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City of Lake Worth Beach

FY 2026 Integrated Financial Sustainability Analysis

August 21, 2025

Agenda

ITEM	AGENDA ITEM
1.0	**Enterprise Funds**
	1.1 Electric Fund
	1.2 Water Fund
	1.3 Local Sewer Fund
	1.4 Stormwater Utility Fund
	1.5 Refuse Collection and Disposal Fund
2.0	**Governmental Funds**
	2.1 Beach Parking Fund
	2.2 Golf Fund
	2.3 General Fund
3.0	Live Modeling, Questions & Discussion

Updated Financial Analysis

1. **Our projections are based on:**
   - Audited FY 2024 financials
   - Amended FY 2025 budget
   - Updated FY 2026 budget

2. **Proposed FY 2026 Budget and 5-year CIP**
   - Funds modeled to reflect updated FY 2026 budget, 5-year CIP and known future changes (beyond FY26)
   - Recommending increases:
     - ✓ Local Sewer Rates, Water Rates, Commercial Refuse Rates, Stormwater Rates, Electric Base Rates, and Golf Fees

3. **Modeling updated to ensure alignment with City's Fund Balance Reserve Policy**

Fund Balance Reserve Policy

General, Governmental and Internal Service Funds

- Minimum **25%** of General Fund Expenditures for most recent concluded year.
- Comprised of 4 components:
  - Rainy Day Reserve, Budget stabilization reserve, Capital Reserve and Unassigned Fund Balance

Enterprise Fund

- Minimum of **50% (180 days)** of Annual Operating Expenses (including transfers and debt)
- Comprised of 4 reserve accounts:
  - Revenue Fund, O&M Reserve, Renewal & Replacement Reserve and Utility Reserve Fund
- If below target, restore balance within 24 months

Integrated financial sustainability analysis evaluates ability for each fund meet fund balance policy over 10-year projection period.

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LAKE WORTH BEACH ELECTRIC UTILITY

8% Base rate adjustment consistent with prior year forecast, followed by stepdown over time

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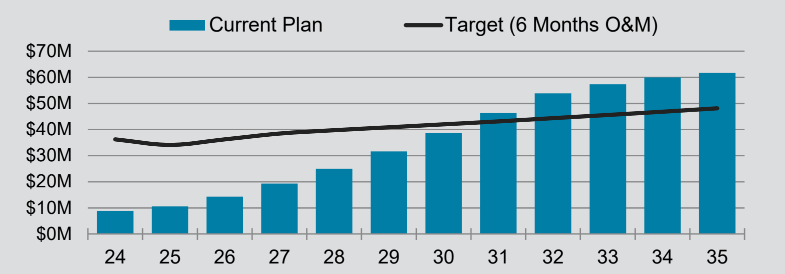
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2030	FY 2035
Residential Rate Plan		8.00%	6.00%	5.00%	5.00%	5.00%	3.00%	2.00%	1.00%	1.00%	1.00%	32.66%	43.69%
Commercial Rate Plan		8.00%	6.00%	5.00%	5.00%	5.00%	3.00%	2.00%	1.00%	1.00%	1.00%	32.52%	43.46%
Commercial Demand Rate Plan		8.00%	6.00%	5.00%	5.00%	5.00%	3.00%	2.00%	1.00%	1.00%	1.00%		
% Monthly Bill Impact	0.00%	5.68%	4.36%	4.26%	4.28%	1.02%	2.91%	2.17%	1.40%	1.41%	1.42%		
Residential Bill (1000 kWh)	$127.01	$134.23	$140.08	$146.05	$152.30	$153.86	$158.34	$161.77	$164.03	$166.34	$168.70		
Senior-Lien DSC	2.27	2.16	1.97	2.00	2.06	2.10	2.17	2.16	2.10	2.04	1.98		
Combined System DSC	2.27	2.22	2.00	1.97	1.98	1.97	2.01	2.02	1.99	1.96	1.94		
Combined System Reserve (Days)	139	153	170	188	209	228	248	268	272	274	273		
PCA Rate Plan				2.35%	2.39%	2.42%	2.46%	2.59%	2.62%	2.65%	2.68%		
Stablization Fund ($ M)	2.18	2.18	2.18	2.18	2.18	2.18	2.18	2.18	2.18	2.18	2.18		
Storm Fund ($ M)	1.75	3.43	5.11	6.79	8.02	8.02	8.02	8.02	8.02	8.02	8.02		
Net Cash Flow ($ M)	0.46	2.06	3.37	3.96	5.42	7.05	7.66	7.52	3.52	2.64	1.65		

