

CITY OF DELRAY BEACH

FISCAL YEAR 2024-25 Budget Workshop

July 9, 2024

PRESENTED by:

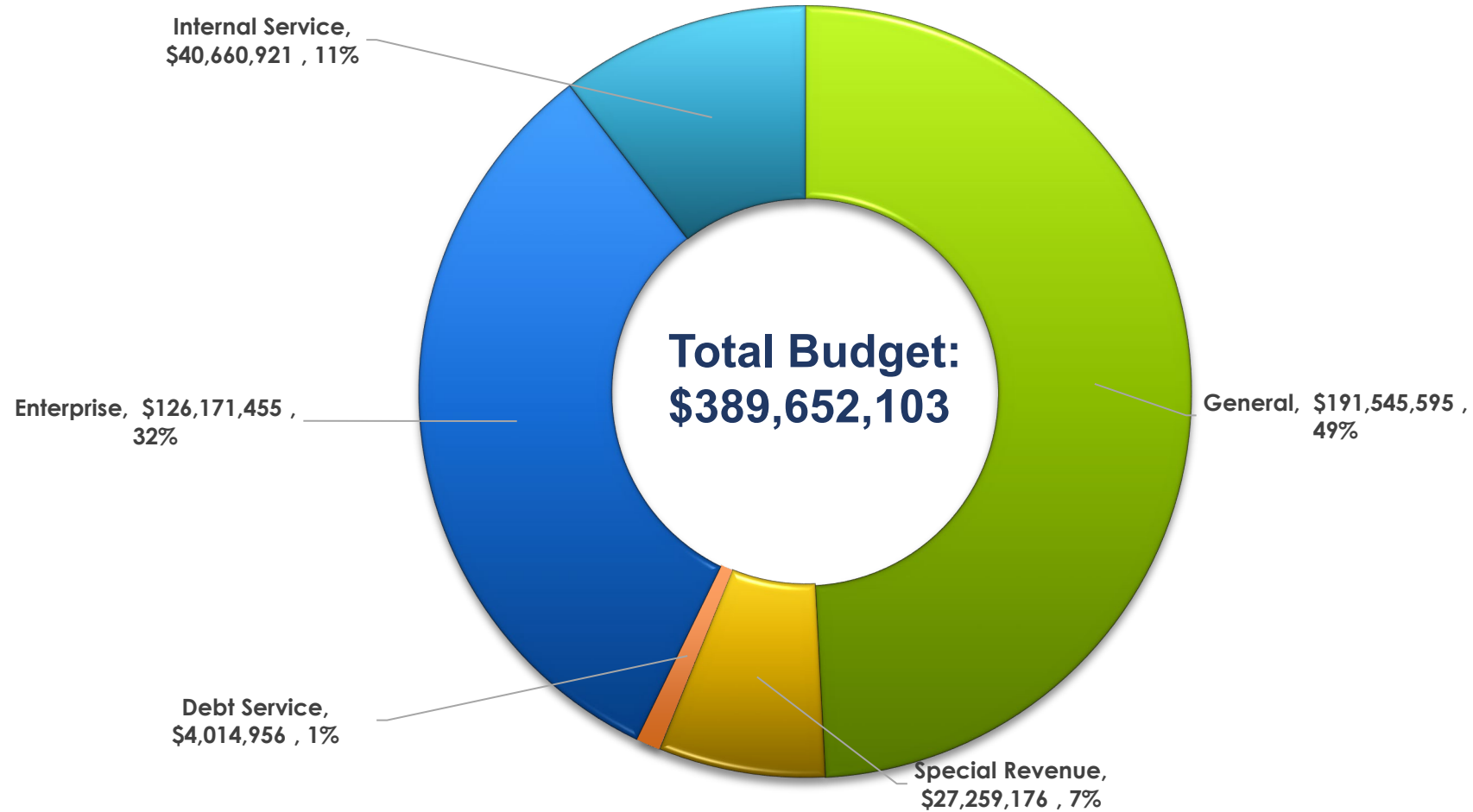
Terrence R. Moore, ICMA-CM, City Manager

