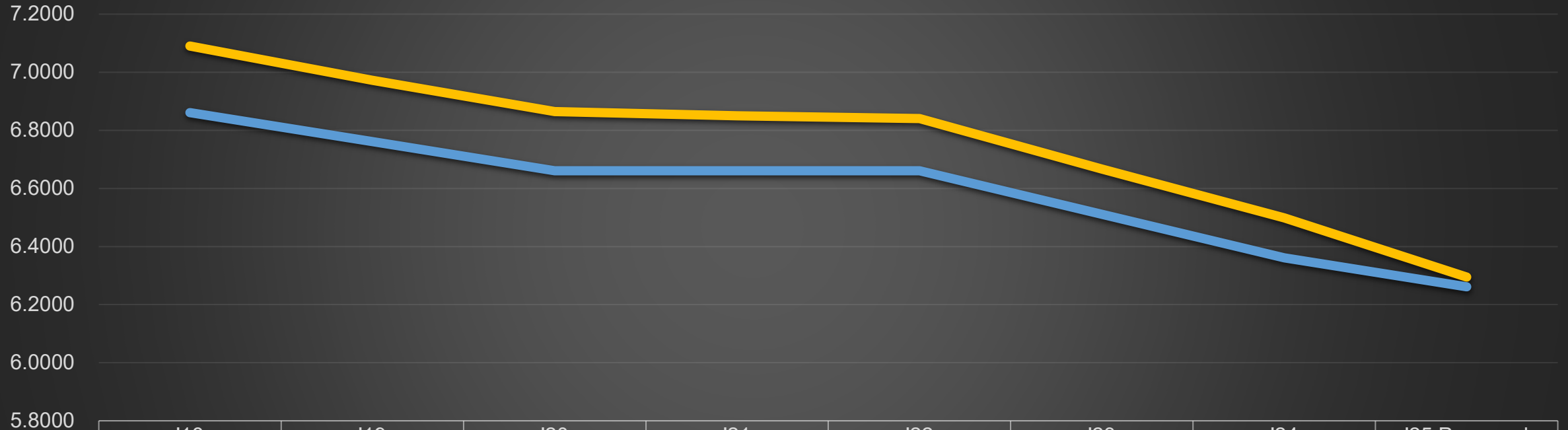
# Millage Rate Impact on Average Homeowner

	FY2023-24	FY2024-25	Difference
Total Millage	6.4982	6.2948	(0.2034)
Taxable Assessed Value*	\$300,000	\$309,000	\$9,000
<b>City Portion of Tax Bill</b>	<b>\$1,949</b>	<b>\$1,945</b>	<b>(\$4)</b>

\* Assessed value capped by the Save our Homes Amendment. 'Save our Homes' is an amendment to the Florida constitution that took effect in 1995. It limits the annual increase in the assessed value of homesteaded properties to 3% or the change in the National Consumer Price Index (CPI), whichever is less.