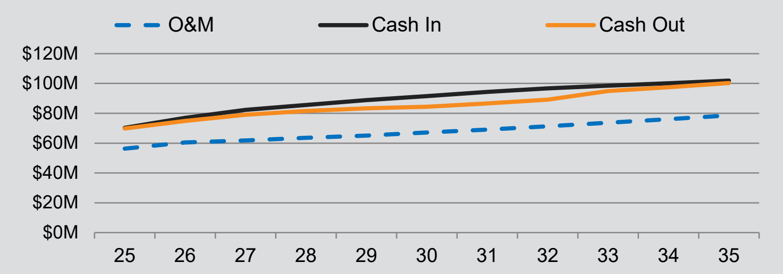
Scenario Manager

Capitalize Labor — Yes

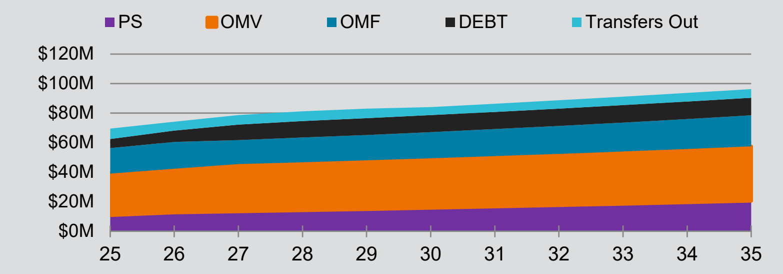
Working Capital Fund



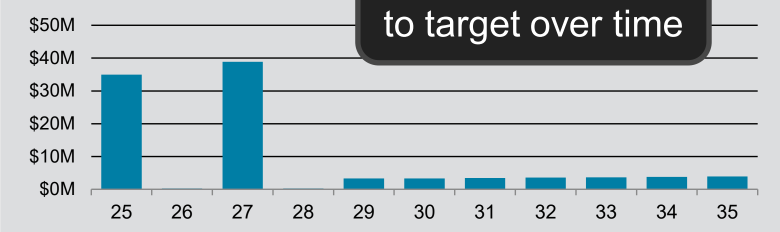
Revenues vs. Expenses



Expenses by Type

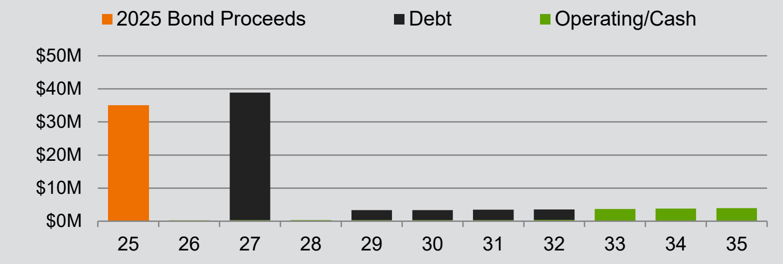


CIP Spending

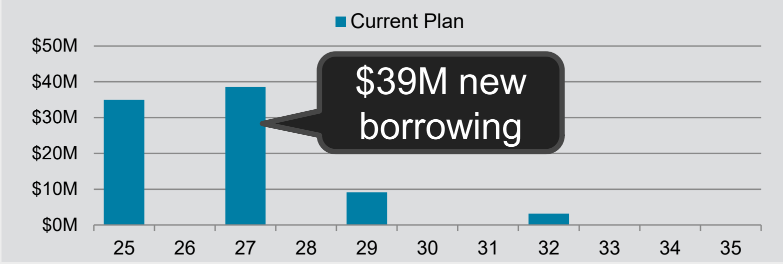


Reserves building to target over time

CIP Funding

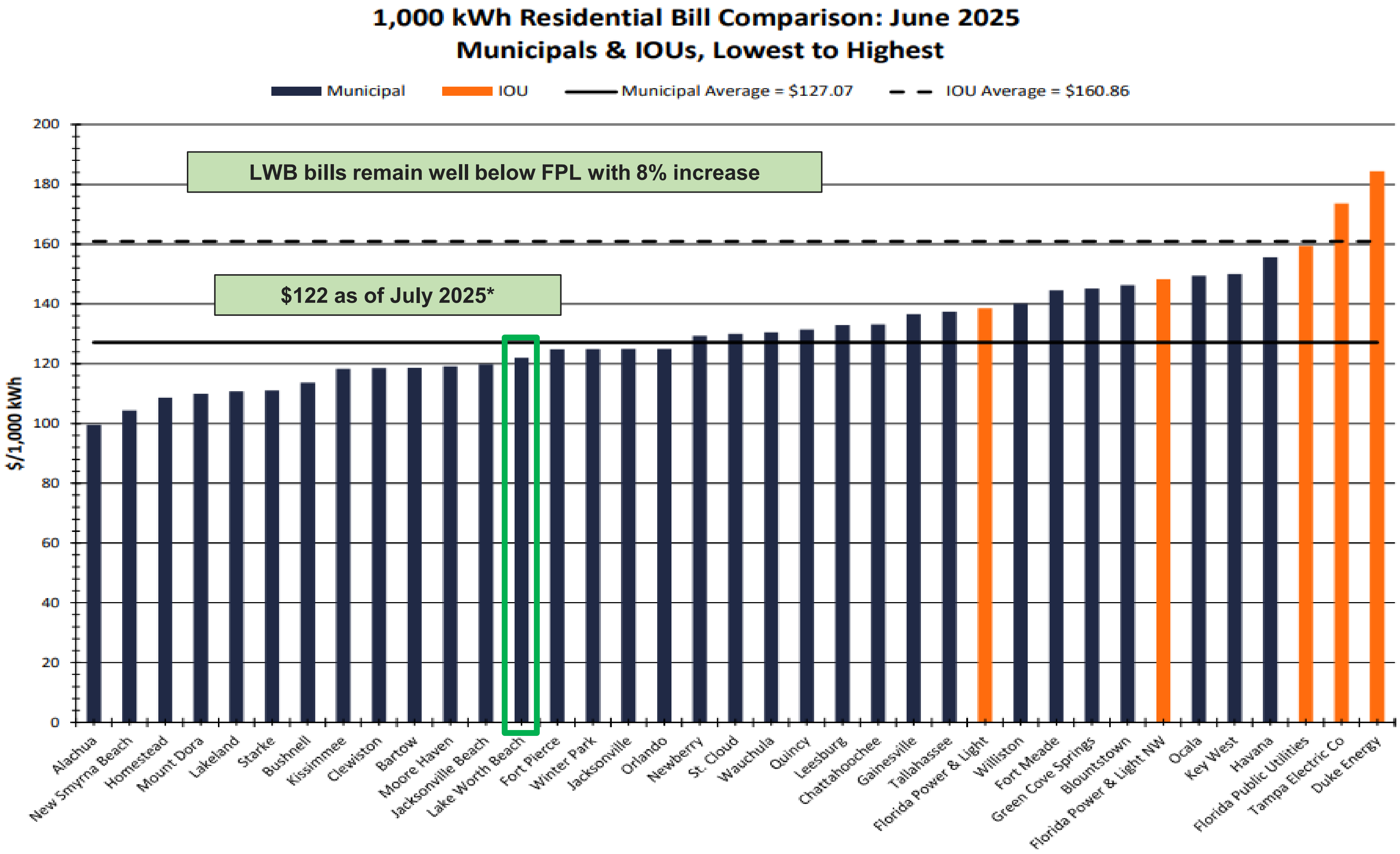


Borrowing



ELECTRIC FUND

FY25 Monthly Residential Bill Comparison @ 1,000 kWh



*Does not include $5 storm charge

ELECTRIC RATE SURVEY

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LAKE WORTH BEACH WATER FUND

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CALC | SAVE | CTRL | LAST | OVR

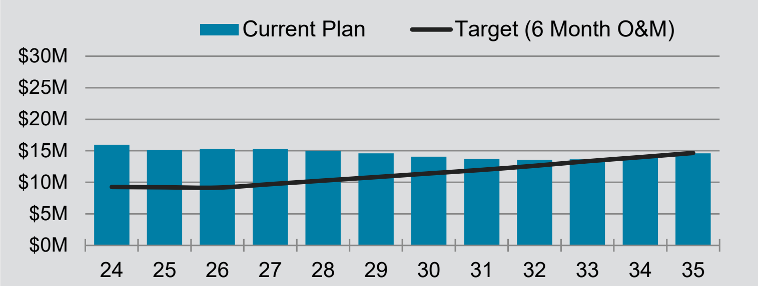
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Water Rate Plan		4.00%	4.00%	4.00%	4.00%	4.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Senior-Lien DSC	2.19	2.41	1.92	1.75	1.65	1.56	1.57	1.55	1.51	1.53	1.56
Combined System Coverage	2.27	2.22	2.00	1.97	1.98	1.97	2.01	2.02	1.99	1.96	1.94
Combined System Reserve (Days)	139	153	170	188	209	228	248	268	272	274	273
Franchise Fee % of Revenue	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Average Single Family Bill	$43.52	$45.27	$47.07	$48.95	$50.92	$52.94	$55.61	$58.41	$61.33	$64.39	$67.59
Net Cash Flow	(0.87)	0.20	(0.04)	(0.25)	(0.41)	(0.53)	(0.40)	(0.11)	0.10	0.33	0.60

