Preliminary FY 2027 Operating Budget (75%)

June 16, 2026

"Budgeting to Protect Our 3 Miles of Paradise"

FY 2027 Preliminary Budget Overview

- Maintain Total Millage Rate at 3.5875 for now
  - Recognized an 4.1% increase in Taxable Value (Property Appraiser)
- Focused Heavy on Capital in FY2026
- Stabilizing expenditures for potential legislative changes for the following year.
- Funding of salaries and benefits
  - Staff Compensation estimated at 5%-10%
  - Health Insurance estimated at 10% assumed
  - Pension Contributions at 2%-4% assumed
- General Insurance Increased at 7-10%
- Slight Increase In Building Fund Transfers to General Fund
- Water and Sewer Rates increase by 5%

FY 2025/2026 Accomplishments

- Fire Rescue Department – Operations Commenced
- Marine Accessory Structures Ordinance
- Home Based Occupation Ordinance
- Police Assigned Vehicle Program
- Lift Station No. 3 Reconstruction
- Water Treatment Plant Upgrades and Replacements
- Lift Station No. 1 Pumps
- Bel Lido Bridge Repair

FY 2025 / 2026 Strategic Projects/Initiatives

- PD Marine Docking Facility - Budgeted with future Budget Amendments
- PD Real Time Security Center/ New Entrance – Budgeted in FY2026
- Embedded Crosswalk Lighting – Budgeted in FY2026
- Sanitary Sewer Lining Projects – Budgeted in FY2026
- Lift Station No. 2 Rehabilitation – Budgeted in FY2026
- Comprehensive Plan Update
- Old Fire Station Reconstruction – Budgeted with future Budget Amendments
- CIP Projects:
  - New roof/Windows (BLDG/WTP)
  - Repaving Campus/Landscape Enhancements/ADA Upgrades
  - HVAC Chiller
  - WTP R&R (Acid Bulk/Day Tank, Mezzanine, Well No. 8 Study)

FY 2027 Preliminary Millage Rate

• Proposed Operating Millage Rate	3.427 Mills
• Proposed Debt Service Millage Rate (Fire)	0.1648 Mills
• Combined Proposed Millage	**3.5875 Mills**

Maintained millage rate since October 1, 2022 (FY2023)

INTERFUND TRANSFERS

	General Fund	Building Fund	Water Fund	Sewer Fund	All Funds
Transfer In	$ 1,450,000	$ 55,000	$ 300,000		$ 1,805,000
Transfer Out	$ (55,000)	$ (900,000)	$ (550,000)	$ (300,000)	$ (1,805,000)
Net Transfer In/(Out)	$ 1,395,000	$ (845,000)	$ (250,000)	$ (300,000)	$ -

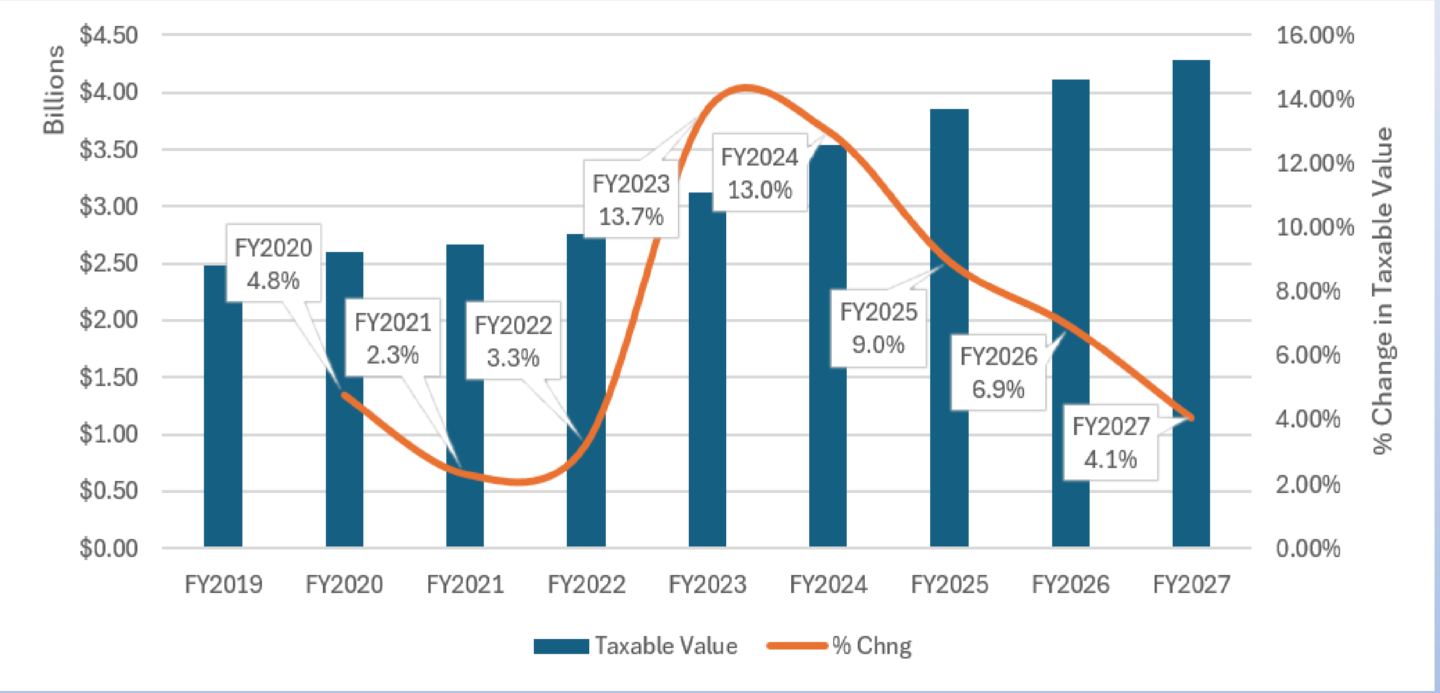
INTERFUND TRANSFERS

Town's Preliminary Tax Rate

- In FY2022 our Millage Rate was 3.6224 mills
- Since FY2023 our Millage Rate has consistently remained at 3.5875 mills
- For FY2027 we are tentatively recommending maintaining the Millage Rate at 3.5875 mills
- Potential Legislation may modify rate now and in the future