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	6.6665	6.4982	6.2948

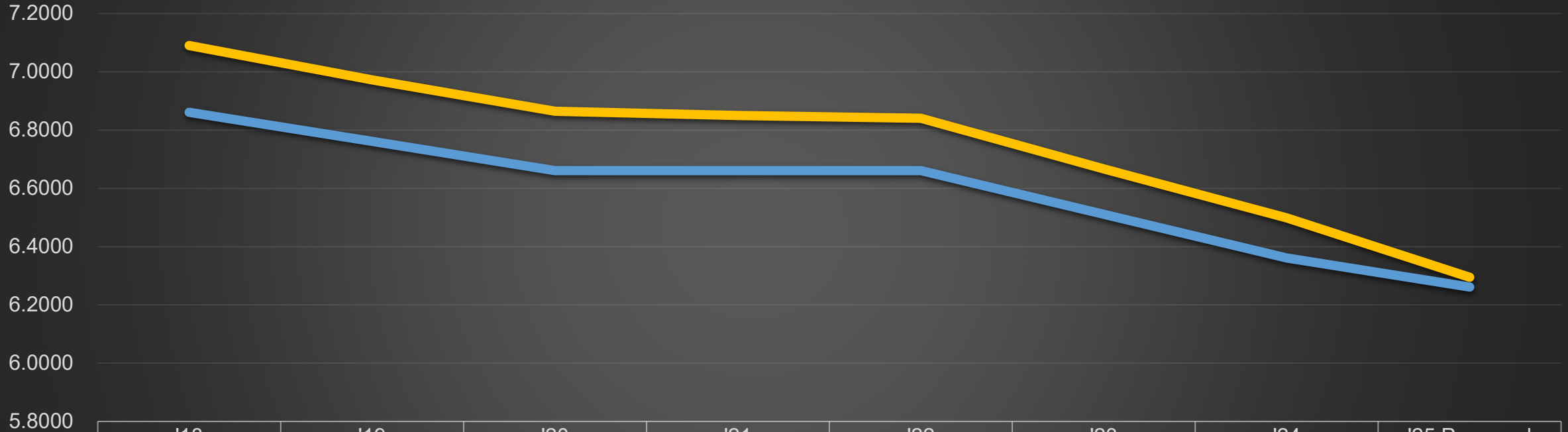
Millage Rate Impact on Average Homeowner

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

* 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.