	FY 2030	FY 2035
Water Rate Plan	21.63%	55.23%

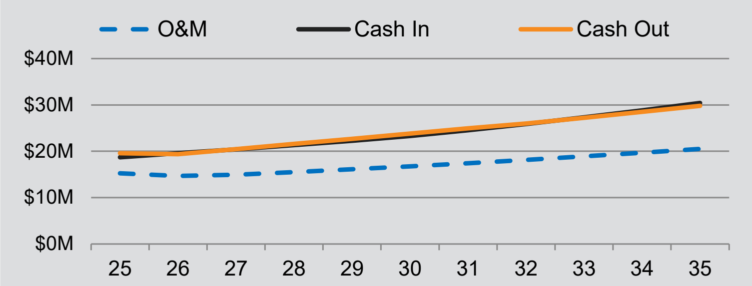
Scenario Manager

Check	-

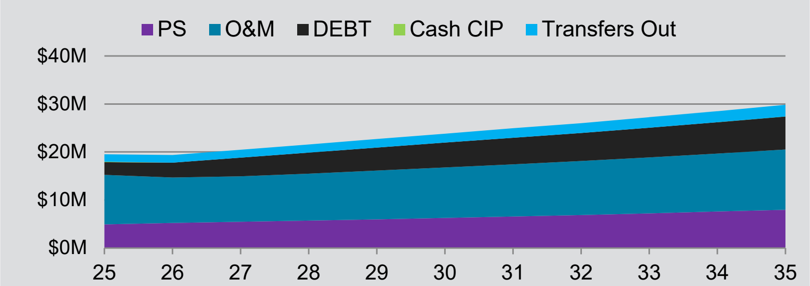
Working Capital Fund



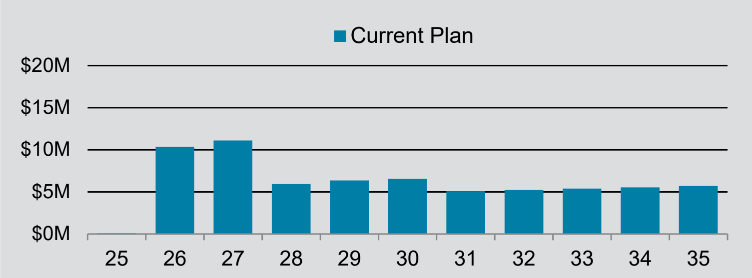
Revenues vs. Expenses



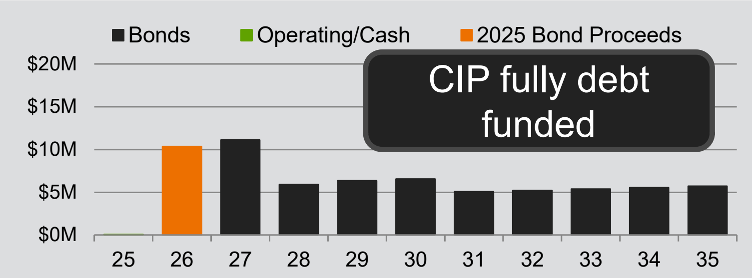
Expenses by Type



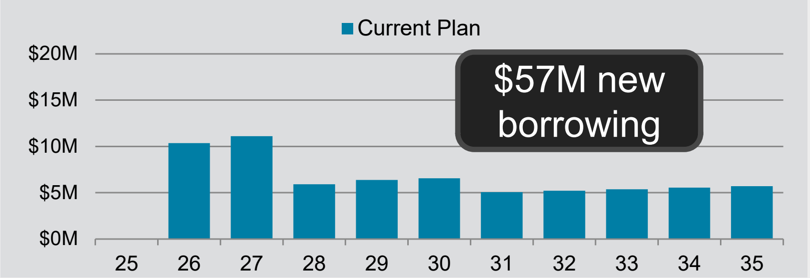
CIP Spending



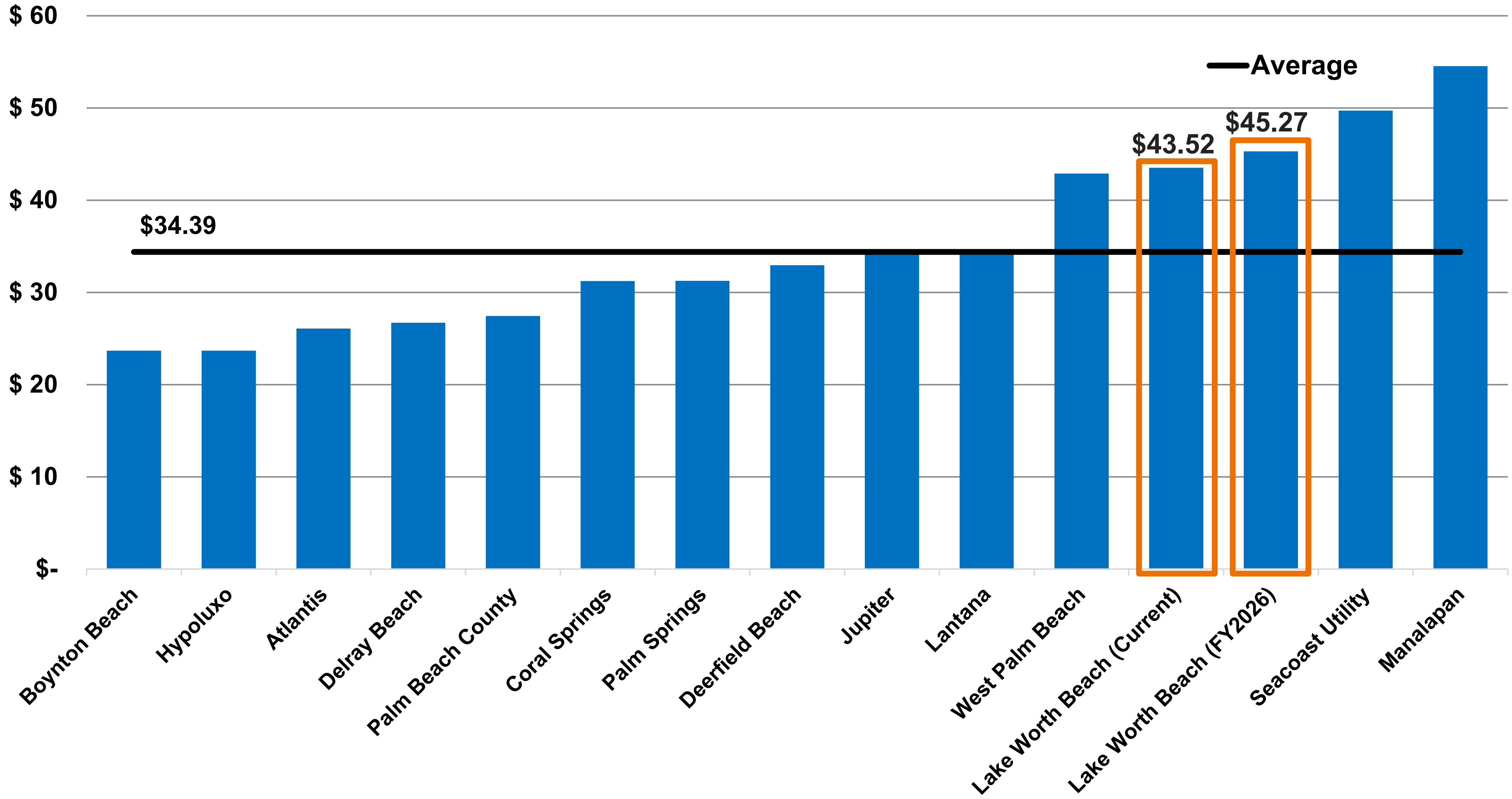
CIP Funding



Long-Term Borrowing



Water Bills @ 5,000 Gallons per Month



*Comparisons reflect current FY25 rates, future rates for comparisons unknown

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LAKE WORTH BEACH LOCAL SEWER