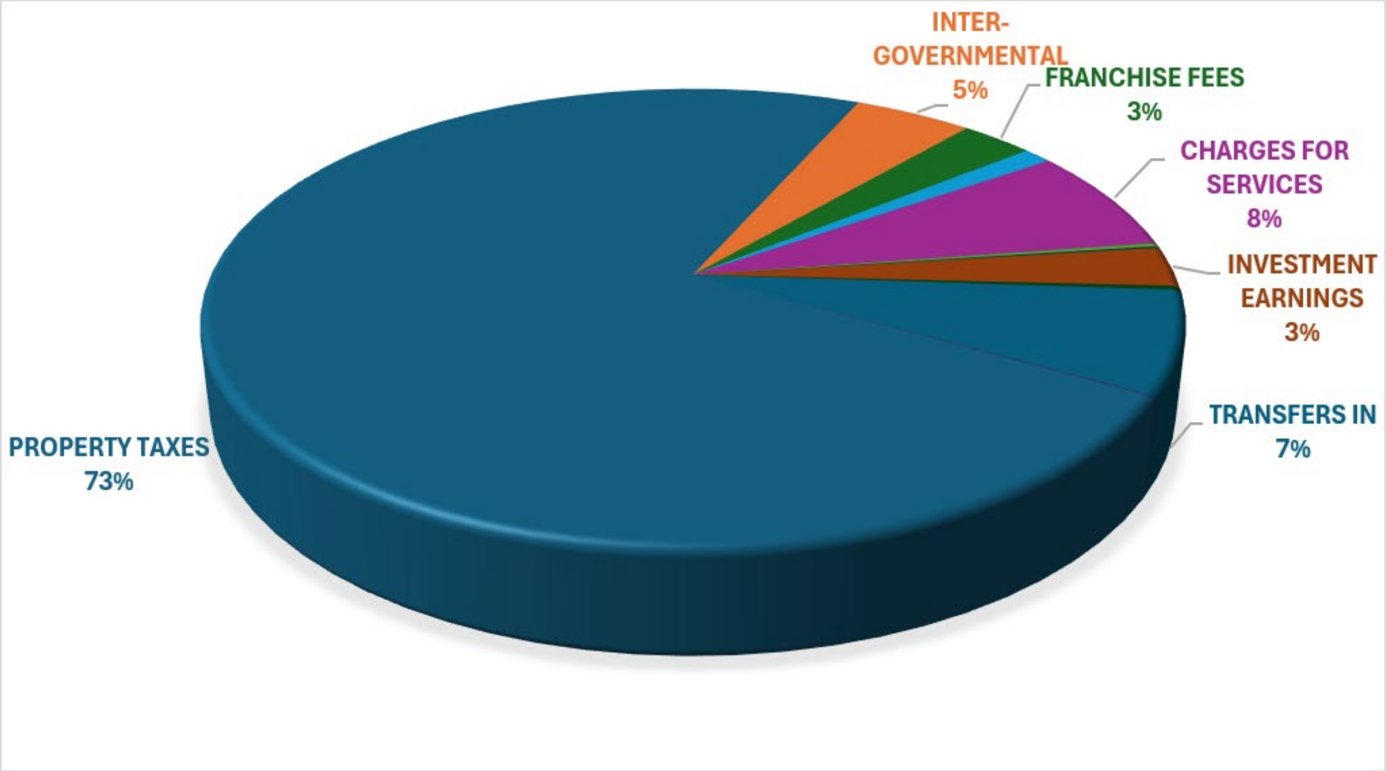
Town's Taxable Assessed Value

- Steep Incline to a gradual decrease
- $4.3B in Taxable Assessed Value
- 7.6% Average increase in Taxable Assessed Value from FY2020 to FY2026
- 4.1% increases for FY2027



Preliminary FY2027 General Fund Revenues

- FY2027 General Fund Budged Revenues are estimated to be approximately $20.1M
- $14.8M or 73% From Property Taxes



Preliminary FY2027 General Fund Revenues (Cont.)

	REVENUES								
		ACTUALS		ESTIMATES	FY2025	FY2026	FY2027		
	FY2023	FY2024	FY2025	FY2026	BUDGET	BUDGET	BUDGET	FY2027 vs FY2026 Budget	
PROPERTY TAXES	$ 10,844,053	$ 12,246,292	$ 13,356,075	$ 14,158,566	$ 13,243,591	$ 14,150,000	$ 14,753,012	$ 603,012	4.3%
INTER-GOVERNMENTAL	915,933	897,199	891,443	863,852	936,900	941,263	938,900	(2,363)	-0.3%
FRANCHISE FEES	589,333	562,460	558,497	579,778	525,000	577,990	581,000	3,010	0.5%
SALES AND USE TAX	262,309	233,829	214,989	234,236	265,000	226,517	227,000	483	0.2%
CHARGES FOR SERVICES	821,489	1,080,262	1,448,597	1,470,106	1,111,000	1,418,500	1,482,145	63,645	4.5%
GRANTS	21,012	1,522,699	531,369	73,683	483,324	46,292	46,292	-	0.0%
FINES AND FORFEITURES	50,841	12,651	44,626	6,494	14,800	30,361	25,700	(4,661)	-15.4%
INVESTMENT EARNINGS	345,064	757,380	460,040	458,054	505,000	510,000	560,000	50,000	9.8%
RENTS AND LEASES	77,207	67,180	59,244	64,306	56,000	58,000	58,000	-	0.0%
OTHER FINANCING SOURCES	11,047	5,263,926	32,000	500	20,000	-	-	-	0.0%
TRANSFERS IN	900,004	1,050,000	1,050,000	1,250,000	1,050,000	1,250,000	1,450,000	200,000	16.0%
MISCELLANEOUS REVENUES	29,026	23,487	11,909	83,766	10,000	10,000	10,000	-	0.0%
APPROP FROM RESERVES	3,542,838	-	-	-	-	-	-	-	0.0%
	$ 18,410,156	$ 23,717,365	$ 18,658,789	$ 19,243,341	$ 18,220,615	$ 19,218,923	$ 20,132,049	$ 913,126	4.8%
% Change YOY		29%	-21%	3%		5%	5%		

- Overall General Fund Revenues will increase by approximately 4.8% as compared to our FY2026 Budget.
  - Increase in Property Taxable Value
  - 7% Increase in Solid Waste per Contract (Garbage Collection Fees) slightly reduced by lower anticipated other charges for services
  - Increases in Transfers from Building Fund
  - No draw from Reserves anticipated for the FY2027 Budget Cycle

Preliminary FY 2027 General Fund Expenditures

	EXPENDITURES								
		ACTUALS		ESTIMATES	FY2025	FY2026	FY2027		
	FY2023	FY2024	FY2025	FY2026	BUDGET	BUDGET	BUDGET	FY2027 vs FY2026 Budget	
OPERATING EXPENSES	$ 7,848,088	$ 6,332,525	$ 3,767,759	$ 3,869,491	$ 4,083,954	$ 4,479,466	$ 4,733,145	$ 253,679	5.7%
PERSONAL SERVICES	5,375,291	8,174,255	10,998,617	12,032,764	11,026,000	12,097,461	13,046,513	949,052	7.8%
CAPITAL OUTLAY	4,186,247	6,783,894	1,140,984	1,153,047	2,229,409	1,620,089	1,026,700	(593,389)	-36.6%
DEBT SERVICE	14	677,719	732,973	733,215	677,960	677,961	733,215	55,254	8.2%
TRANSFERS OUT	1,000,516	506,753	54,998	54,996	55,000	55,000	55,000	-	0.0%
APPROP TO RESERVES	-	1,242,219	1,963,458	1,399,828	148,292	288,946	537,476	248,530	100.0%
	$ 18,410,156	$ 23,717,365	$ 18,658,789	$ 19,243,341	$ 18,220,615	$ 19,218,923	$ 20,132,049	$ 913,126	4.8%
Expenses before transfers to reserves	$ 18,410,156	$ 22,475,146	$ 16,695,331	$ 17,843,513	$ 18,072,323	$ 18,929,977	$ 19,594,573		
% Change YOY		22%	-26%	7%		5%	4%		

- Increase in Personal Cost related to:
  - Cost of living wage adjustments assumed at 5% - 10% (varies by contract)
  - Health Insurance and Retirement Contributions increases (waiting on final #'s)
- Increase in Operating Expense related to Repair & Maintenance and Fire Rescue
- Decrease in Capital Outlay (Many projects in progress for FY2026)
- Increase in Appropriation to Reserves to Future Fund Capital Needs/Budget Balance

Preliminary FY2027 General Fund Expenditures (Cont.)