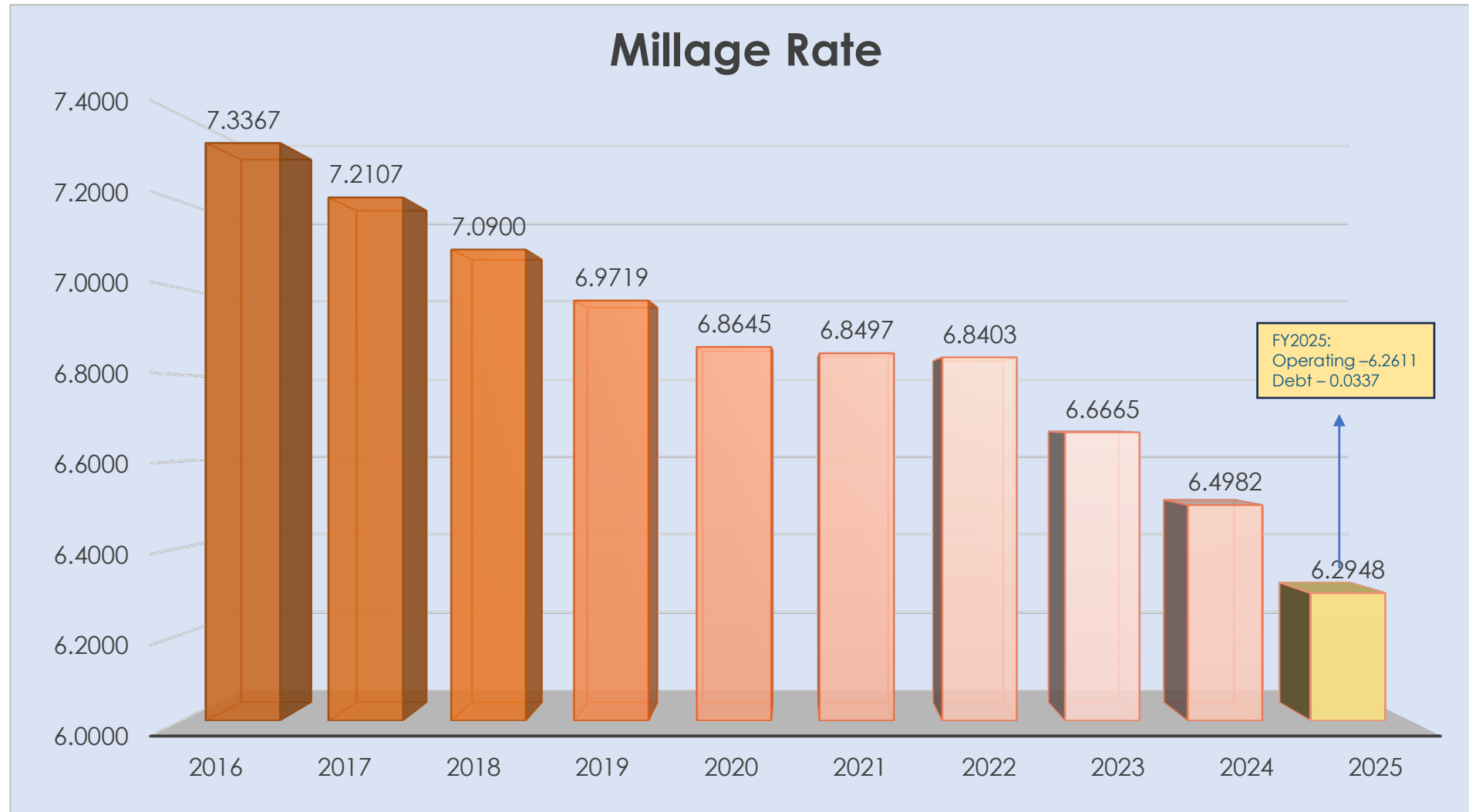
# CITY OF DELRAY BEACH, FLORIDA

## Millage Rate History



	'18	'19	'20	'21	'22	'23	'24	'25 Proposed
Operating	6.8611	6.7611	6.6611	6.6611	6.6611	6.5111	6.3611	6.2611
Total	7.0900	6.9719	6.8645	6.8497	6.8403	6.6665	6.4982	6.2948