Increases required to meet Fund Balance target

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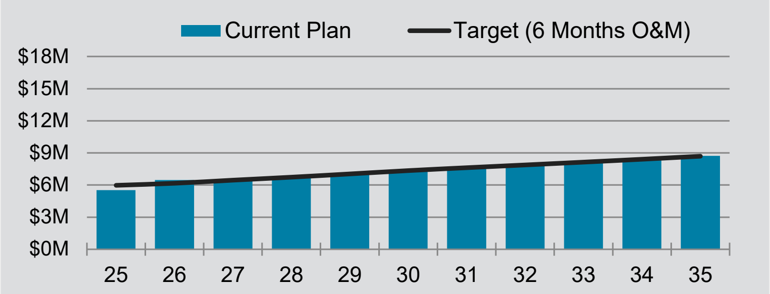
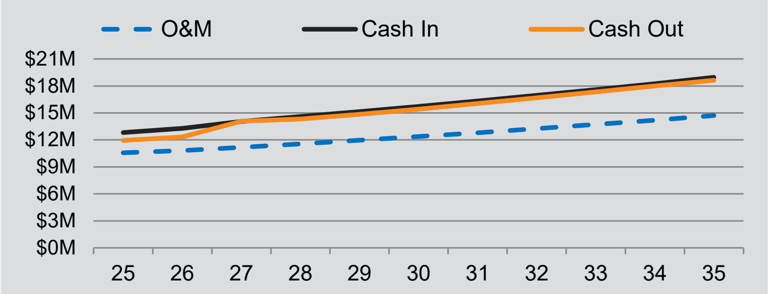
	FY 2025	FY 2026	FY 2027	FY 20…	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2030	FY 2035
Local Sewer Rate Plan		5.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	20.50%	39.71%
Debt Service Coverage	6.70	5.65	4.92	4.22	3.61	3.21	3.18	3.29	3.42	3.58	3.75	Scenario Manager	
Combined System DSC	2.27	2.22	2.00	1.97	1.98	1.97	2.01	2.02	1.99	1.96	1.94		
Combined System Reserve (Days)	139	153	170	188	209	228	248	268	272	274	273		
Franchise Fee % of Revenue	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%		
Single Family Residential Bill	$54.56	$57.29	$60.18	$62.00	$63.84	$65.76	$67.74	$69.75	$71.83	$73.99	$76.23		
Net Cash Flow ($ M)	0.88	0.96	(0.03)	0.28	0.30	0.31	0.27	0.26	0.26	0.27	0.33		

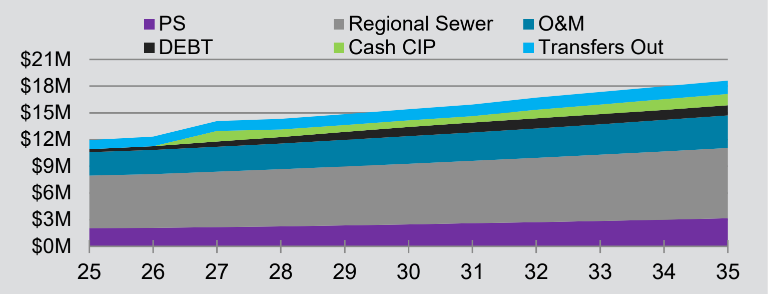
Working Capital Fund



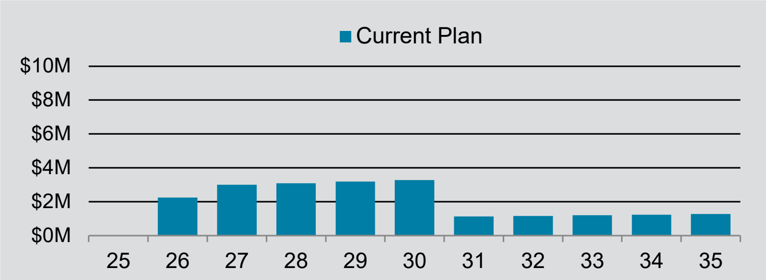
Revenues vs. Expenses



Expenses by Type



CIP Spending



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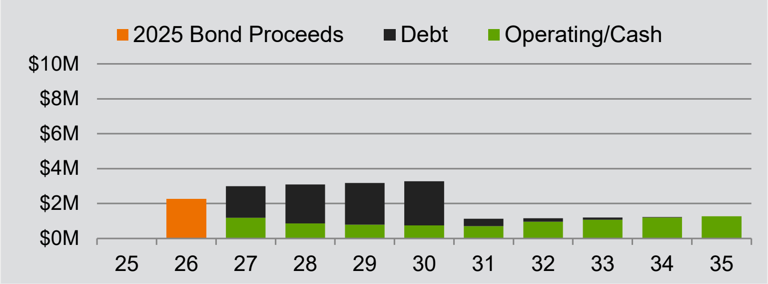

