



# City of Eustis

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TO: EUSTIS CITY COMMISSION  
FROM: TOM CARRINO, CITY MANAGER  
DATE: SEPTEMBER 18, 2025  
RE: RESOLUTION NUMBER 25-61: FINAL MILLAGE RATE FOR THE FISCAL YEAR 2025/26

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## Introduction

Resolution Number 25-61 establishes the FINAL millage rate for FY 2025/26 as **7.3898** mills.

## Recommended Action

Staff recommend approval of Resolution Number 25-61.

## Background

Florida State Statutes require each taxing authority to set a millage rate annually for property taxation following required public hearings. The City Commission set the tentative rate of 7.3898 mills at the September 4, 2025, Commission meeting. The required advertising appeared in the local newspaper on September 15, 2025.

Since last year, the gross taxable value increased by \$158,113,816, from \$1,678,967,009 to \$1,837,080,825. This year's total tax value revenue of \$13,575,660 represents an increase of 4.51%.

Based on that valuation, the Commission may consider any of the following options in setting a millage rate for the FY 2025/26 Fiscal Year:

1. Adopt the previously approved Tentative Millage Rate of 7.3898 mills. With the use of Fund Balance, this rate would generate revenues sufficient to cover annual increases in normal city operating costs and allow for continuing current service levels. This rate can be approved with a majority vote of the Commission (at least three commissioners) and would be advertised as a tax increase. This proposed millage rate is greater than the Rolled-Back Rate and represents an increase of 4.51%.
2. Adopt the Rolled-Back Rate of 7.0709 mills. This rate approximates prior year tax revenues, less allowances for new construction, additions, deletions, annexations, and improvements. This rate can be approved with a majority vote of the Commission (at least three commissioners) and would not be advertised as a tax increase.
3. Adopt a millage rate between 7.0709 and 7.3898 requires a majority vote (three votes).

4. Adopt a millage rate between 7.3899 and 7.5810 requires a two-thirds vote (four votes)

Staff recommends setting the FY 2025/26 millage rate at the previously approved Tentative Millage rate of 7.3898 mills to support the revenue assumptions of the proposed budget. State Law allows for a rate reduction during either or both public hearings in September. An increase to the proposed rate at the first hearing, per Florida Statutes 200.065, requires first-class mail notice to all taxpayers of the City since TRIM notices have already been mailed by the Lake County Property Appraiser. This would endanger the City's ability to adopt the final millage and budget in time to meet the State-mandated deadlines in September. This could result in the forfeiture of all Ad-Valorem revenue.

Adopting the previously approved Tentative Millage rate of 7.3898 mills, the City's share of a home assessed with a taxable value of \$200,000, with homestead exemptions of \$50,000, would equate to an annual tax of \$1,108, or about \$3.04 per day, per Eustis taxpayer. This amount provides Police, Fire, Library, Parks & Recreation, Finance, Administration, Development Services, Human Resources, and Public Works department services. Using the same scenario, the Rolled-Back Rate of 7.0709 mills would equate to an annual tax of \$1,060 or about \$2.93 per day per Eustis taxpayer. The difference of \$48 per household equates to a daily savings of \$0.13 and could possibly result in a reduction of services.

While the City of Eustis had the highest millage rate in the County at 7.5810, staff will not be able to perform a final comparison until all millage rates are finalized. That said, the City uses the Functional Millage Rate for comparison with other municipalities. The Functional Rate adds the transfers from the enterprise funds to the general fund, as well as the Fire Assessment Fees. As of this writing, the information for Leesburg, Mount Dora and Tavares is as follows:

**Functional Millage Rate**  
**Fiscal Year September 30, 2025/26**  
**Millage Rate Comparison Northern Area Cities with One Billion in Property Values**  
**Include Millage Rate for Transfer and Fire Assessment**

Taxing Authority	2025 Taxable	Taxable	Rank High	Rank	Rank	Millage Rate to	Fire	Millage	Total	Rank Low
	Value as Reported	Value Per	to Low			Accommodate	Assessment	Value of	Functional	
	October 1	1,000	Taxable	Rate	High	Transfer to	Transfer to Gen	Fees	Fire	Functional
			Value		Millage	General Fund	Fund	Assessment	Assessment	Millage
Leesburg	3,878,686,576	3,878,687	1	3.4752	1	10,559,237	2.7224	4,085,069	1.0532	7.2508
Eustis	1,837,080,825	1,837,081	4	7.3898	4	2,600,000	1.4153	-	-	8.8051
Mount Dora	2,168,798,290	2,168,798	2	6.3000	2	6,827,562	3.1481	6,133,652	2.8281	12.2762
Tavares	1,896,245,451	1,896,245	3	6.8317	3	3,563,288	1.8791	2,064,182	1.0886	9.7994

As presented, the City of Eustis is number two in the lowest to highest ranking of Functional Millage Rate and is nearly the best in the area for cities our size. The City does not have a Fire Assessment Fee which increases the Functional Millage Rate significantly for the other cities presented.

The Proposed FINAL Budget that will be presented immediately following the adoption of the FINAL Millage Rate was prepared with revenue estimates based on the adopted millage rate of 7.3898.

State Law requires two public hearings on the millage rate and budget. The first public hearing was held on September 4, 2025, and the second is scheduled for September 18, 2025. The new fiscal year begins on October 1, 2025.

**Budget and Staff Impact**

Staff has prepared the FY 2025/26 budget using the recently adopted Tentative Millage rate of 7.3898, resulting in an estimated increase in property taxes of \$905,737 compared to the FY 2024/25 proposed tax estimates. If the millage rate is set lower than the 7.3898 proposed, it will require a reduction in proposed General Fund expenditures or use of reserves from Fund Balance. The use of Fund Balance to fund revenue shortages is not considered Best Practices.

**Prepared By:**

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**Reviewed By:**

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