DEPT	ACTUALS FY2023	ACTUALS FY2024	ACTUALS FY2025	ESTIMATES FY2026	FY2025 BUDGET	FY2026 BUDGET	FY2027 BUDGET	FY2027 vs FY2026 Budget	
TOWN COMMISSION	$ 209,323	$ 203,714	$ 320,612	$ 380,636	$ 358,685	$ 379,200	$ 294,500	$ (84,700)	-22.3%
TOWN MANAGER	546,953	663,115	648,574	639,328	743,385	807,441	805,401	(2,040)	-0.3%
TOWN CLERK	357,076	335,440	404,335	417,964	502,513	464,391	540,200	75,809	16.3%
FINANCE	580,903	596,112	583,916	408,000	636,000	437,750	414,550	(23,200)	-5.3%
LEGAL	93,973	84,147	-	-	-	-	-	-	0.0%
PUBLIC WORKS	339,761	396,097	611,703	904,706	1,506,660	1,418,761	1,471,500	52,739	3.7%
POST OFFICE	129,007	100,854	-	-	-	-	-	-	0.0%
SHARED SERVICES	711,352	683,787	655,304	885,047	690,634	922,750	860,500	(62,250)	-6.7%
POLICE	3,012,376	3,663,511	5,047,171	5,440,020	5,388,579	5,962,236	5,557,049	(405,187)	-6.8%
FIRE RESCUE	10,352,313	13,144,057	6,129,953	6,349,655	5,914,906	6,400,203	6,930,612	530,409	8.3%
SOLID WASTE	635,366	967,663	1,084,387	1,173,542	1,085,350	1,150,625	1,250,000	99,375	8.6%
LIBRARY	441,237	452,177	476,659	511,658	493,651	529,350	637,300	107,950	20.4%
	$ 17,409,640	$ 21,290,674	$ 15,962,614	$ 17,110,556	$ 17,320,363	$ 18,472,707	$ 18,761,612	$ 288,905	1.6%

Each Department includes Labor & Related Costs, Operating Costs, Capital Costs and Debt Service Costs (Where applies) directly related to that department

- Public Safety Departments accounts for 67% of the General Fund Preliminary Budget.
- Moved Legal Expenditures into Town Manager Department
- Closed Post Office in June 2024
- Moved Staff from Finance to Shared Services.
- Lower Capital Expenditures within most departments

Preliminary FY2027 General Fund Balance

FUND BALANCE HISTORY REPORT FOR:

	FY2023	FY2024	FY2025	FY2026	FY2027
GENERAL FUND	Audited	Audited	Audited	Estimate	Estimate
Budget Stabilization	$ 1,809,496	$ 2,560,719	$ 2,847,799	$ 2,944,180	$ 3,233,105
Disaster Recovery	1,809,496	2,560,719	2,847,799	2,944,180	3,233,105
Fire Rescue	4,320,312	250,000	500,000	500,000	500,000
Other	66,855	138,798	429,047	429,047	429,047
Unassigned	986,865	2,786,165	3,631,141	4,838,208	4,797,834
	$ 8,993,024	$ 8,296,401	$ 10,255,786	$ 11,655,614	$ 12,193,090

Days cash on Unrestricted Cash only

GENERAL FUND - FUND BALANCE

	FY2025 Audited	FY2026 Estimate	FY2027 Estimate
Beginning Balance		$10,255,786	$11,655,614
+ To Reserves		1,399,828	537,476
- From Reserves		-	-
Ending Balance	$10,255,786	$11,655,614	$12,193,090
Days Operating Cash	241	255	240
Days Operating Cash (Includes CapX)	224	238	227

GENERAL FUND - UNASSIGNED

	FY2025 Audited	FY2026 Estimate	FY2027 Estimate
Beginning Balance		$ 3,631,141	$ 4,838,208
+ To Reserves		1,207,067	
- From Reserves		-	(40,374)
Ending Balance	$ 3,631,141	$ 4,838,208	$ 4,797,834
Days Operating Cash	85	106	94
Days Operating Cash (Includes CapX)	79	99	89

- Fund Balance continues to remain strong.
- Town continues to maintain a nice balance of Unrestricted and Restricted Funds.
- Budget Stabilization & Disaster Recovery are 16.5% of Approved Budget for each

DESCRIPTION	BALANCE AS OF 9/30/2023	BALANCE AS OF 9/30/2024	BALANCE AS OF 9/30/2025	ESTIMATE FOR 9/30/2026	ESTIMATE FOR 9/30/2027
PNC OPERATING ACCT -1035	443,937.40	164,489.11	246,647.77	246,647.77	246,647.77
PAYROLL ACCOUNT NATIONAL CITY	110.26	110.26	110.26	110.26	110.26
PNC RESERVE ACCOUNT -9084	37,007.04	85,254.14	52,951.45	52,951.45	52,951.45
PNC MONEY MARKET- 5058	1,990,087.39	5,361,711.00	2,401,308.97	2,401,308.97	2,401,308.97
FLORIDA PRIME	3,525,554.59	3,725,869.56	11,678,507.83	11,678,507.83	11,678,507.83
PNC CUSTODIAL ACCT	12,091,452.98	8,845,455.61	5,689,415.54	5,326,686.54	4,660,640.54
	18,088,149.66	18,182,889.68	20,068,941.82	19,706,212.82	19,040,166.82

Cash in Different Institutions

GENERAL FUND EQUITY	8,993,024.29	8,319,124.20	10,424,529.61	11,824,357.61	12,361,833.61
OPEN SPACE & RECREATION EQUITY	240,552.23	251,100.40	263,685.87	263,685.87	263,685.87
LIBRARY DONATION EQUITY	8,522.71	9,246.60	10,274.80	10,274.80	10,274.80
SALES TAX FUND-EQUITY	614,051.32	633,615.32	498,198.11	498,198.11	498,198.11
SPECIAL LAW ENFORCEMENT EQUITY	7,140.43	7,453.49	7,827.05	7,827.05	7,827.05
BUILDING FUND EQUITY	3,038,406.40	3,720,676.49	4,569,281.88	4,669,423.88	3,915,111.88
WATER SYSTEM EQUITY	2,742,282.14	2,209,838.22	1,341,924.28	1,022,019.28	572,809.28
SEWER SYSTEM EQUITY	2,444,170.14	3,031,834.96	2,953,220.22	1,410,426.22	1,410,426.22
	18,088,149.66	18,182,889.68	20,068,941.82	19,706,212.82	19,040,166.82

What each Fund has in Cash

Preliminary FY2027 CASH AND ALLOCATION

Preliminary FY2027 Building Department (Revenues)

REVENUES									
		ACTUALS		ESTIMATES	FY2025	FY2026	FY2027		
	FY2023	FY2024	FY2025	FY2026	BUDGET	BUDGET	BUDGET	FY2027 vs FY2026 Budget	
CHARGES FOR SERVICES	$2,354,202	$2,368,762	$2,546,708	$2,749,942	$ 1,973,350	$ 2,283,350	$ 1,929,800	$ (353,550)	-15.5%
FINES AND FORFEITURES	45,880	52,201	97,211	57,792	43,000	62,000	54,000	(8,000)	-12.9%
INVESTMENT EARNINGS	73,065	131,474	196,413	197,118	110,000	110,000	125,000	15,000	13.6%
OTHER FINANCING SOURCES	(1,238)	6,773	4,403	-	-	-	-	-	0.0%
TRANSFERS IN	54,997	55,000	54,998	55,000	55,000	55,000	55,000	-	0.0%
APPROP FROM RESERVES	-	-	-	-	201,678	619,860	754,312	134,452	21.7%
	$2,526,906	$2,614,210	$2,899,733	$3,059,852	$ 2,383,028	$ 3,130,210	$ 2,918,112	$ (212,098)	-6.8%
% Change YOY		3%	11%	6%		31%	-7%		