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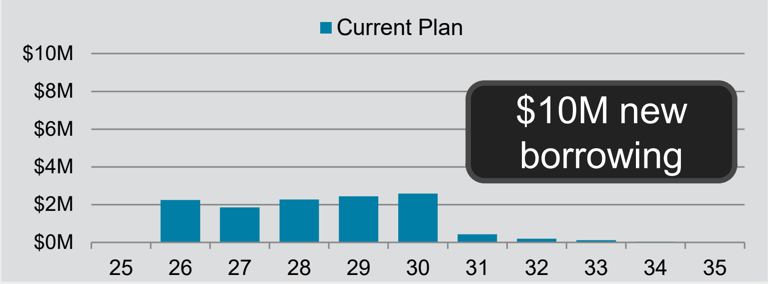
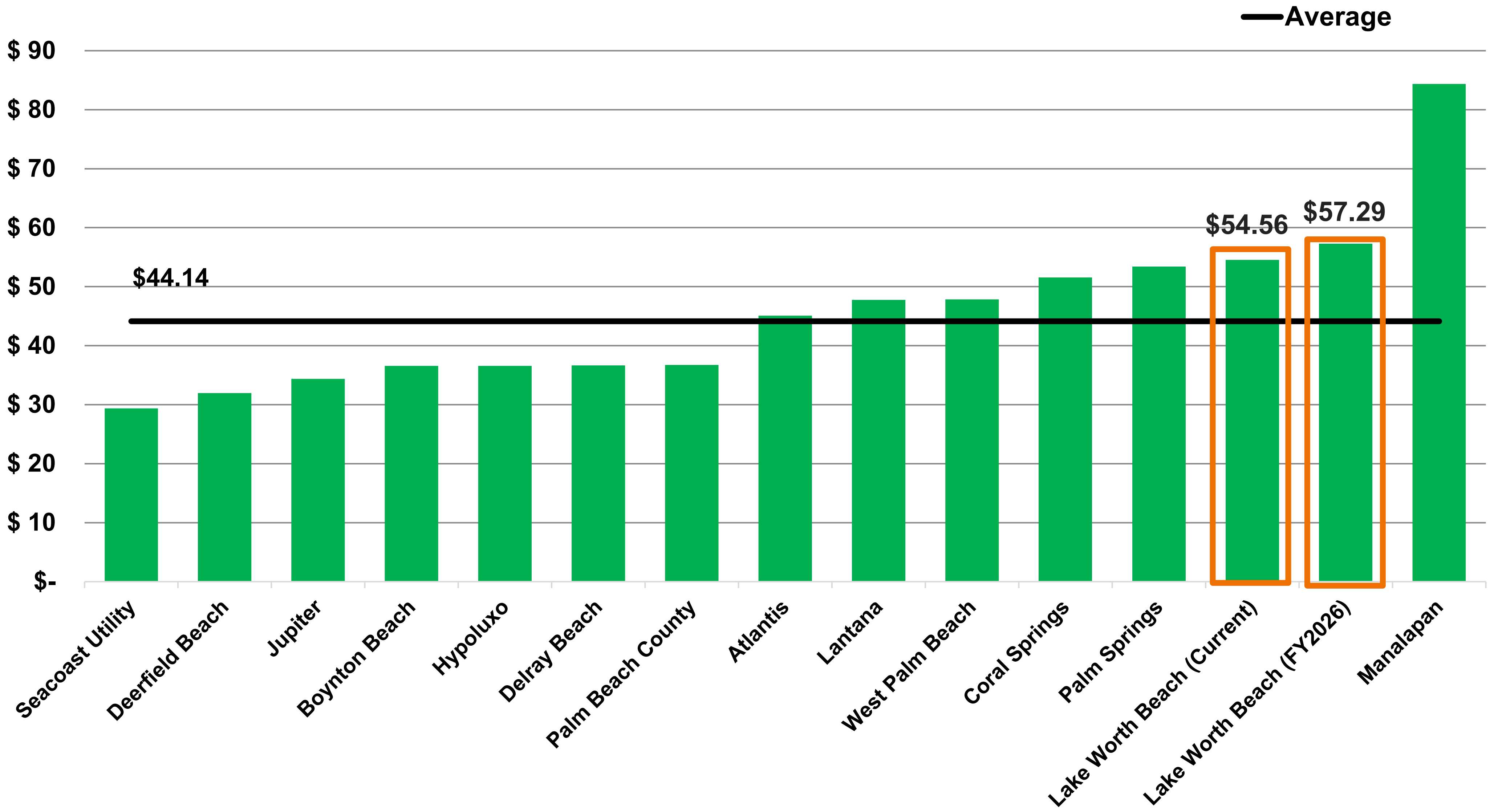
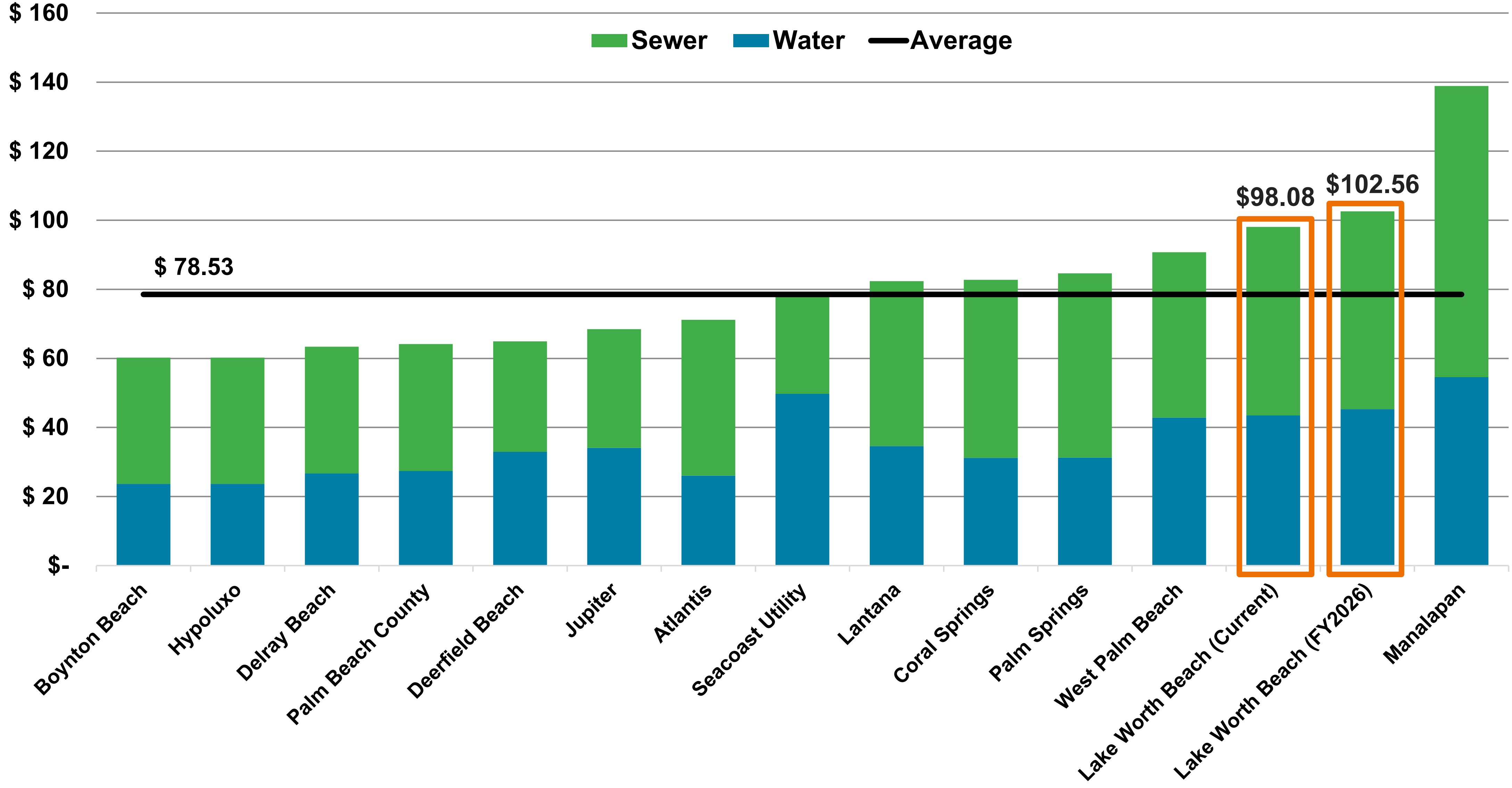


Sewer Bills @ 5,000 Gallons per Month



*Comparisons reflect current FY25 rates, future rates for comparisons unknown

Combined Bills @ 5,000 Gallons per Month



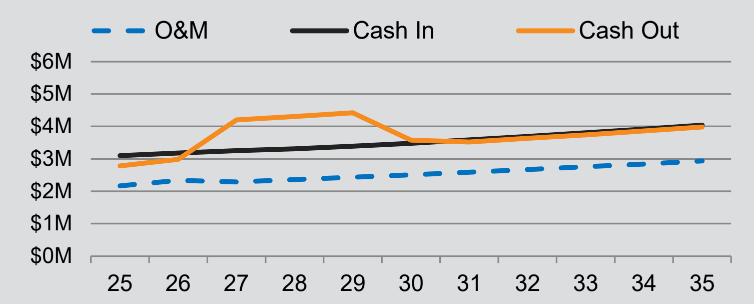
**Comparisons reflect current FY25 rates, future rates for comparisons unknown*

