

**TOWN OF JUNO BEACH
BUDGET PLANNING SESSION
FOR FISCAL YEAR 2024-2025**



**Mayor Peggy L. Wheeler
Vice-Mayor DD Halpern
Vice-Mayor Pro Tem Marianne Hosta
Councilmember Jacob Rosengarten
Councilmember Diana Davis**

Town Manager David Dyess

Town of Juno Beach

Budget Planning Session

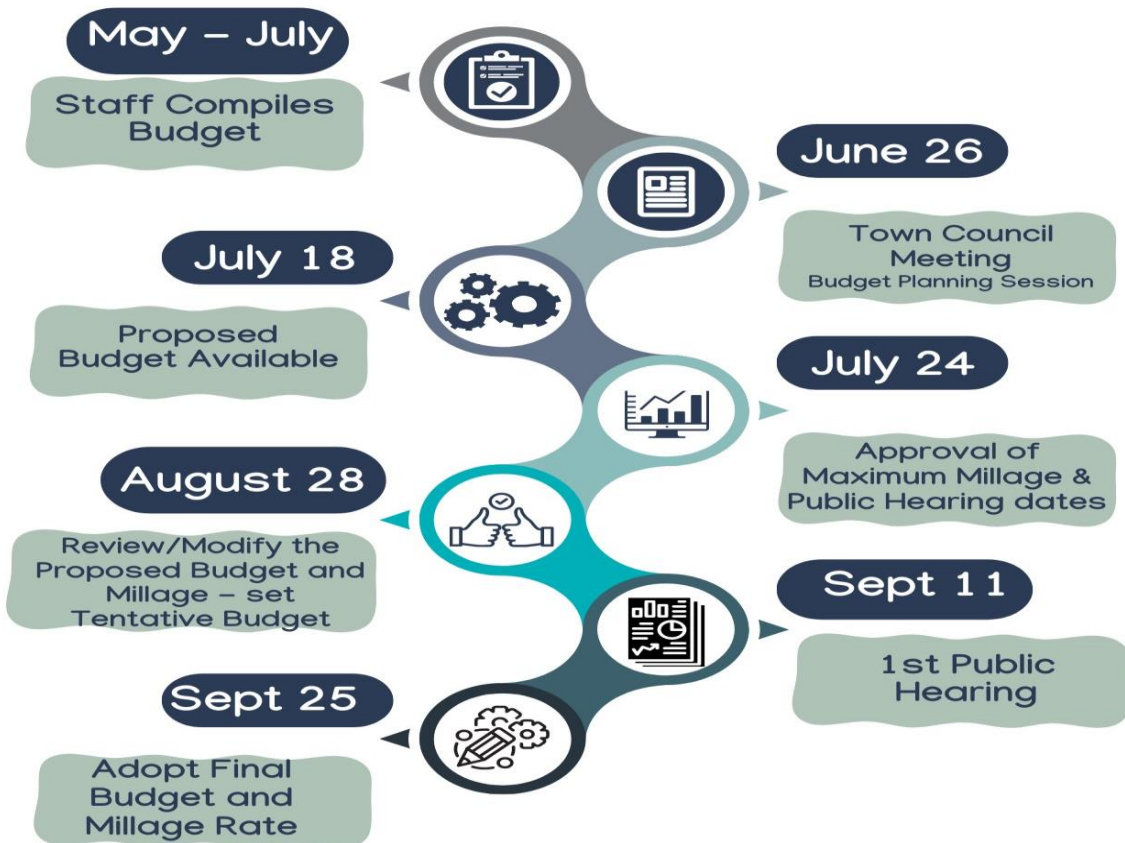
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Town of Juno Beach

BUDGET CALENDAR



The public hearing dates above must be coordinated with Palm Beach County and the School Board so as not to conflict with their public hearing meetings. As the budget process and reporting requirements are met, the Town Council and Staff will adjust the dates, if necessary.

(The scheduled public hearing dates for Palm Beach County Board of County Commissioners are September 10 and 17 and for the Palm Beach County School Board, September 4.)

Current Year's 2023-2024 Budget Review

The 2023-2024 General Fund Budget is \$11,514,590 and represented a 9.45% decrease as compared to the previous year's final budget. The ad valorem millage rate is 1.8195 and represented a 0% millage increase compared to the previous year.