- Charges for Services within the Building Fund represent over 73% of total revenue associated with this fund. FY2027 Preliminary Budget is based on a conservative projection of FY2026 actuals.
- Preliminary estimates indicate a slight reduction/slow down of building activity for FY2027
- The Interlocal Agreement with Gulfstream continues to benefit this fund.
- Transfer In from the General Fund represents a fixed amount of allocated labor for planning and zoning activity .
- Use of Reserve Fund for Capital Improvements
- Legislative changes on how certain fees can be charged beginning in July 2026

Preliminary FY2027 Building Department (Expenditures)

	EXPENDITURES								
		ACTUALS		ESTIMATES	FY2025	FY2026	FY2027		
	FY2023	FY2024	FY2025	FY2026	BUDGET	BUDGET	BUDGET	FY2027 vs FY2026 Budget	
OPERATING EXPENSES	$ 558,775	$ 539,722	$ 650,263	$ 657,130	$ 698,628	$ 726,210	$ 761,790	$ 35,580	4.9%
PERSONAL SERVICES	661,131	800,708	861,741	899,738	882,000	999,500	1,001,522	2,022	0.2%
CAPITAL OUTLAY	47,411	67,418	123,422	702,842	302,400	704,500	254,800	(449,700)	-63.8%
TRANSFERS OUT	350,004	500,000	500,000	700,000	500,000	700,000	900,000	200,000	28.6%
APPROP TO RESERVES	909,585	706,362	764,307	100,142	-	-	-	-	0.0%
	$2,526,906	$2,614,210	$2,899,733	$3,059,852	$ 2,383,028	$ 3,130,210	$ 2,918,112	(212,098)	-6.8%
Expenses before transfers to reserves	$1,617,321	$1,907,848	$2,135,426	$2,959,710	$ 2,383,028	$ 3,130,210	$ 2,918,112		

- Overall, the budget decreased by 6.8% as compared to FY2026 Budget.
- Operating Expenses increased based on our FY2026 estimates and general inflation increases.
- Personal Cost include a general Cost of living adjustment of 5% plus increases in cost of benefits
- Transfers to the General Fund Increased by $200K
- Reduced Capital Expenditures in FY2027 due to heavy Capital in FY2026.

Preliminary FY2027 Building Department (Fund Balance) & Capital Expenditures

- Fund Balance continues to remain healthy.
- Use of excess reserves to fund capital improvements
- Maintaining healthily Days Operating Cash
- Increase Capital Expenditures in FY2026
  - Use some Excess Reserves
  - Enhance Appearance and Function of Building

BUILDING FUND

	FY2025 Audited	FY2026 Estimate	FY2027 Estimate
Beginning Balance		$4,363,293	$4,463,435
+ To Reserves		100,142	
- From Reserves		-	(754,312)
Ending Balance	$4,363,293	$4,463,435	$3,709,123
Days Operating Cash	792	722	508
Days Operating Cash (Includes CapX)	746	550	464

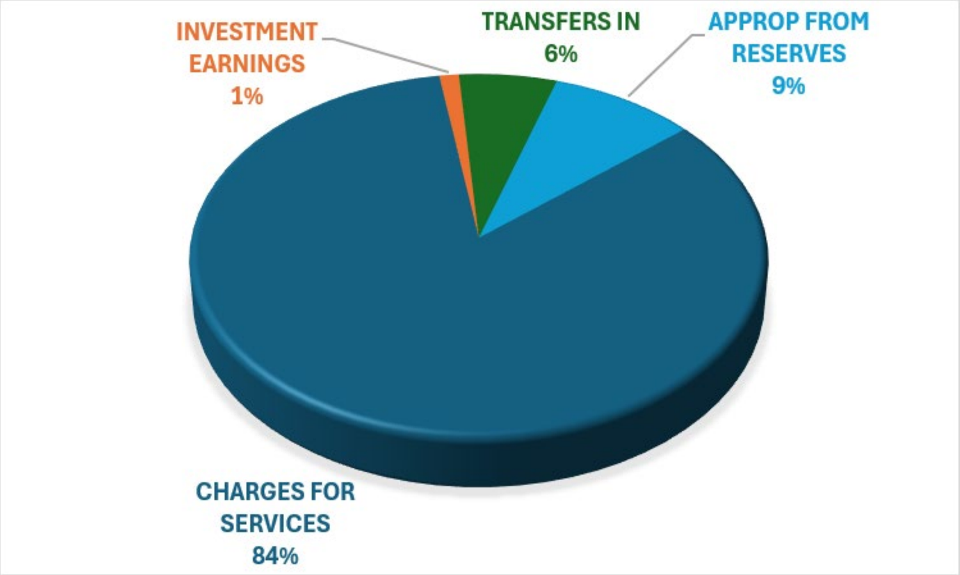
Capital Expenditures

Resurface Town Complex	$	250,000
Software & Related		4,800
	$	254,800

Preliminary FY2027 Water Fund (Revenues)

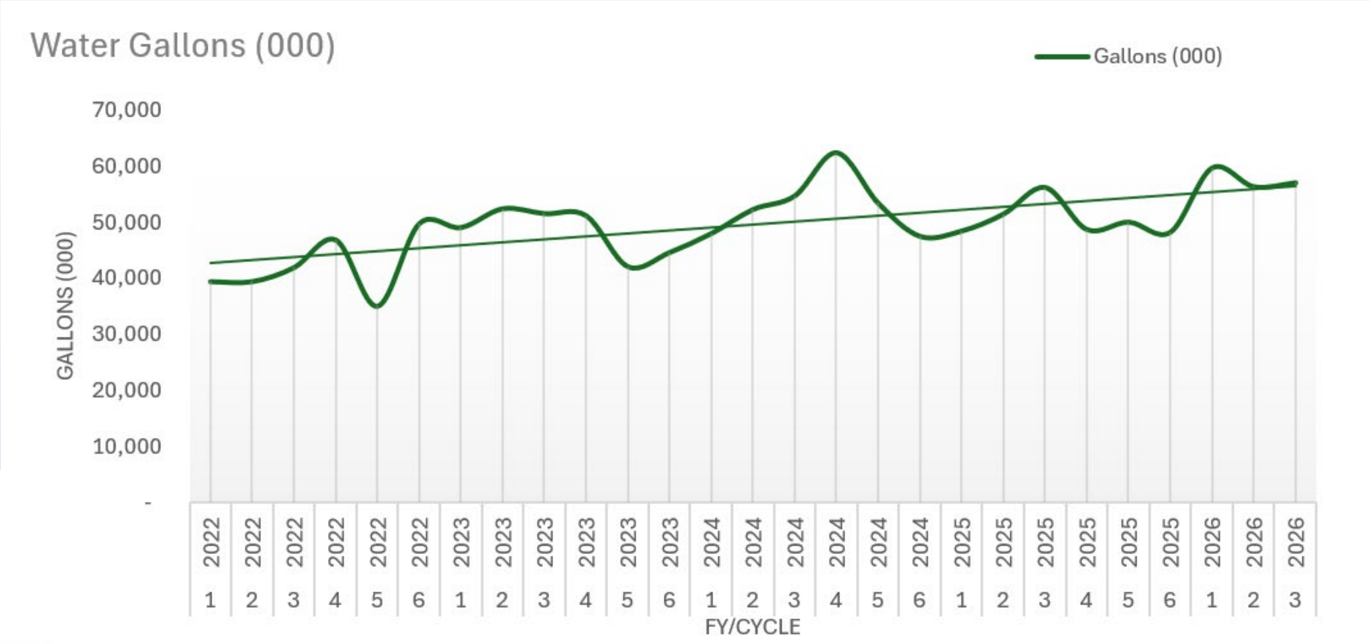
	REVENUES								
		ACTUALS		ESTIMATES	FY2025	FY2026	FY2027		
	FY2023	FY2024	FY2025	FY2026	BUDGET	BUDGET	BUDGET	FY2027 vs FY2026 Budget	
CHARGES FOR SERVICES	$3,028,004	$3,433,654	$3,669,469	$3,852,943	$ 3,702,396	$3,933,064	$4,148,000	$ 214,936	5.5%
INVESTMENT EARNINGS	137,456	144,250	129,582	67,442	125,000	120,000	60,000	(60,000)	-50.0%
OTHER FINANCING SOURCES	5,186	2,023	-	-	-	-	-	-	0.0%
TRANSFERS IN	1,165,519	671,753	220,000	220,000	220,000	220,000	300,000	80,000	36.4%
MISCELLANEOUS REVENUES	-	4,220	4,463	10,000	-	-	-	-	0.0%
APPROP FROM RESERVES	414,971	446,165	790,420	319,905	1,126,853	1,019,375	449,210	(570,165)	-55.9%
	$4,751,136	$4,702,065	$4,813,934	$4,470,290	$ 5,174,249	$5,292,439	$4,957,210	$ (335,229)	-6.3%
% Change YOY		-1%	2%	-7%		2%	-6%		

