



CITY OF DELRAY BEACH



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MEMORANDUM

To: Commissioners, City Manager, City Attorney, and Executive Leadership
From: Henry M. Dachowitz, CFO
Subject: FY2025-2026 Operating Budget Preparation – Initial Preliminary Budget Worksheets
Date: April 2, 2025

It gives me great pleasure to provide the Initial Preliminary Budget Worksheets to aid us in developing our FY2025-2026 City of Delray Beach Operating Budget. These worksheets will be available on April 3 under file #25-391 in Legistar as an attachment for the Commission's Budget Workshop for Tuesday April 8, 2025.

We are hoping to address three requests communicated to me: (1) greater granularity (detail) in the numbers provided; (2) more time to allow greater study and better preparation; and (3) earlier involvement in the process to make a greater impact. We trust this document is a first step in achieving these goals.

This 590-page document shows revenues and expenses, by fund, in line-item detail for each department and fund. We have included three prior years' ACTUAL revenues and expenses (FY 2022, 2023, and 2024) which are the first three columns. The next three columns give some context for the current FY2024-2025 budget – they show the Adopted Budget as of October 1, 2024, the Amended Budget as of March 31, 2025, and Year-to-Date (YTD) Actual revenues and expenditures also as of March 31.

The final 7th column lists the departments' first entries for their projections of revenues and expenses for next year, FY Oct. 1, 2025 – Sept. 30, 2026. Hopefully, the data published here helps us maintain our goals of comprehensiveness and transparency.

CAVEAT: Because we are circulating these numbers **very early** in our normal budget process, please be aware of the following:

- 1) These are the departments' FIRST listing of numbers. Normally these would be reviewed by the Budget Division to correct errors and to question numbers to ensure reasonableness. For the most part, these actions have **not** been completed yet.
- 2) The Headcounts and Position Reports which project salaries, headcounts and other Personnel Expenses are prepared by the Budget Division of the Finance Department. Usually in the past, the Departments review these projections and point out to the Budget Group errors and inconsistencies they discover – this has **not** happened yet either so far this year.

- 3) There are certain data for which we rely on others – it might be actuaries whose projections we use to determine pension contribution expense; County or State Agencies who inform us of Intergovernmental Grants; Financial Advisors who confirm our upcoming Debt Service expenditures; interaction with our “sister” city government agencies, CRA and DDA, to ensure accuracy and consistency; audited numbers for FY2025 which have not yet been finalized; and statistics from the County Assessor on what the Assessed Values will be for the upcoming year.

We have attempted to provide the best data we have for the Operating Budget at this moment – some are preliminary and sometimes even first drafts were unavailable. We will be updating this data throughout the Budget Planning Process. We have left all projections for the FY2025-2026 Capital Budget (CIP) blank at this time because the departments are still working on their initial preliminary submissions.

We trust this will be helpful as the departments meet, first, with the CFO and Budget Division; next with the Commission for their review; and last, with both the City Manager and CFO. Then the City Manager will issue his Recommended Budget to the Commission.

If you have any questions or suggestions, please do not hesitate to contact the undersigned.

Thank you all in advance for your cooperation.