The Town's primary revenue source is ad valorem taxes derived from residential and commercial property values. The current year's ad valorem revenues reflect a \$567,374 increase as compared to the previous year's budget. This increase in revenue is mainly from the property value increase and \$103.5 million in new construction and tangible personal property increases. The Town of Juno Beach accounts for only 9.92% of property owner's tax bills in the current fiscal year.

Allocation by Percent of Where Your Tax Dollar Goes

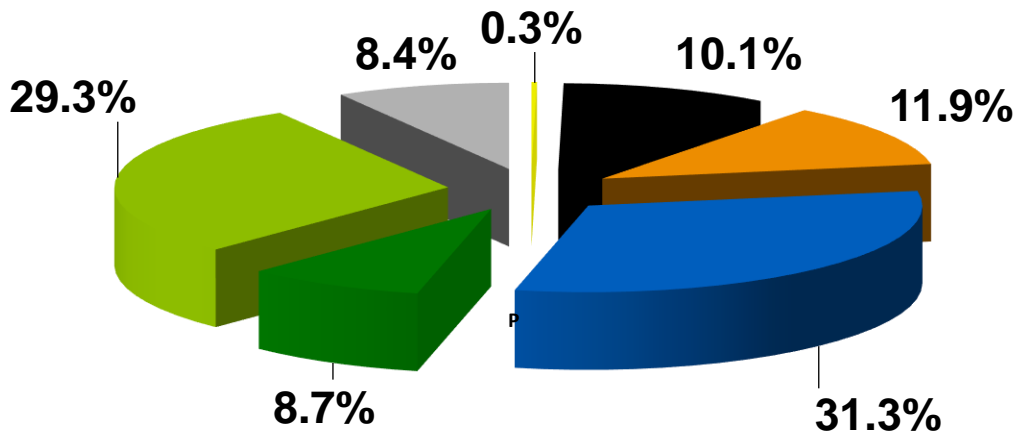


The average Homesteaded Taxable Value was \$526,000 for Juno Beach property owners. This value equated to an average increase in taxes of \$27 payable to the Town. Approximately 831 (67.5%) of the Town's 1,232 Homesteaded property owners paid less than \$27.

The Contingency line item was approved at \$638,322 to fund any unexpected events or costs. The Contingency line also included projected overages from Building Permit Fee revenue. Additionally, the Town imposes utility taxes on water, telecommunications, electricity, and fuel; a franchise fee on solid waste; collects fees for building permits and services, local business tax, fines and forfeitures and other services; shares in state and local intergovernmental revenues; receives investment earnings and other miscellaneous income.

The Town's budget consists of 6 departments and 36 employees. The Town provides general municipal services such as police protection, planning, zoning and building, code enforcement, parks, stormwater utilities and cultural events. Fire Services are provided by Palm Beach County. Utility services, such as water and wastewater are provided by neighboring jurisdictions. Solid waste collection services are contracted with Waste Management, Inc. until 9/30/2027.

Current Year Budget by Department



<ul style="list-style-type: none"> ■ Legislative ■ Comprehensive Planning ■ Public Works ■ General Government 	<ul style="list-style-type: none"> ■ Administration and Finance ■ Law Enforcement ■ Capital Projects
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Current Fiscal Year's Budget vs. Actual

The following Revenue amounts were collected as of May 31, 2024 and represents **66.7%** of the fiscal year.

<u>REVENUES</u>	Original FISCAL YEAR 2023-2024	Actual YTD 5/31/24	Difference	% To Budget
Ad Valorem Taxes	\$3,966,863	\$3,931,247	\$35,616	99%
Local Option, Use & Fuel Taxes	\$57,283	33,948	\$23,335	59%
One-Cent Discretionary Surtax	\$305,851	227,608	\$78,243	74%
Utility Services Taxes	\$953,364	596,516	\$356,848	63%
Local Business Tax	\$70,000	49,889	\$20,111	71%
Building Permits	\$1,040,000	770,998	\$269,002	74%
Franchise Fees	\$100,000	69,325	\$30,675	69%
Permits, Fees & Special Assessments	\$159,950	163,431	(\$3,481)	102%
Grants	\$274,500		\$274,500	0%
Intergovernmental Revenue	\$533,180	336,373	\$196,807	63%
Charges for Services	\$40,000	54,713	(\$14,713)	137%
Fines and Forfeitures	\$25,500	94,138	(\$68,638)	369%
Investment Earnings	\$150,000	360,556	(\$210,556)	240%
Miscellaneous	\$97,000	511,117	(\$414,117)	527%
Reserves and Restricted	\$3,741,099	0	\$3,741,099	0%
TOTAL REVENUES	\$11,514,590	\$7,199,859	\$4,314,731	63%

Current Fiscal Year’s Budget vs. Actual

The following Expense amounts were expended as of May 31, 2024 and represents **66.7%** of the fiscal year.