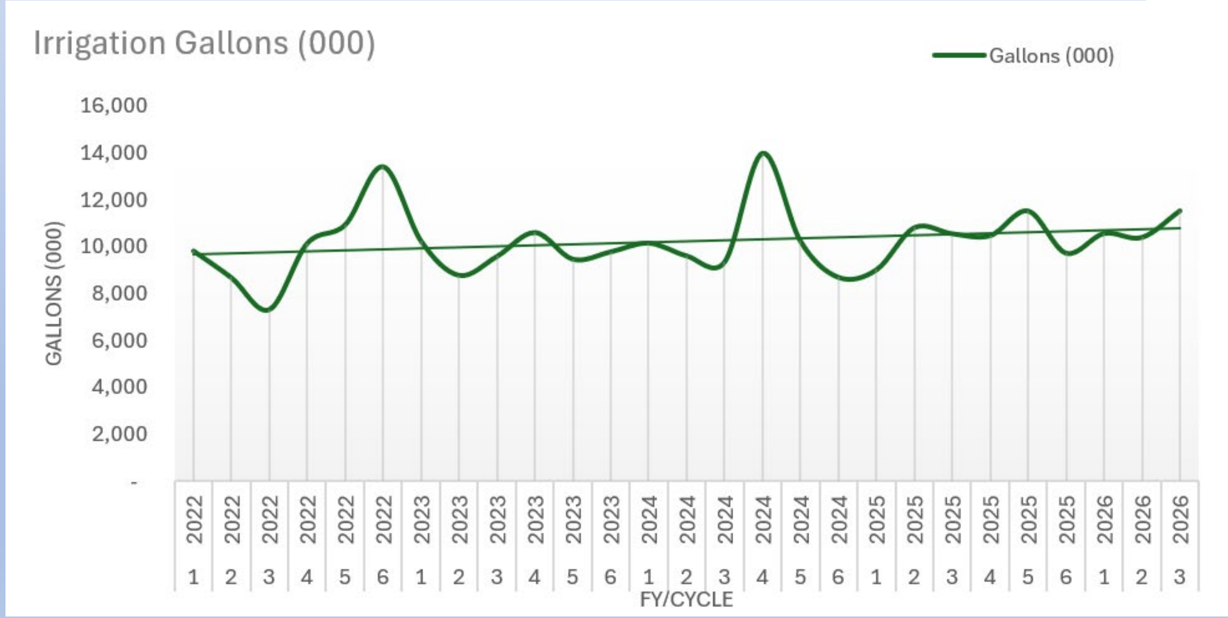
- Overall decrease in revenues of -6.3% (5% rate increase offset by lower available transfer from reserves)
- Increased the Transfer In from Sewer Fund from $220K to $300K



Preliminary FY2027 Water Fund (Revenue Data)