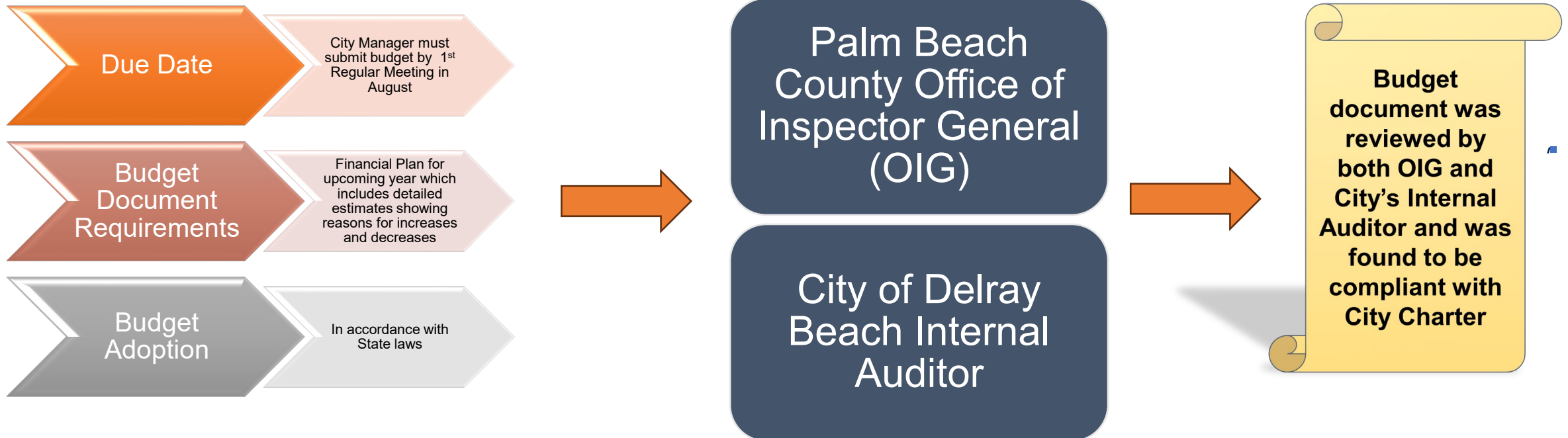
# Millage Rate History – Last Ten Years





Ad Valorem Tax Revenue Projections				
Year	Taxable Value	% Change in Taxable Value	Property Tax Revenue Collected	
2016	\$7,981,341,482	10.25%	\$56,876,767	
2017	8,799,184,526	10.25%	59,282,428	
2018	9,610,320,394	9.17%	63,702,987	
2019	10,415,841,453	8.43%	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 (Est.)	16,332,926,092	13.39%	100,521,557	
2025 (Est.)	18,106,281,405	10.86%	109,397,455	

# City Charter Requirements





# General Fund Revenues

	FY 2023-24 Revised Budget	FY 2024-25 Proposed Budget	\$ Change	% Change
Taxes	\$113,488,245	\$123,240,955	\$9,752,710	9%
Fees and Permits	9,071,811	9,991,453	919,642	10%
Intergovernmental	13,624,442	11,802,580	(1,821,862)	-13%
Charges for Services	17,969,781	12,960,397	(5,009,384)	-28%
Fines and Forfeitures	1,594,680	1,122,298	(472,382)	-30%
Miscellaneous	15,434,633	17,138,912	1,704,279	11%
Transfers In	6,707,300	6,960,412	253,112	4%
Other Sources	11,784,330	8,328,588	(3,455,742)	-29%
<b>TOTAL</b>	<b>\$189,675,222</b>	<b>\$191,545,595</b>	<b>\$1,870,373</b>	<b>1%</b>

# GENERAL FUND

## BUDGETARY HIGHLIGHTS – REVENUES

- Estimated taxable value of properties: Increased from \$16.3B to \$18.1B
- Increase in property tax revenue of \$8.9M - from \$100.5M to \$109.4M
- Property tax rate expected to decrease for 12<sup>th</sup> straight year - by 0.2 mills
- Decrease in revenue from Highland Beach Contract - \$3.2M
- Decrease in parking revenue of \$2.1M
- Decrease in ARPA revenue of \$2.0M
- Decrease in fines and forfeitures of \$0.5M due to decrease in parking tickets and late fees
- Decrease in projected usage of fund balance reserves from \$10.3M to \$8.3M - \$2.0 million