Expenses

EXPENDITURES BY DEPARTMENT	Original	Actual		
	FISCAL YEAR	YTD 5/31/24	Difference	% To Budget
LEGISLATIVE	\$29,939	\$13,769	\$16,170	46%
FINANCE & ADMINISTRATION	\$1,165,430	768,521	\$396,909	66%
COMPREHENSIVE PLANNING	\$1,369,713	880,911	\$488,802	64%
LAW ENFORCEMENT	\$3,599,635	2,255,116	\$1,344,519	63%
PUBLIC WORKS	\$4,379,436	2,439,144	\$1,940,292	56%
GENERAL GOVERNMENT	\$970,437	240,527	\$729,910	25%
TOTAL EXPENDITURES	<u>\$11,514,590</u>	<u>\$6,597,988</u>	<u>\$4,916,602</u>	<u>57%</u>

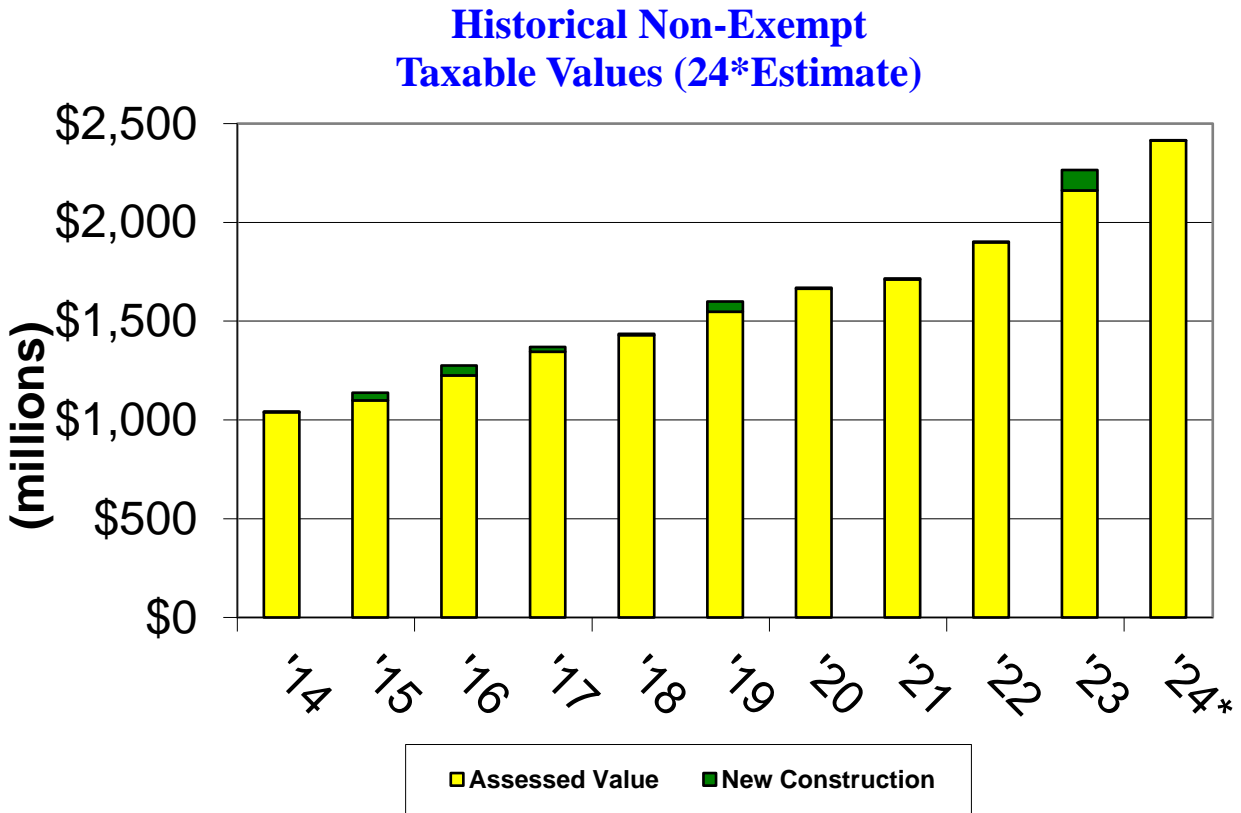
Current Economic Overview

The purpose of this planning session is to look at key financial data on a macro level to assist with the upcoming budget. Before starting on the town’s financial projections, a brief overview of the economy may be appropriate. Though inflation has decreased since last year, inflation still remains a major issue. In March, Florida led the nation with the highest inflation rate. The leading sectors are housing, insurance and transportation costs. The Florida statewide unemployment rate has been lower than the national rate for 43 consecutive months since November 2020. The strong employment rate has had a dramatic increase to sales tax receipts for the first several months of FY 2024. Tourism is strong and the overall Florida housing sector is strong even with the current higher