- *Compared to the prior year (FY2025), Water **Usage** is up by 10.8%*

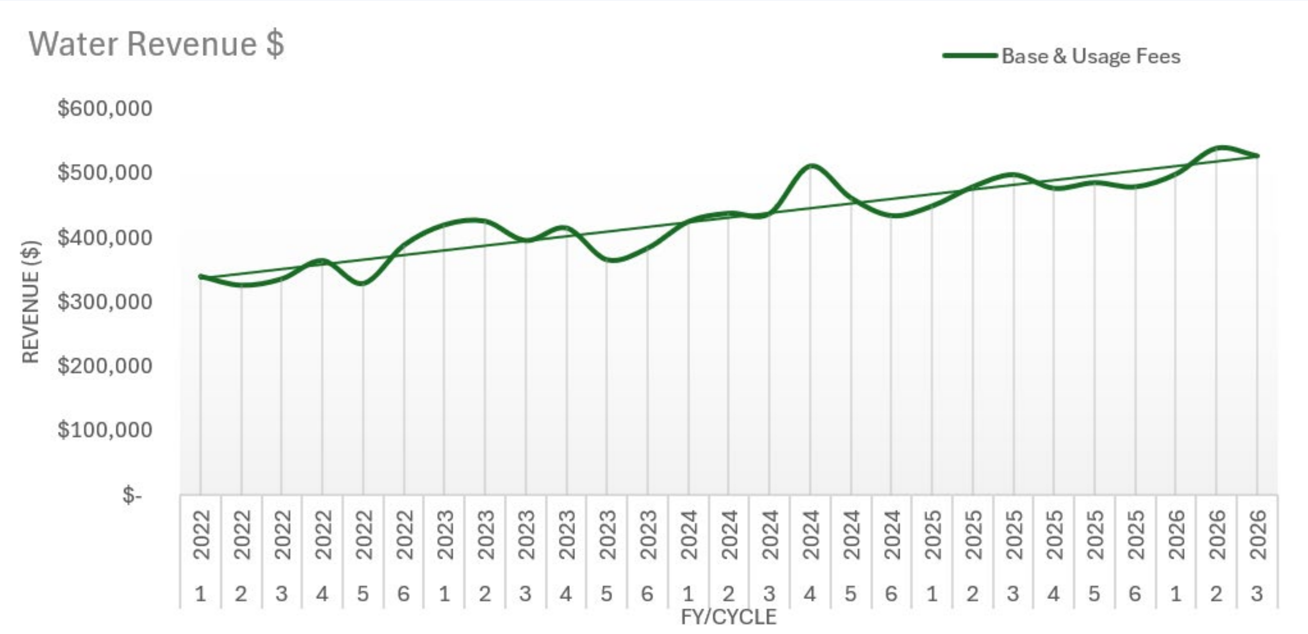


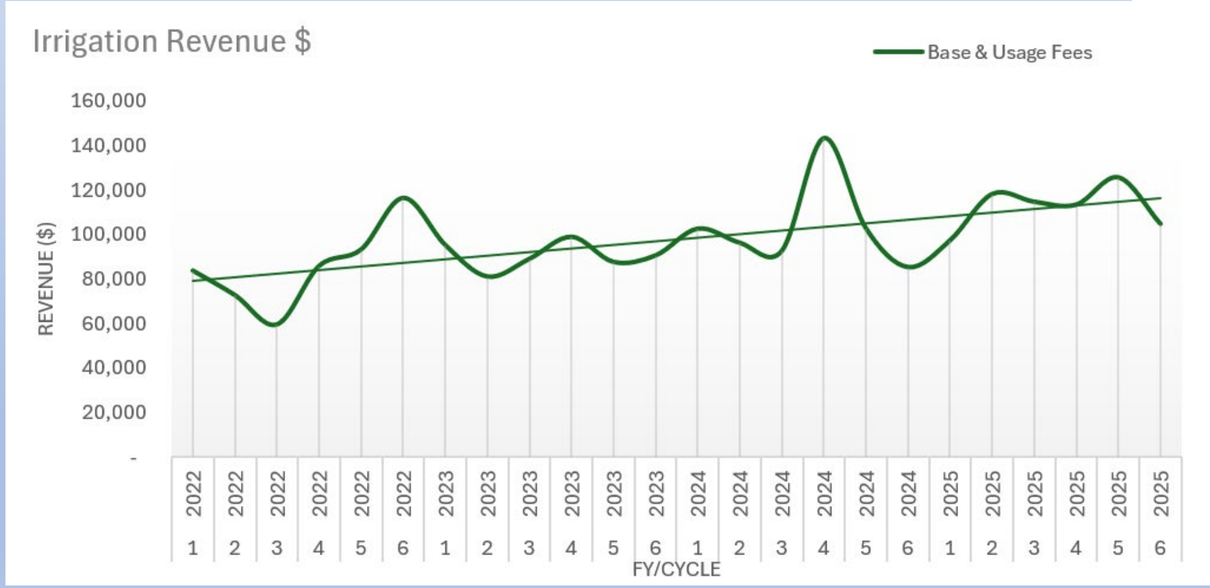


- *Compared to the prior year (FY2025), Irrigation **Usage** is up by 6.9%*

Preliminary FY2027 Water Fund (Revenue Data)

- *Compared to the prior year (FY2025), Water* ***Revenue*** is anticipated to be *up by 9.8%*





- *Compared to the prior year (FY2025), Irrigation* ***Revenue*** is anticipated to be *up by 11.8%*

Preliminary FY2027 Water Fund (Expenditures)

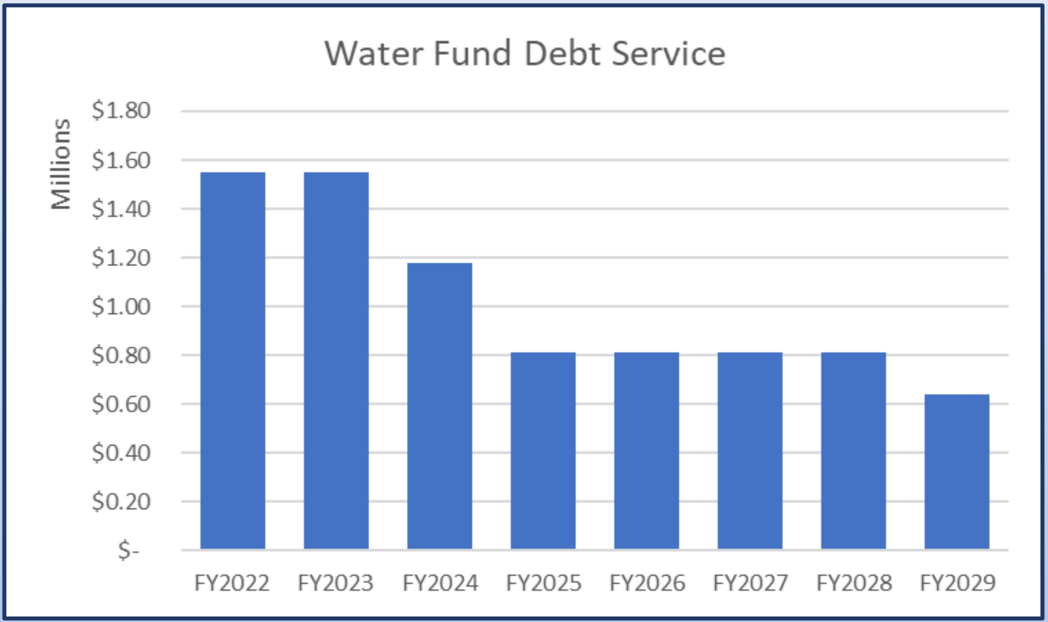
	EXPENDITURES								
		ACTUALS		ESTIMATES	FY2025	FY2026	FY2027		
	FY2023	FY2024	FY2025	FY2026	BUDGET	BUDGET	BUDGET	FY2027 vs FY2026 Budget	
OPERATING EXPENSES	$ 1,063,830	$ 1,389,826	$ 1,189,723	$ 1,285,999	$ 1,701,861	$ 1,659,000	$ 1,657,000	$ (2,000)	-0.1%
PERSONAL SERVICES	1,202,443	1,237,710	1,368,441	1,523,522	1,369,000	1,545,000	1,639,441	94,441	6.1%
CAPITAL OUTLAY	385,670	344,548	895,001	300,000	742,619	727,670	300,000	(427,670)	-58.8%
DEBT SERVICE	1,549,193	1,179,981	810,769	810,769	810,769	810,769	810,769	-	0.0%
TRANSFERS OUT	550,000	550,000	550,000	550,000	550,000	550,000	550,000	-	0.0%
APPROP TO RESERVES	-	-	-	-	-	-	-	-	0.0%
	$ 4,751,136	$ 4,702,065	$ 4,813,934	$ 4,470,290	$ 5,174,249	$ 5,292,439	$ 4,957,210	$ (335,229)	-6.3%
% Change YOY		-1%	2%	-7%		2%	-6%		

- 6% increase in Salaries & Related (Department is fully staffed).
- Preliminary Operations budget based on FY2026 projected expenditures.
- Reduction in Capital Project Expenditures due to cash position, but maintained Renewal & Replacement expenditures in Operating Expenses
- Overall decrease in expenditures of -6.3% primarily due to the reduction in capital.

Preliminary FY2027 Water Fund (Expenditure Data)

- Next Debt Service reduction is in FY2029 of $296K

Loan No.	Pmt Months	Annual Debt Service	Maturity Day	Int Rate
500200	Mar & Sept	$ 198,311	Sep-2030	2.82%
500210	Jun & Dec	263,473	Dec-2037	1.18%
500201	Mar & Sept	52,136	Sep-2030	2.61%
BOA	All	296,880	Feb-2029	3.41%
		$ 810,800		



Preliminary FY2027 Water Net Position

- Net Position decreases due to utilizing excess cash to fund capital needs.
- 85 days of Unrestricted Net Position.
- Delay of Capital Projects to buildup cash

WATER FUND

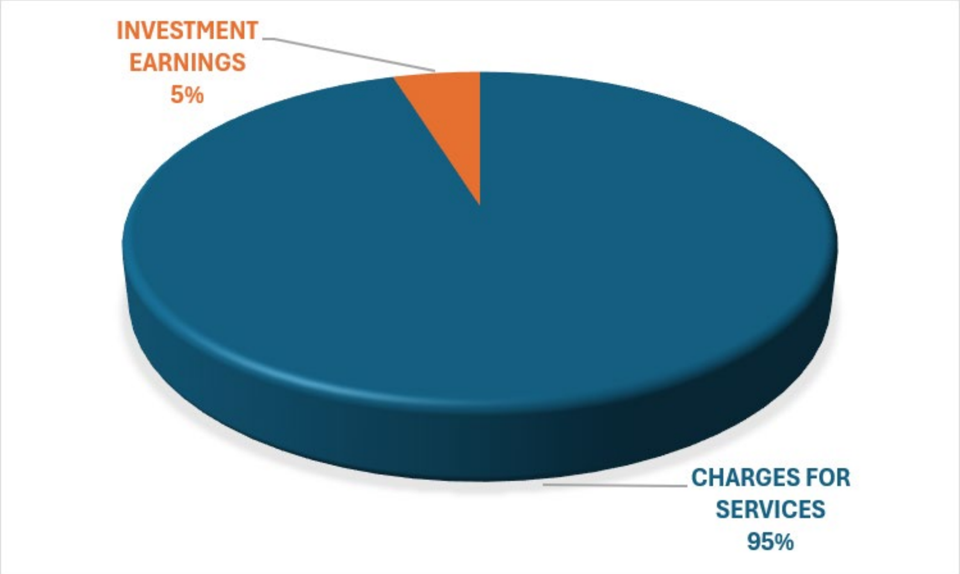
	FY2025 Audited	FY2026 Estimate	FY2027 Estimate
Beginning Balance		$ 1,857,992	$ 1,538,087
+ To Reserves		-	
- From Reserves		(319,905)	(449,210)
Ending Balance	$ 1,857,992	$ 1,538,087	$ 1,088,877
Days Operating Cash	173	135	85
Days Operating Cash (Includes CapX)	141	126	80