LAKE WORTH BEACH STORMWATER FUND

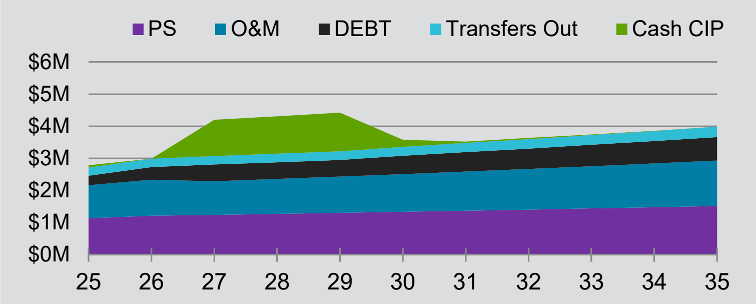
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2030	FY 2035
ERU Adjustment		2.50%	2.50%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	14.24%	32.44%
Annual Assessment per ERU	$117.38	$120.31	$123.32	$126.40	$130.19	$134.10	$138.12	$142.26	$146.53	$150.93	$155.46		
Franchise Fee % of Revenue	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%		
Operating Cash Flow ($ M)	0.39	0.19	0.18	0.17	0.17	0.12	0.10	0.10	0.08	0.07	0.06		
Net Cash Flow ($ M)	0.31	0.19	-0.95	-1.00	-1.03	-0.10	0.06	0.06	0.06	0.06	0.06		

Working Capital Fund

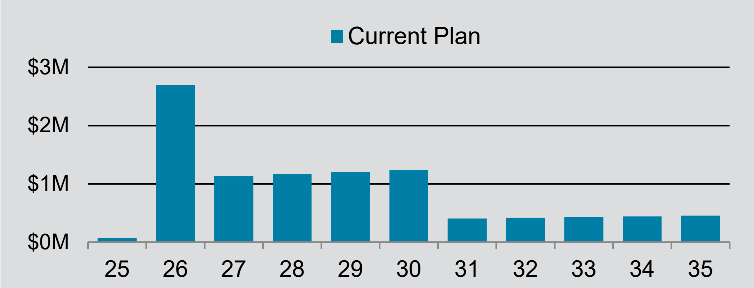
Revenues vs. Expenses



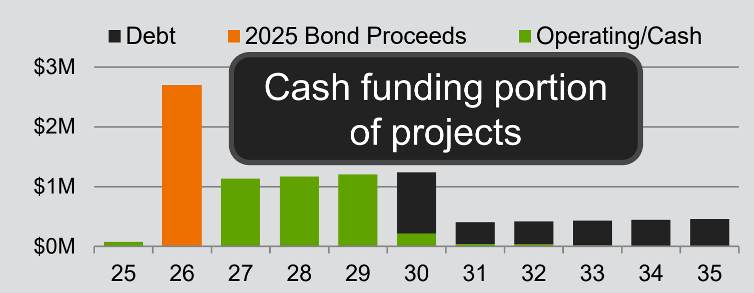
Expenses by Type



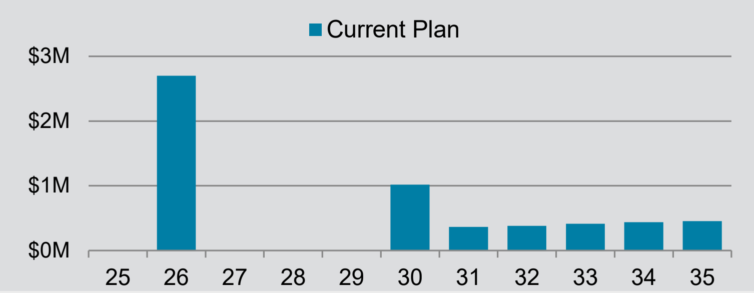
CIP Spending



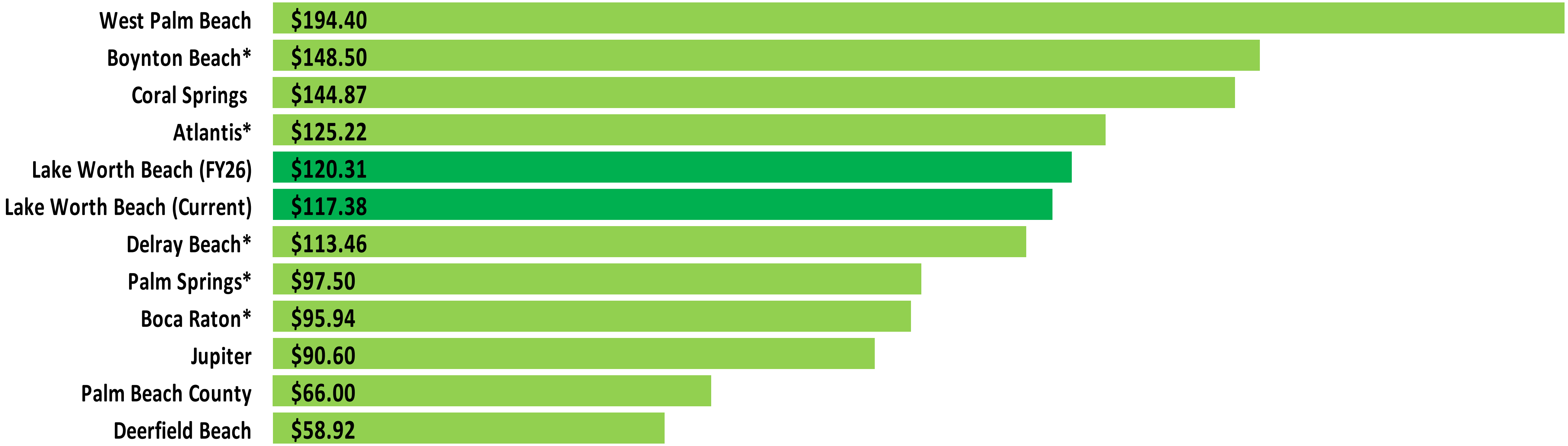
CIP Funding



Borrowing



FY 2025 Annual Residential Fee Comparison



**Annual fee includes Lake Worth Drainage District Fee of $49.50*

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Lake Worth Beach Refuse Fund

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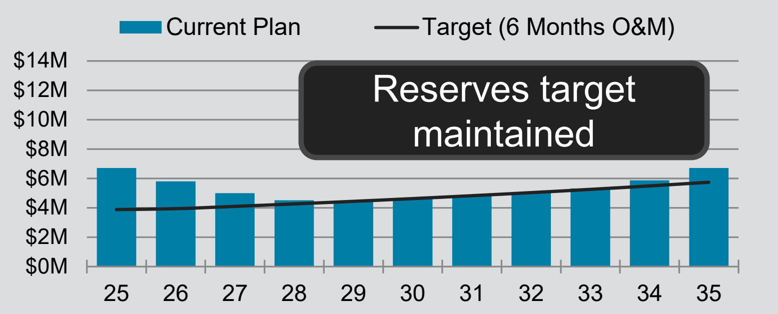
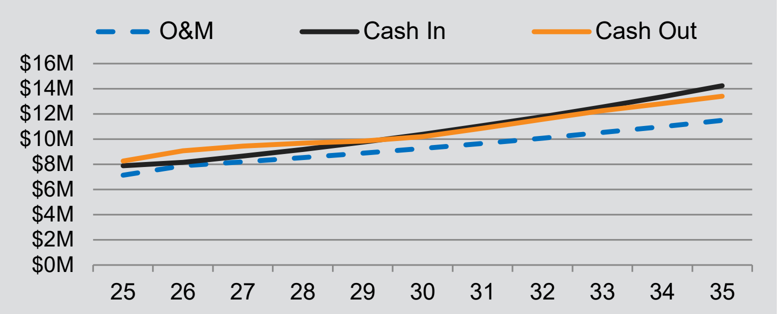
Future adjustments required to maintain to minimum balance