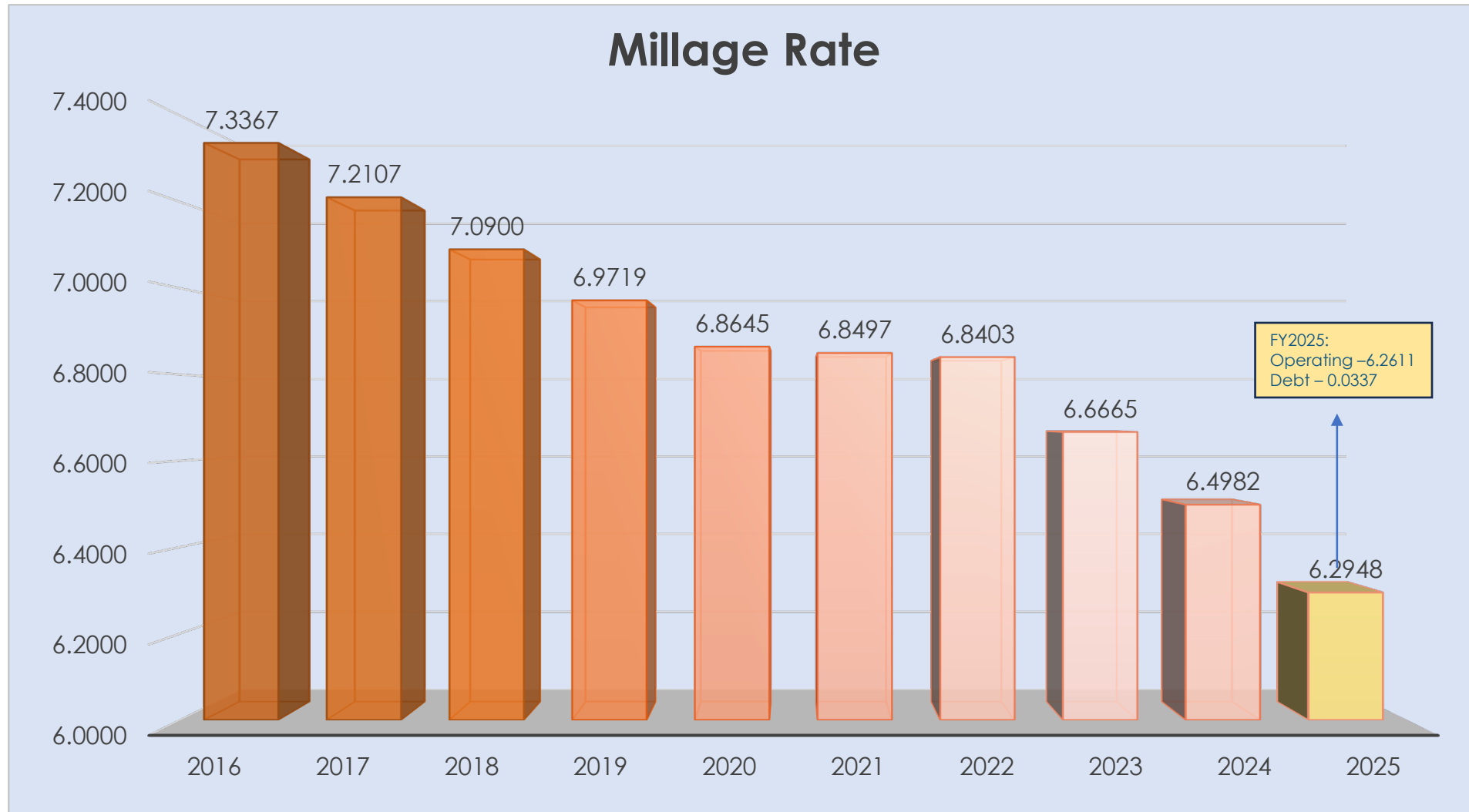
CITY OF DELRAY BEACH, FLORIDA

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

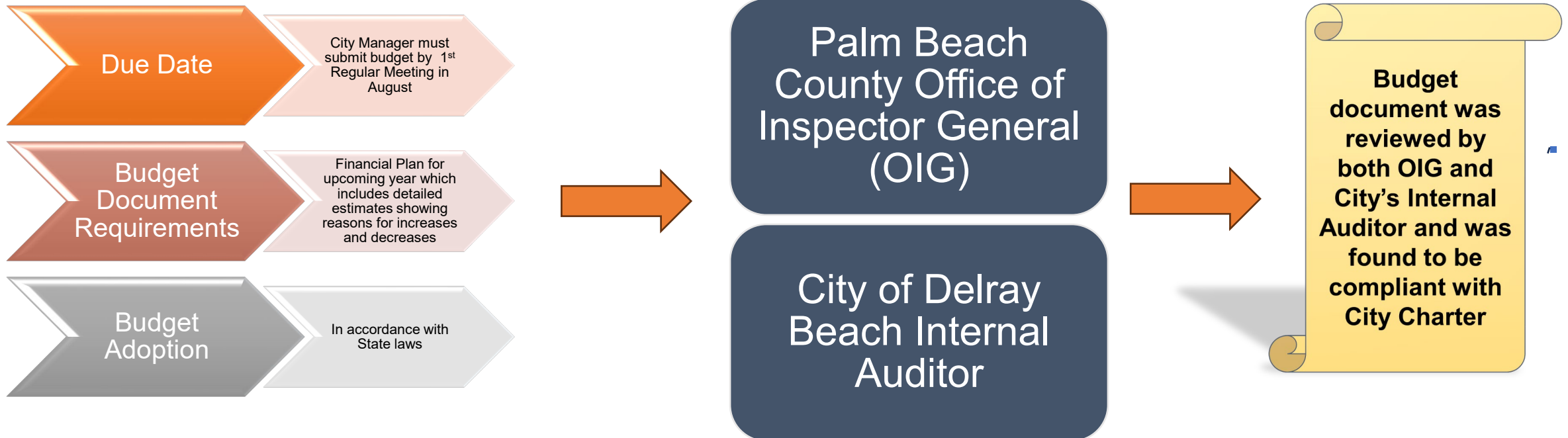
Millage Rate History – Last Ten Years



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%
TOTAL	\$189,675,222	\$191,545,595	\$1,870,373	1%

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 12th 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%
TOTAL	\$189,675,222	\$191,545,595	\$1,870,373	1%

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>	<i>\$ 150,903,182</i>	<i>\$ 157,014,567</i>	<i>\$ 6,111,385</i>	<i>4.0%</i>