Capital Projects	
Clearwell Transfer Pumps	300,000
	$ 300,000

Preliminary FY2027 Sewer Fund (Revenues)

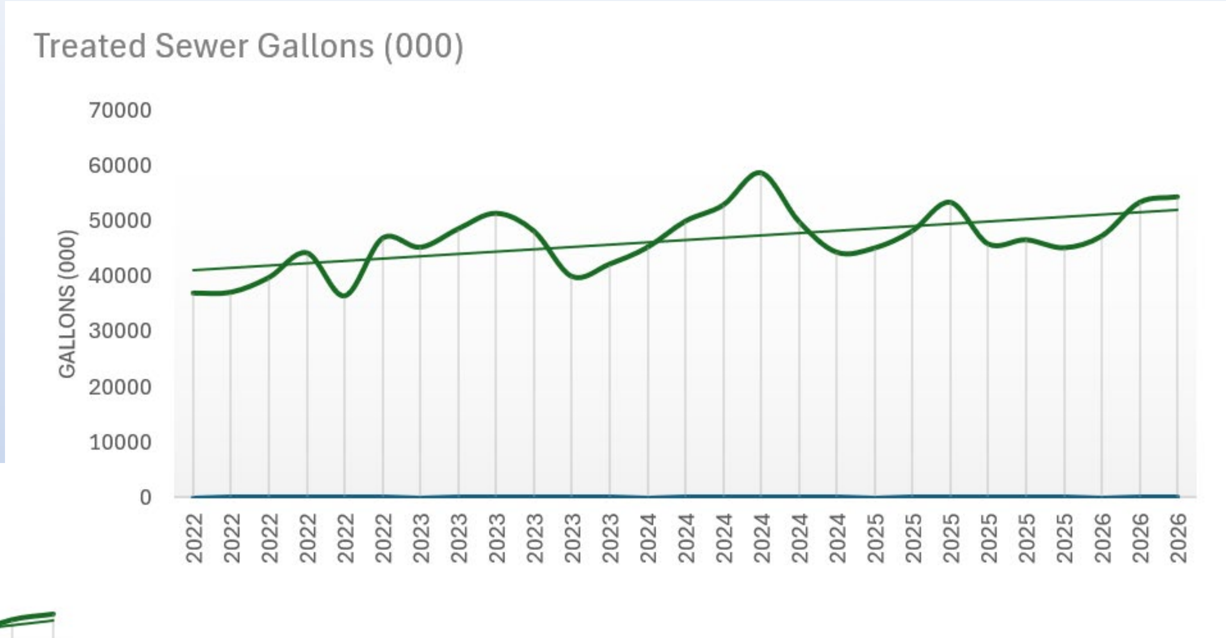
	REVENUES								
		ACTUALS		ESTIMATES	FY2025	FY2026	FY2027		
	FY2023	FY2024	FY2025	FY2026	BUDGET	BUDGET	BUDGET	FY2027 vs FY2026 Budget	
CHARGES FOR SERVICES	$ 1,635,285	$ 1,809,808	$ 1,912,488	$ 2,081,826	$ 1,973,647	$ 2,073,000	$ 2,190,000	$ 117,000	5.6%
GRANTS	-	-	250,000	-	410,921	230,000	-	(230,000)	-100.0%
INVESTMENT EARNINGS	101,985	115,099	159,953	127,416	110,000	115,000	110,000	(5,000)	-4.3%
OTHER FINANCING SOURCES	-	-	(333)	-	-	-	-	-	0.0%
APPROP FROM RESERVES	-	-	-	1,542,794	168,449	2,048,423	-	(2,048,423)	-100.0%
	$ 1,737,270	$ 1,924,907	$ 2,322,108	$ 3,752,036	$ 2,663,017	$ 4,466,423	$ 2,300,000	$ (2,166,423)	-48.5%
% Change YOY		11%	21%	62%		68%	-49%		

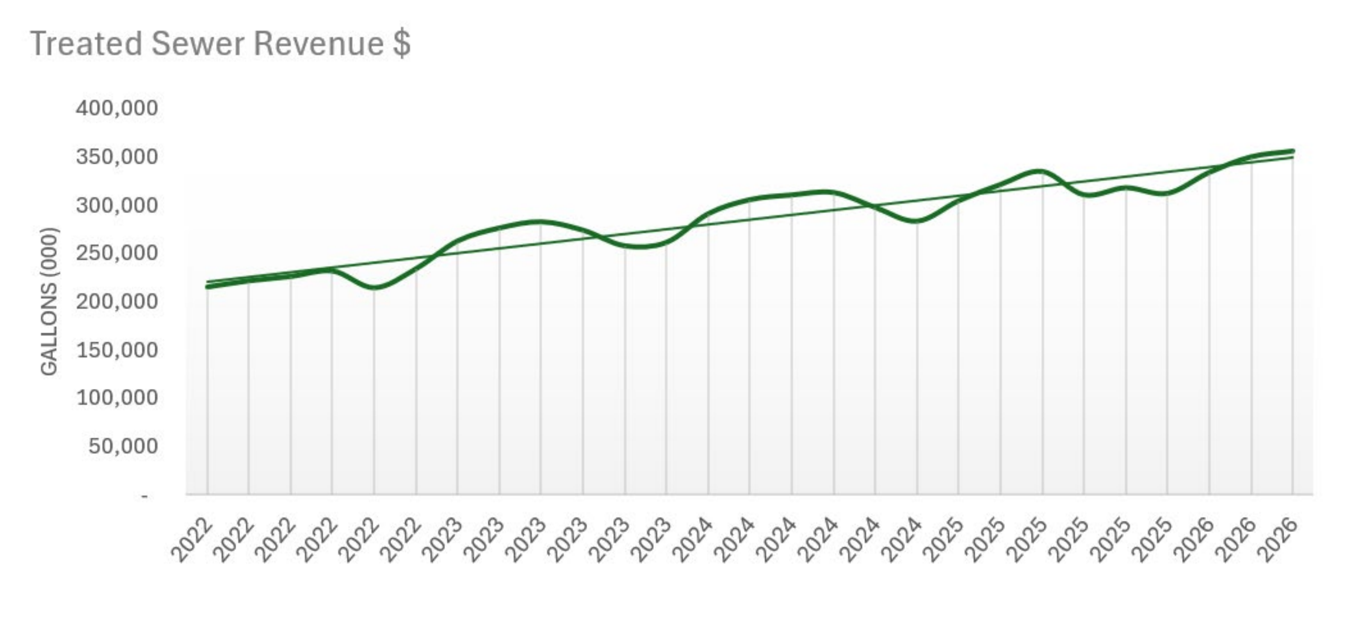
- Overall decrease of revenues 48.5% (primarily due to decreased appropriations from reserves for Capital Expenditures in FY2026).
- The preliminary Budget assumed a 5% rate increase.
- Preliminary Budget does NOT anticipate Grant Funds just yet.