interest rate market; rents and home sale prices have increased significantly. The potential of global trade issues, the burden of our very high national debt, inflation, political unrest and domestic political stalemates are always of concern. The Town of Juno Beach’s property values have increased thirteen years in a row, including the 2024 fiscal year. The Town’s residential values and sales remain strong.

2024-2025 Fiscal Year Budget Preliminary Financial Information

1. Ad Valorem Tax Base Information

The Town’s [estimated](#) total taxable value for the 2024 (FY 2025) tax roll is \$2,414,545,048; new construction of \$1,457,437 is included in this figure. This represents a 6.52% increase as compared to the 2023 final taxable value and a 6.46% increase without new construction. Ad Valorem taxes account for 52.9% of the total General Fund Revenues (excluding grants and non-revenue items such as reserves) in the 2023-2024 annual budget. [The 2024 \(FY 2025\) preliminary certified taxable values](#) are scheduled to be released from the Palm Beach County Property Appraiser as of July 1.

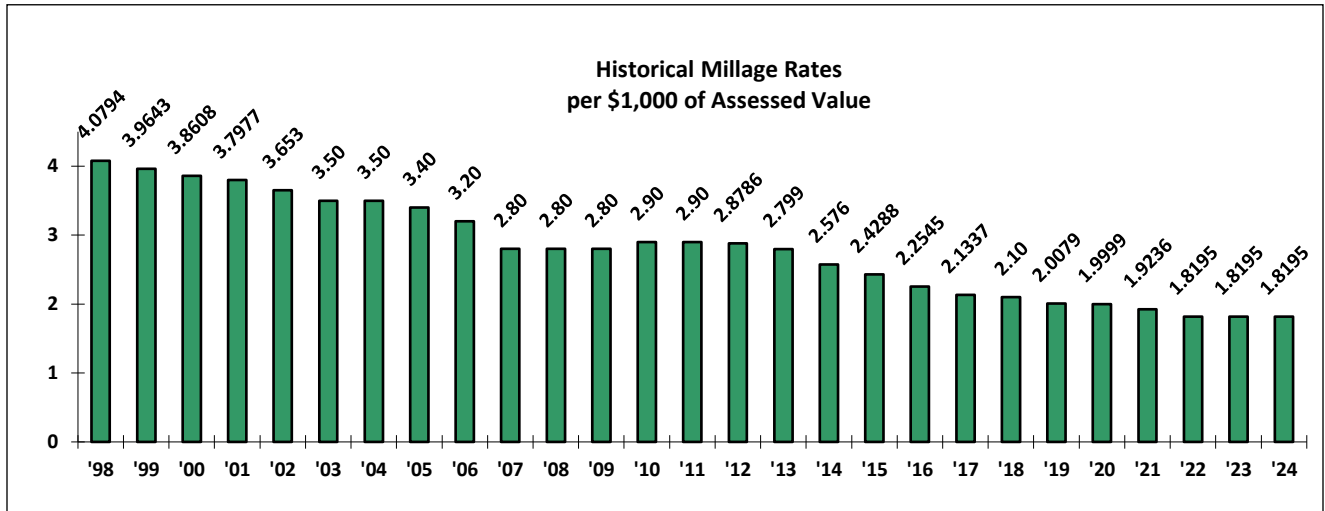


2. Town's Millage Rate Information

The current (FY 2024) millage rate of 1.8195 represented a 0% millage increase.

Based on the (FY 2025) estimated total taxable value; the rolled-back rate is estimated to be 1.7012.