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2030	FY 2035
Residential Rate Plan		0.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	26.25%	68.95%
Commercial Rate Plan		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%		
Single Family Residential Bill	$271.55	$271.55	$287.84	$305.11	$323.42	$342.83	$363.40	$385.20	$408.31	$432.81	$458.78		
Franchise Fee % of Revenue	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%		
Net Cash Flow ($ M)	-0.38	-0.91	-0.79	-0.49	-0.07	0.19	0.20	0.21	0.29	0.55	0.84		

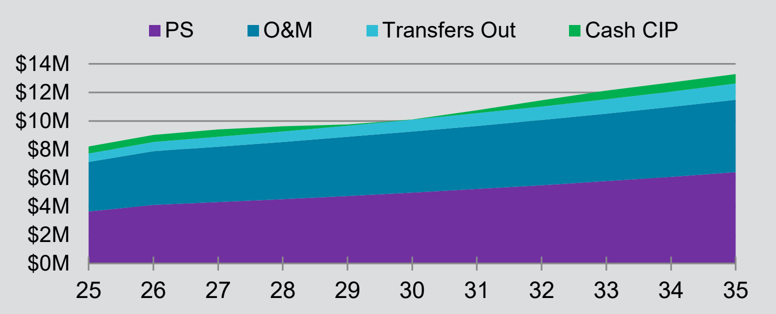
Working Capital Fund



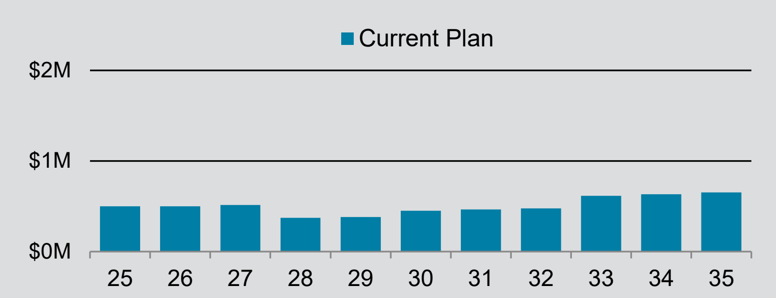
Revenues vs. Expenses



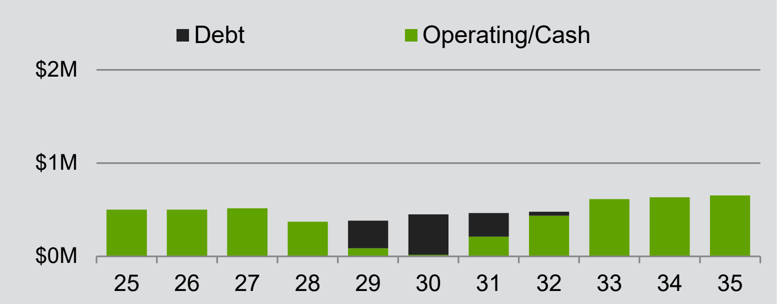
Expenses by Type



CIP Spending



CIP Funding



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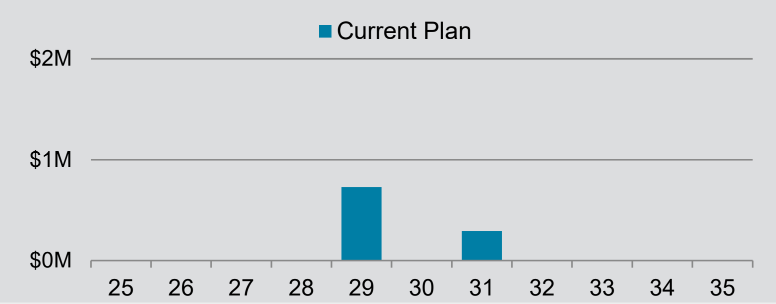
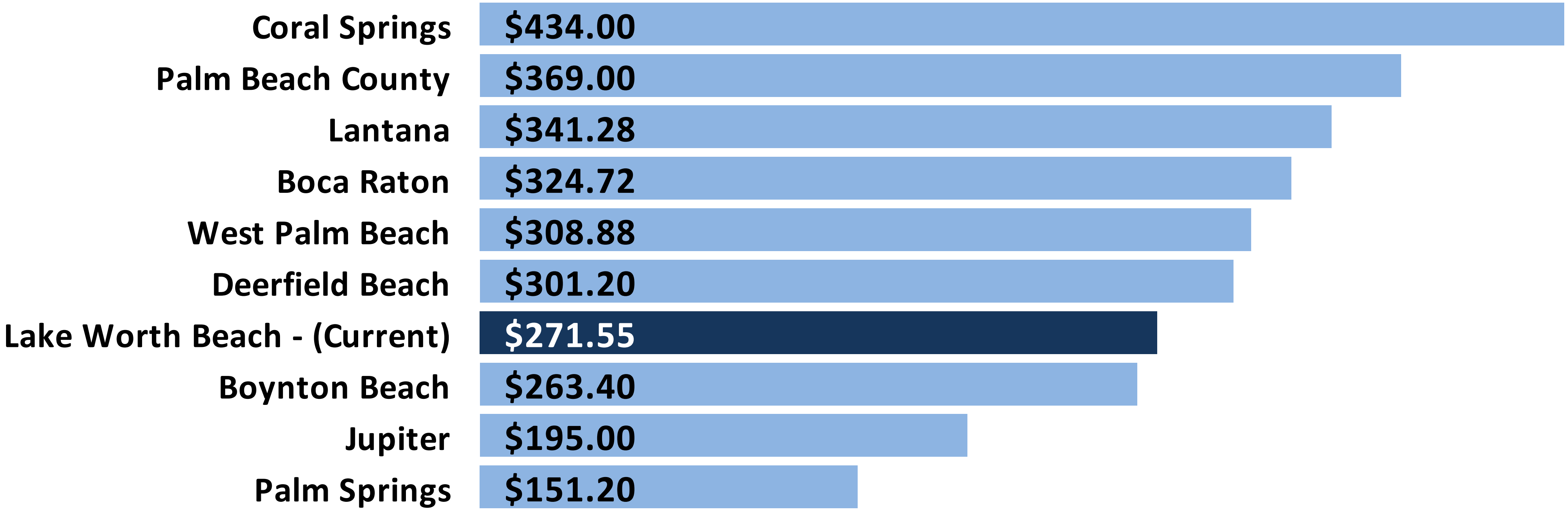


FY 2025 Annual Residential Garbage & Recycling Fee Comparison



**Fees shown do not include FY 2025 annual disposal fee of $194 to be paid to Palm Beach County*

FY 2025 Commercial Fee Comparison

Dumpster (6-Yard)