Preliminary FY2027 Sewer Fund (Revenue Data)

- *Compared to the prior year (FY2025), Sewer Treatment (Usage) is up by 5.7%*





- *Compared to the prior year (FY2025), Sewer Revenue is estimated to increased by 8.2%*

Preliminary FY2027 Sewer Fund (Expenditures)

	EXPENDITURES								
		ACTUALS		ESTIMATES	FY2025	FY2026	FY2027		
	FY2023	FY2024	FY2025	FY2026	BUDGET	BUDGET	BUDGET	FY2027 vs FY2026 Budget	
OPERATING EXPENSES	$1,019,741	$1,049,513	$ 975,943	$1,333,678	$ 1,914,392	$1,947,244	$1,615,000	$ (332,244)	-17.1%
CAPITAL OUTLAY	122,625	128,467	682,342	2,198,358	528,625	2,299,179	385,000	(1,914,179)	-83.3%
TRANSFERS OUT	220,000	220,000	220,000	220,000	220,000	220,000	300,000	80,000	36.4%
APPROP TO RESERVES	374,904	526,927	443,823	-	-	-	-	-	0.0%
	$1,737,270	$1,924,907	$2,322,108	$3,752,036	$ 2,663,017	$4,466,423	$2,300,000	$(2,166,423)	-48.5%
% Change YOY		11%	21%	62%		68%	-49%		

- Increase in Operating Expense based on contract with Delray for Sewer Treatment and general inflationary price increases is offset by decreases in R&R and R&M due to strong history of maintenance
- Decrease in Capital expenditures for FY2027 due to heavy Capital during FY2026.

Preliminary FY2027 Sewer Fund Balance

- Net Position decreases due to utilizing excess cash to fund Major capital Project.
- Strong days cash on hand.

SEWER FUND	FY2025 Audited	FY2026 Estimate	FY2027 Estimate
Beginning Balance		$ 3,145,288	$ 1,602,494
+ To Reserves		-	
- From Reserves		(1,542,794)	-
Ending Balance	$ 3,145,288	$ 1,602,494	$ 1,602,494
Days Operating Cash	960	376	305
Days Operating Cash (Includes CapX)	611	156	254

- Sewer Lateral Project
- Stormwater Projects
- Portable Generator Replacement

CAPITAL PROJECTS LIST	
Sewer Lateral Relinning	$ 150,000
Stormwater Bel Lido Upgrade	150,000
Portable Generator Replacement	85,000
	$ 385,000

FY 2027 Budget Summary

SOURCES OF FUNDS	General Fund	Building Fund	Water Fund	Sewer Fund	Total	%
PROPERTY TAXES	$ 14,753,012				$ 14,753,012	49%
INTER-GOVERNMENTAL	938,900				938,900	3%
FRANCHISE FEES	581,000				581,000	2%
SALES AND USE TAX	227,000				227,000	1%
CHARGES FOR SERVICES	1,482,145	1,929,800	4,148,000	2,190,000	9,749,945	32%
GRANTS	46,292			-	46,292	0%
FINES AND FORFEITURES	25,700	54,000			79,700	0%
INVESTMENT EARNINGS	560,000	125,000	60,000	110,000	855,000	3%
RENTS AND LEASES	58,000				58,000	0%
OTHER FINANCING SOURCES	-	-	-	-	-	0%
TRANSFERS IN	1,450,000	55,000	300,000		1,805,000	6%
MISCELLANEOUS REVENUES	10,000		-		10,000	0%
APPROP FROM RESERVES	-	754,312	449,210	-	1,203,522	4%
	$ 20,132,049	$ 2,918,112	$ 4,957,210	$ 2,300,000	$ 30,307,371	100%

USES OF FUNDS	General Fund	Building Fund	Water Fund	Sewer Fund	Total	%
OPERATING EXPENSES	$ 4,733,145	$ 761,790	$ 1,657,000	$ 1,615,000	$ 8,766,935	29%
PERSONAL SERVICES	13,046,513	1,001,522	1,639,441	-	15,687,476	52%
CAPITAL OUTLAY	1,026,700	254,800	300,000	385,000	1,966,500	6%
DEBT SERVICE	733,215	-	810,769	-	1,543,984	5%
TRANSFERS OUT	55,000	900,000	550,000	300,000	1,805,000	6%
APPROP TO RESERVES	537,476	-	-	-	537,476	2%
	$ 20,132,049	$ 2,918,112	$ 4,957,210	$ 2,300,000	$ 30,307,371	100%

Property Tax Constitutional Amendment

- Expanded homestead exemption
  - FY 2027-2028 - $150,000 (Revenue reduction est. $1,000,000)
  - FY 2028-2029 - $250,000 (Revenue reduction est. $1,750,000)
  - FY 2029-2030 & Beyond – Legislative mandate to reduce all homestead via **general law action** (Revenue reduction est. $5,000,000)
    - *Revenue reduction estimates based on 2025 assessed values*
  - Five year waiting period for homestead exemption(s)
  - 5% growth cap on non-homestead properties (formerly 10%)
  - Tax revenue can only be spent on public safety, education, infrastructure, natural resources, bonds, retirement, and operations and administration per Article VIII (maybe amended by legislature **under general law**.)
- SB4F – Millage Rate Approval
  - Not more than 110% of roll back rate requires 2/3 vote
  - More than 110% of roll back rate requires unanimous vote or referendum

Property Tax Constitutional Amendment (Cont.)

Proposed Constitional Amendment on Property Tax
Evaluation of Impacts to the Town of Highland Beach
June 11, 2026

Town of Highland Beach *2025 Values from Palm Beach Property Appraiser's Office*				
Total Assessed Value	Total Non-Homestead Value	Total Homestead Value	Non-Homestead Share	Homestead Share
$4,261,169,855	$2,519,321,933	$1,741,847,921	59%	41%

FY 2025 *Current Exemptions ($50K)*	
Exemption Value	Current Revenue Loss
$94,955,806	$324,360

FY 2025 *Potential $150K Exemption* [1]				
Exemption Value	Total $150K Revenue Loss	Addl $150K Rev Loss Compared to Current Rev Loss	General Fund	Addl $150K Rev Loss as a Percent of General Fund
$266,425,986	$910,085	**$585,725**	$18,644,325	**3.1%**

FY 2025 *Potential $250K Exemption* [1]				
Exemption Value	Exemption Amount	Addl $250K Rev Loss Compared to $150K Rev Loss	General Fund	Addl $250K Rev Loss as a Percent of General Fund
$434,179,209	$1,483,113	**$573,028**	$18,644,325	**3.1%**

$150K and $250K Rev Loss Compared to Current Rev Loss	General Fund	$150K and $250K Rev Loss as a Percent of General Fund	Appropriation to Reserves: FY 2024 (actual)	FY 2025 (actual)	FY 2026 (projected)
$1,158,753	$18,644,325	**6.22%**	**$1,011,040**	**$2,004,249**	**1,983,013**

Other Property Tax Information	
No. of Non-Homestead Parcels	2,451
No. of Homestead Parcels	1,762
Highland Beach Millage Rate	3.5875
1 mill levy generates	$4 million (+/-)
Millage rate needed to offset	3.97575

	Savings Non-Homestead to Homestead	Savings for Homesteaded Properties
Year 1	$1,523	$908
Year 2	$914	$914
Total Savings	$2,438	$1,822

[1] *Exemption Amount includes the exemption amount of current exemptions of $324,360*

All estimates for future budget years based on the 2025 Tax Roll. Assumes no property value growth or change in composition of non-homestead versus homestead property counts.

FY 2027 Budget: Questions