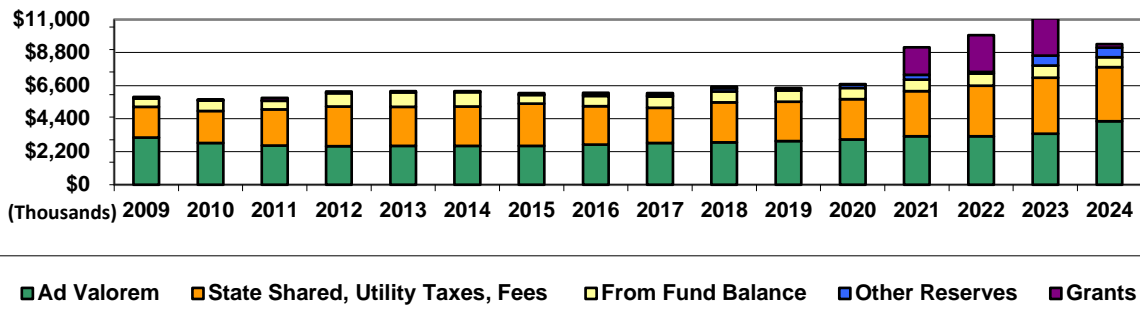
At the current 1.8195 millage rate, total revenue generated would be approximately \$255,671 and 6.5% above the rolled-back rate, with new construction adding approximately \$2,652.



3. Projected and Potential Changes for 2024-2025 Fiscal Year Budget

GENERAL FUND	FISCAL YEAR	FISCAL YEAR	PERCENT	AMOUNT
	<u>2023-2024</u>	<u>2024-2025</u>	<u>CHANGED</u>	<u>CHANGED</u>
<u>REVENUES</u>				
Ad Valorem Taxes	3,966,863	4,222,534	6%	\$ 255,671
Other Taxes	1,386,498	1,386,498	0%	\$ -
Permits and Fees	1,299,950	1,359,950	5%	\$ 60,000
Grants	274,500	225,000	-18%	\$ (49,500)
Intergovernmental Revenue	533,180	536,079	1%	\$ 2,899
Miscellaneous	162,500	157,500	-3%	\$ (5,000)
Investment Earnings	150,000	175,000	17%	\$ 25,000
From Restricted	798,599	742,149	-7%	\$ (56,450)
<u>From Unassigned Fund Balance</u>	<u>2,942,500</u>	<u>817,000</u>	<u>-72%</u>	<u>\$ (2,125,500)</u>
TOTAL REVENUES	11,514,590	9,621,710	-16.4%	\$ (1,892,880)

Historical Budgeted Revenues



b. Salaries

The current budget includes 35 full-time and 1 part-time employees. The Police Department has 18 employees, Finance & Administration has 6, Comprehensive Planning has 7 and Public Works has 5 employees. The Town is proposing a 4% Cost of Living Adjustment and a 2% Merit.

SALARIES	FISCAL YEAR	FISCAL YEAR	PERCENT	AMOUNT
	2023-2024	2024-2025	CHANGED	CHANGED
LEGISLATIVE	16,200	42,000	159.3%	25,800
FINANCE & ADMINISTRATION	674,302	706,300	4.7%	31,998
COMPREHENSIVE PLANNING	554,981	568,300	2.4%	13,319
LAW ENFORCEMENT	1,853,310	1,969,200	6.3%	115,890
PUBLIC WORKS	344,949	362,250	5.0%	17,301
TOTAL SALARIES	3,443,741	3,648,050	5.9%	204,309

Comprehensive Planning is requesting an additional Code Enforcement Employee
***Not yet funded in Budget**

c. Employee Benefits

The Town's employee benefit expenditures are projected to increase this year, the Florida Legislature increased the pension contribution for the Florida Retirement System (FRS) participants in 2023-24. Rates increased approximately 17.39% for Special Risk (Police) and 13.9% for Regular Class, participants will continue to make a mandatory 3% contribution to the plan, members include all police officers (16 participants) and all general employees hired prior to 1/1/96 (2 participants). The proposed contribution rate for all other employees (17 participants) in the General Employee Defined Contribution Plan is proposed to increase 2% to 10%, participants will make a mandatory 2% contribution to that plan. Early estimates for pension cost increases total \$25,000. Payroll taxes (FICA=Social Security and Medicare) are projected to increase in relation to the above proposed payroll changes.