Non-Departmental	38,772,040	34,531,028	(4,241,012)	-10.9%
Total	\$ 189,675,222	\$ 191,545,595	\$ 1,870,373	1.0%

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	\$ 97,599,350	\$ 184,911,607	\$ 87,312,257
Ad Valorem Tax Revenues	\$ 47,610,690	\$ 100,521,557	\$ 52,910,867

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>
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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

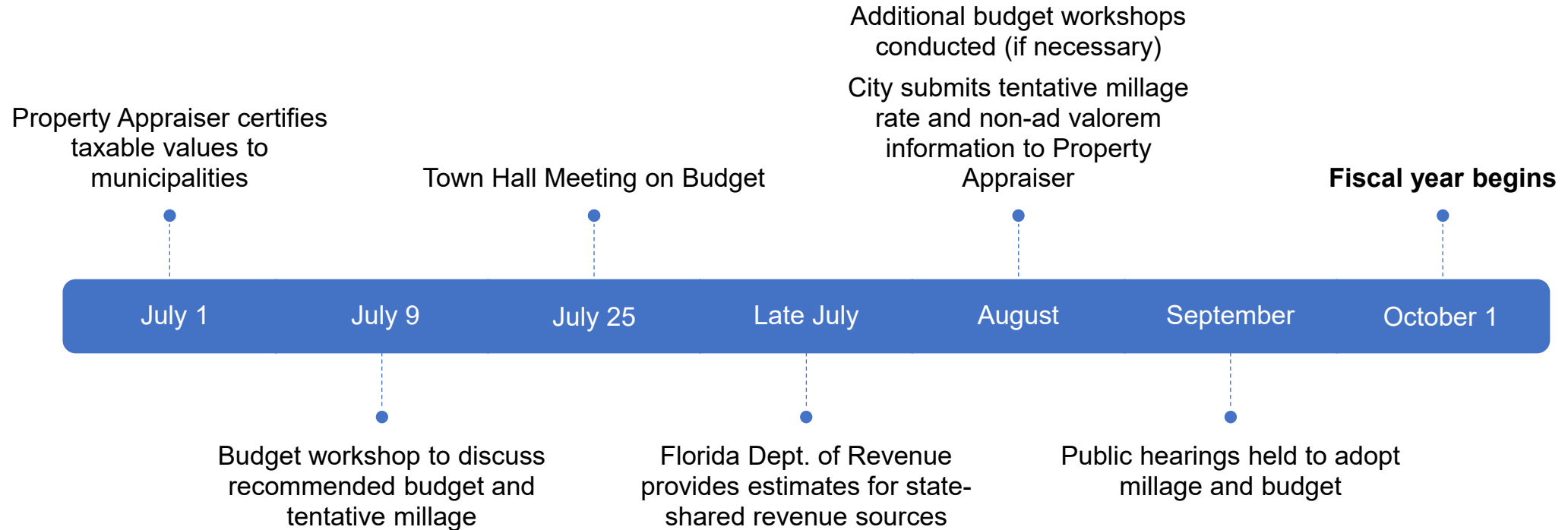
Special Revenue Funds

- 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?