# General Fund Expenditures

## By Category

	FY 2023-24 Revised Budget	FY 2024-25 Proposed Budget	\$ Change	% Change
Personnel Services	\$106,733,700	\$114,816,200	\$8,082,500	8%
Operating Expenditures	42,333,133	41,249,385	(1,083,748)	-3%
Capital Outlay	2,120,036	1,215,982	(904,054)	-43%
Grants and Aids	23,989,909	25,890,122	1,900,213	8%
Debt Service	387,566	-	(387,566)	-100%
Other Uses	14,110,878	8,373,906	(5,736,972)	-41%
<b>TOTAL</b>	<b>\$189,675,222</b>	<b>\$191,545,595</b>	<b>\$1,870,373</b>	<b>1%</b>

# General Fund Expenditures By Department

City Commission	\$	541,547	\$	551,047	\$	9,500	1.8%
City Manager		2,355,410		2,083,391		(272,019)	-11.5%
Finance		3,101,715		3,431,955		330,240	10.6%
City Attorney		1,608,538		1,696,992		88,454	5.5%
City Clerk		689,837		680,530		(9,307)	-1.3%
Information Technology		6,271,677		6,181,972		(89,705)	-1.4%
Human Resources		1,183,510		1,209,508		25,998	2.2%
Communications		731,435		796,880		65,445	8.9%
Police		48,944,680		50,006,603		1,061,923	2.2%
Fire Rescue		44,615,061		48,952,447		4,337,386	9.7%
Neighborhood & Community Services		4,032,456		3,798,563		(233,893)	-5.8%
Development Services		2,778,576		2,923,292		144,716	5.2%
Public Works		12,789,493		12,522,061		(267,432)	-2.1%
Parks		21,259,247		22,179,326		920,079	4.3%
<i>Sub-total Departmental Expenditures</i>	\$	150,903,182	\$	157,014,567	\$	6,111,385	4.0%
Non-Departmental		38,772,040		34,531,028		(4,241,012)	-10.9%
<b>Total</b>	<b>\$</b>	<b>189,675,222</b>	<b>\$</b>	<b>191,545,595</b>	<b>\$</b>	<b>1,870,373</b>	<b>1.0%</b>

# GENERAL FUND

## BUDGETARY HIGHLIGHTS - EXPENDITURES

- Personnel services (salaries and benefits) increased from \$106.7 million to \$114.8 million, 7.5% increase
- SEIU and PBA Collective bargaining ongoing
- Increase in Fire pension contributions of \$1.2M
- Increase in Police pension contributions of \$0.3M
- Increase in pension contributions for General Employees of \$0.5M
- Agreement with DDA for Old School Square
- Decrease in transfers to General Capital Projects Fund - \$7.3M
- Increase of in transfers to Beach Renourishment Fund - \$1.9M
- Increase of \$2.1M in payment of tax incremental revenues to the CRA

# EXPENDITURE COMPARISON OVER 10-YEARS

## General Fund – Originally Adopted Budgets

Row Labels ▼	2014	2024	Change
⊕ Capital Outlay	\$ 350,700	\$ 1,826,288	\$ 1,475,588
⊕ Debt Service	\$ 3,996,990	\$ 387,566	\$ (3,609,424)
⊕ Grants and Aids	\$ 8,868,810	\$ 23,964,909	\$ 15,096,099
⊕ Operating Expenditures/Expenses	\$ 19,327,600	\$ 40,981,516	\$ 21,653,916
⊕ Other Uses	\$ 3,266,870	\$ 10,991,886	\$ 7,725,016
⊕ Personnel Services	\$ 61,788,380	\$ 106,759,442	\$ 44,971,062
Grand Total	<u>\$ 97,599,350</u>	<u>\$ 184,911,607</u>	<u>\$ 87,312,257</u>
Ad Valorem Tax Revenues	<u>\$ 47,610,690</u>	<u>\$ 100,521,557</u>	<u>\$ 52,910,867</u>