Workers compensation rates have been flat in recent years, an indication of market conditions and staff's resolve for the safety program and conscious efforts to reduce incidents resulting in reasonable claims experience ratings. Annual changes in State laws and rate filing approvals may affect the renewal rate in the coming year. Renewal or bid information will not be available until July or August for an October effective date.

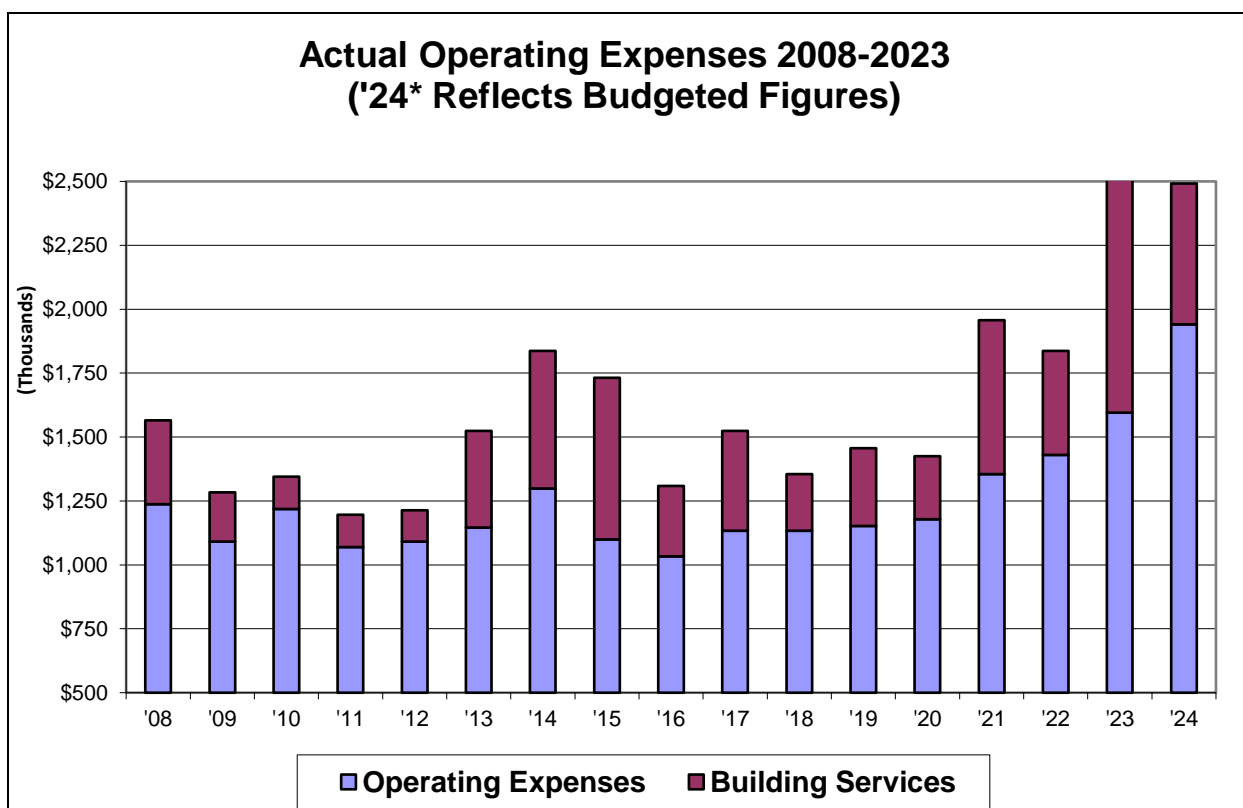
Health insurance premiums are based on market conditions and regional medical costs. Annually staff performs a thorough review of options available for medical, dental, vision, long and short-term disability

and life insurance. The Town’s insurance premiums are based on the efforts of a comprehensive analysis and review of the benefits provided, alternative coverages and funding options. The health insurance plan year is January-December; staff will perform the customary solicitation of bids and negotiate employee insurance coverage and costs during November and December. Staff anticipates a 15-20% increase in premium costs. Employees have options and choose to utilize a combination of coverage alternatives that have benefited the Town’s overall expense costs.

EMPLOYEE BENEFITS	FISCAL YEAR	FISCAL YEAR	PERCENT	AMOUNT
	2023-2024	2024-2025	CHANGED	CHANGED
LEGISLATIVE	1,239	3,213	159%	1,974
FINANCE & ADMINISTRATION	187,478	219,100	17%	31,622
COMPREHENSIVE PLANNING	161,676	190,294	18%	28,618
LAW ENFORCEMENT	940,979	1,066,662	13%	125,683
PUBLIC WORKS	126,543	145,096	15%	18,553
TOTAL EMPLOYEE BENEFITS	1,417,916	1,624,365	15%	206,449

d. Operating Expenses:

Over the years, Council and staff have continued to manage costs while balancing our service requirements and performing services in-house where feasible. With this in mind, staff will continue to review contracts, solicit proposals and propose cost effective solutions to meet our needs. The current operating budget is generally trending along as anticipated and within budget, line items will continue to be monitored.



One of the constants and signature features of Juno Beach includes the maintenance costs associated with the many beautification and improvement projects, such as U.S. Highway One, Donald Ross Road, Pelican Lake, Kagan Park, Mercury Road, Ocean Drive, dune walkover improvements, etc. that require continued maintenance and recurring utility costs.

For FY 2025, staff is projecting the following items or increases:

Landscaping – Approved Increase - 2024 Contract by Council \$100,000
 Master Plan – Council Goal \$75,000
 P&Z Regulation Changes – Council Goal \$75,000
 Vulnerability Study – Grant Funded \$225,000
 Building Official Services – Permit Funded \$150,000
 Building Repairs \$50,000
 Cyber Security Analysis
 Dispatch Services
 Professional Fees
 Insurance

Projected Professional Expenses for 2024-2025 Fiscal Year Budget:

PROFESSIONAL FEES	FISCAL YEAR	FISCAL YEAR	PERCENT	AMOUNT
	<u>2023-2024</u>	<u>2024-2025</u>	<u>CHANGED</u>	<u>CHANGED</u>
FINANCE & ADMINISTRATION	\$ 87,000	\$ 110,000	26%	\$ 23,000
COMPREHENSIVE PLANNING	\$ 475,500	\$ 1,004,000	111%	\$ 528,500
LAW ENFORCEMENT	\$ 37,700	\$ 33,700	-11%	\$ (4,000)
PUBLIC WORKS	\$ 5,000	\$ 20,000	300%	\$ 15,000
TOTAL PROFESSIONAL FEES	\$ 605,200	\$ 1,167,700	93%	\$ 562,500

Projected Operating Expenses for 2024-2025 Fiscal Year Budget:

OPERATING EXPENSES	FISCAL YEAR	FISCAL YEAR	PERCENT	AMOUNT
	<u>2023-2024</u>	<u>2024-2025</u>	<u>CHANGED</u>	<u>CHANGED</u>
LEGISLATIVE	\$ 12,500	\$ 12,500	0%	\$ -
FINANCE & ADMINISTRATION	\$ 161,650	\$ 190,900	18%	\$ 29,250
COMPREHENSIVE PLANNING	\$ 67,556	\$ 71,700	6%	\$ 4,144
LAW ENFORCEMENT	\$ 392,646	\$ 417,700	6%	\$ 25,054
PUBLIC WORKS	\$ 524,694	\$ 694,810	32%	\$ 170,116
GENERAL GOVERNMENT	\$ 332,115	\$ 390,000	17%	\$ 57,885
TOTAL OPERATING EXPENSES	\$ 1,491,161	\$ 1,777,610	19%	\$ 286,449

4. Projected Capital Items and Projects

In the current FY 2024, the Town budgeted \$3,918,250 for Capital Items and Projects:

- \$ 688,795 from Grants
- \$ 18,200 from Contributions
- \$1,011,250 from Surtax Funding
- \$ 97,000 from Other Restricted Reserves
- \$2,103,005 from Assigned Fund Balance