# PROJECTED UNASSIGNED FUND BALANCE

## General Fund

### GFOA Recommended Fund Balance Target: 5 - 15% of General Fund Expenditures

5% of General Fund Expenditures:	\$ 9,577,280
10% of General Fund Expenditures:	\$ 19,154,560
15% of General Fund Expenditures:	\$ 28,731,839
20% of General Fund Expenditures:	\$ 38,309,119

Recommended Fund Balance Target (20%)	<u>\$ 38,309,119</u>
---------------------------------------	----------------------

# ENTERPRISE FUNDS

## FINANCIAL CONDITION HEADING INTO FY25



### 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 6.9% to be effective on October 1, 2024
- Projected monthly bill of \$69.11 for average customer with 6,000 gals of usage

### Stormwater Fund

- New stormwater rate structure implemented in October 2023
- Funding of capital projects/grant matches

### Sanitation Fund

- Rate adjustment of 3.55% effective October 1, 2024
- Curbside collection for residential single-family of \$19.13/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

### Insurance Fund

- Total fund expenses allocated to City user departments
- Increase of 7% in total fund expenses (from \$26.1M to \$26.8M)

# OTHER FUNDS

## At-a-Glance

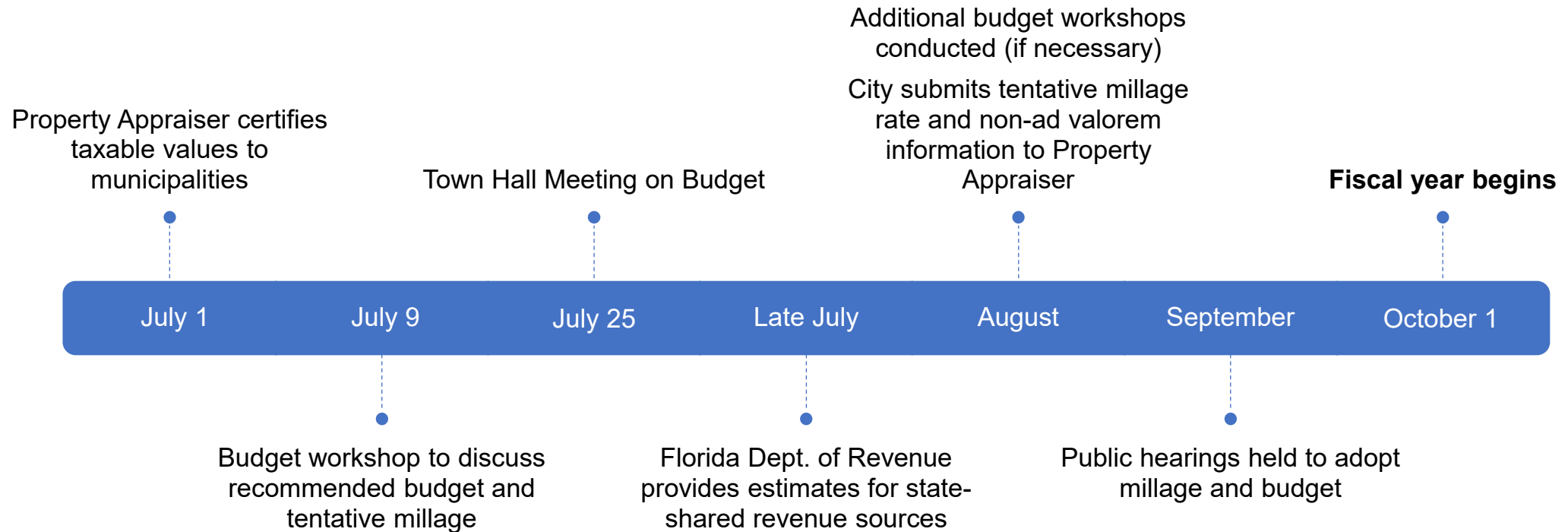
### Special Revenue Funds

- 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

### Debt Service Funds

- General Obligation Bond Fund
- Utility Tax Debt Service Fund

# FY2025 Budget Process – Next Steps





**Questions?**