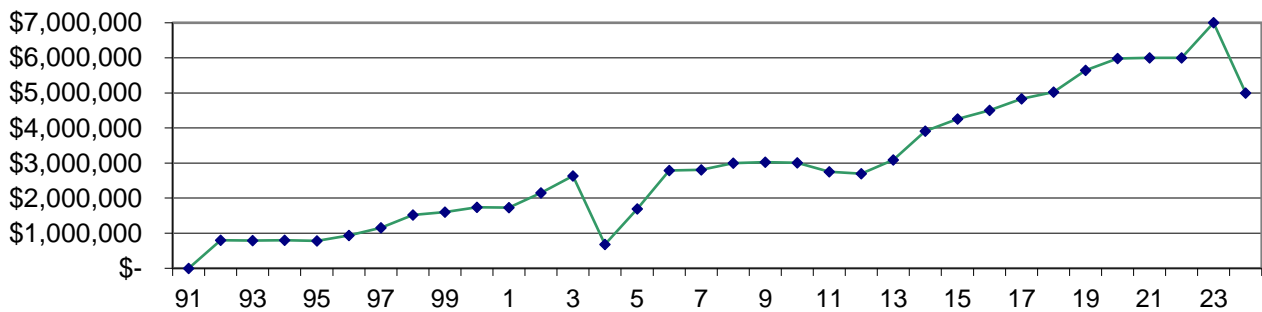
During the budget process, the Town Council will propose, review and approve the entire list of Capital Items. The following is a preliminary list of Capital Items and Projects that staff will propose for FY 2025 budget:

<u>Capital Items and Projects:</u>	<u>\$1,391,500</u>
Police Vehicle Marked (2) w/ Equipment	\$ 140,000
Road Improvements-Overlay, Resurfacing Universe Blvd.	500,000
Town Center-Building and PD Area Design	250,000
Hardscape, Landscape, Irrigation, Sidewalks, Gazebo, Lights, Etc.	65,000
Network-Servers, Storage, Switches, Software, etc.	75,000
Town Center- Pelican Lake Area	200,000
Beach Shelter – Re-roof	24,000
Heavy Equipment, Mowers, Tractors, Repairs, 50H-Pump	30,000
Electronics-Desktops, Laptops, Printers, Audio, Video, etc.	42,500
Police – Tasers and Misc Equipment.	65,000

5. Fund Balance (Reserve) Status

The September 30, 2023 Unassigned Fund Balance (Reserve) is \$5,042,541. This represents about 126% of our current year’s (FY 2024) budgeted revenues excluding non-revenue, capital contributions and grant items.

UNASSIGNED RESERVE FUNDS
(The decrease in 2024 was due to the funding of the Universe Drainage Project.)



The Following Are Estimated Fund Balance Restricted, Committed and Assigned figures (net of Assigned Budget) as of May 31, 2024:

One-Cent Surtax	\$ 472,697
Building Code Enforcement	\$ 2,290,118
Police-Forfeitures	\$ 109,314
Impact Fees	\$ 43,799
General Contributions	\$ 22,371
Capital Projects (Seminole Ridge/Seminole Plaza)	\$ 23,562
Police Contributions	<u>\$ 13,581</u>
Total:	<u>\$ 2,975,442</u>

6. Reserve Policy

The Town's policy regarding reserve funds has remained stable over the years. Reserve funds are intended to smooth out economic downturns, deal with unexpected situations, and purchase major capital items without incurring debt. However, the most important reason for adequate reserves is for catastrophes, such as a major storm. A major storm could substantially reduce the town's tax base for up to several years. Also, during this "rebuilding period" after a storm, demands for service will be substantially higher. So, during this "rebuilding period" property tax revenues could drastically decrease during a period when more services will be demanded.

These reserves are also supplementing the budget with investment income. Without this income, the town would have to raise taxes to balance our current year's budget. These investments are consistent with the performance of the three-month U.S. Treasury Bill rate.

Due to the small size of our budget, the high percentage of our budgeted revenues derived from property taxes, about 50% (excluding grants and non-cash revenues) and the location of our town (barrier island), Town Council and staff continue to recommend keeping our goal for funding the reserve account to 50% of operating budget. This simply means keeping with the current philosophy of managing the town's fiscal activities as efficiently as possible and funding the reserve with any unusual, non-repeating revenue source.

Developments Concerning Reserve Funding:

- During and after hurricanes, communities experience cash flow issues with preparations, debris cleanup and property repair costs, these issues can and have led to financing concerns and costs for agencies.
- Additionally, due to past hurricanes it has become much more difficult to secure debt for many municipal projects, especially for coastal communities.
- Recent credit issues have affected rating agencies and debt reinsurance companies.

7. Budget Planning Session Summary

The Town Council, residents and staff will continue to discuss the proposed Fiscal Year Budget in the upcoming Town Council budget meetings.

In closing, staff will continue to monitor economic issues, revenue sources and expenditures over the next few months to evaluate trends and developments that may affect our annual budget.