Times per Week	2x	3x	4x	5x	6x	7x
Coral Springs	$1,095	$1,642	$2,190	$2,737	$3,284	NA
Deerfield Beach	$1,048	$1,572	$2,097	$2,621	$3,145	$3,669
Boynton Beach	$516	$743	$969	$1,196	$1,423	NA
Lake Worth Beach (FY2026)	**$430**	**$645**	**$860**	**$1,075**	**$1,291**	**$1,506**
West Palm Beach	$408	$624	$740	$1,056	$1,272	$1,488
Lake Worth Beach (Current)	**$406**	**$609**	**$812**	**$1,015**	**$1,218**	**$1,420**

Compactor (6-Yard)

Times per Week	2x	3x	4x	5x	6x	7x
Coral Springs	$1,705	$2,558	$3,410	$4,263	$5,116	NA
Deerfield Beach	$1,461	$2,923	$4,385	$5,847	$7,308	$8,770
Boynton Beach	$969	$1,452	$1,935	$2,417	$2,900	NA
West Palm Beach	$816	$1,248	$1,680	$2,112	$2,544	$2,976
Lake Worth Beach (FY2026)	**$714**	**$1,070**	**$1,427**	**$1,784**	**$2,141**	**$2,498**
Lake Worth Beach (Current)	**$667**	**$1,000**	**$1,334**	**$1,667**	**$2,001**	**$2,335**

BEACH FUND

FAMS Financial Analysis & Management System | By Stantec

City of Lake Worth Beach - Beach Fund

Assuming adjustments starting in FY2028

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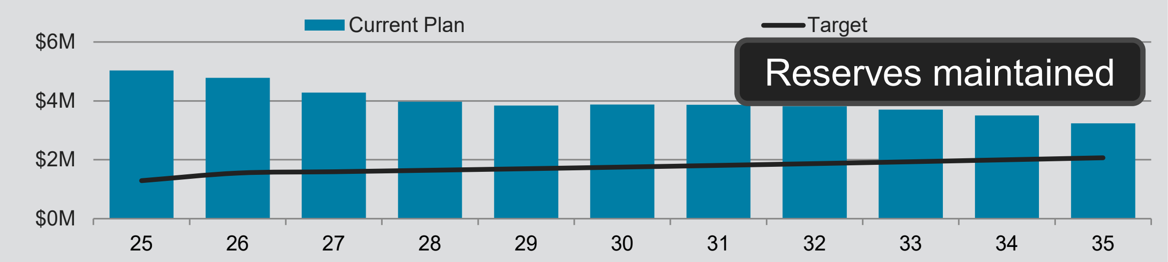
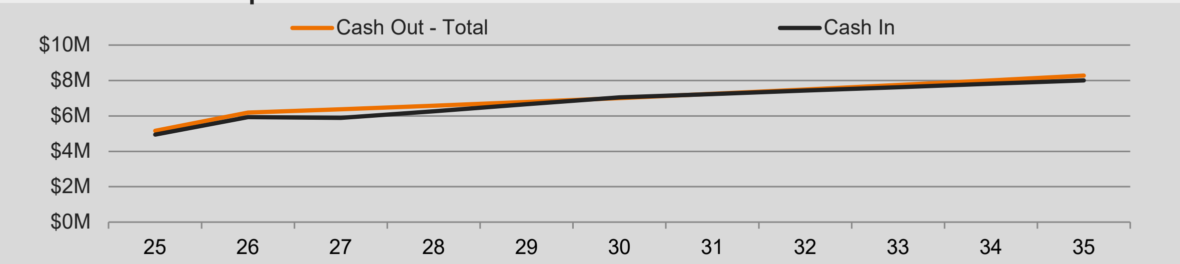
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Weekday Metered Parking Rate	$ 3.50	$ 3.50	$ 3.50	$ 4.00	$ 4.50	$ 5.00	$ 5.25	$ 5.50	$ 5.75	$ 6.00	$ 6.25
Weekend Metered Parking Rate	$ 4.00	$ 4.00	$ 4.00	$ 4.50	$ 5.00	$ 5.50	$ 5.75	$ 6.00	$ 6.25	$ 6.50	$ 6.75
Cash Flow Surplus/(Deficit) $M	$ (0.21)	$ (0.26)	$ (0.50)	$ (0.31)	$ (0.13)	$ 0.03	$ (0.00)	$ (0.05)	$ (0.12)	$ (0.19)	$ (0.27)
End of Year Fund Balance $M	$ 5.04	$ 4.78	$ 4.29	$ 3.98	$ 3.84	$ 3.87	$ 3.87	$ 3.82	$ 3.70	$ 3.51	$ 3.24
Target Fund Balance $M	$ 1.29	$ 1.55	$ 1.59	$ 1.64	$ 1.70	$ 1.75	$ 1.81	$ 1.87	$ 1.93	$ 2.00	$ 2.07
Balance % of Expenses	97.69%	77.19%	67.23%	60.45%	56.61%	55.29%	53.46%	51.01%	47.84%	43.83%	39.14%

Growth 1.00%

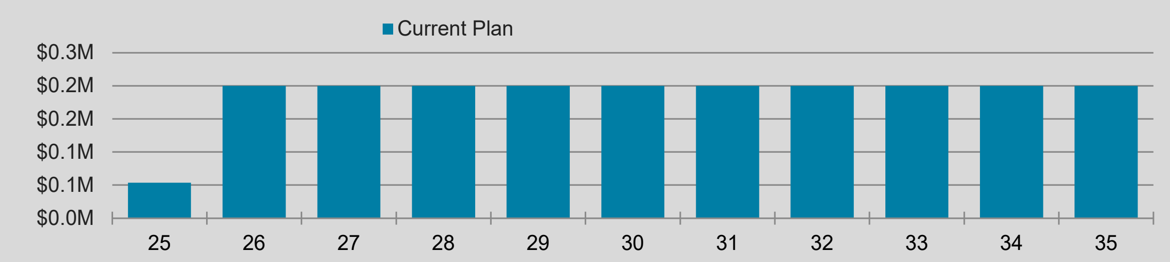
Working Capital Fund



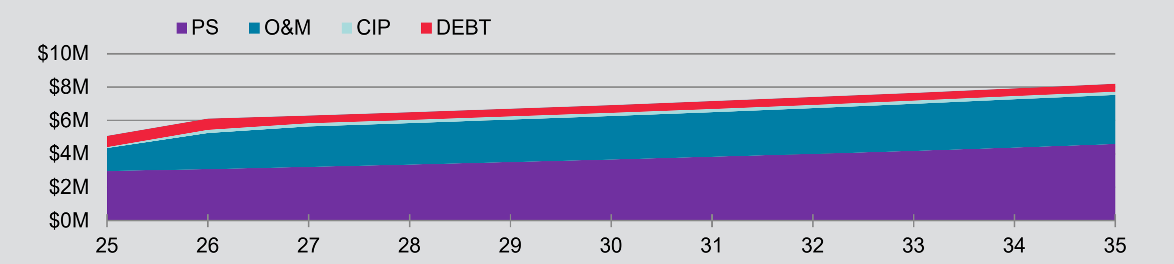
Revenues vs. Expenses



CIP Spending



Expenses by Type



FY 2025 Beach Parking Rate Comparison

Location	Weekday Parking Rate (Hr.)	Weekend Parking Rate (Hr.)	Minimum (Hours)
Palm Beach Public Beach	$7.00	$7.00	1-Hour
Phipps Park Palm Beach	$5.00	$5.00	2-Hour
Pompano Beach	$4.00	$4.00	1-Hour
Miami Beach	$4.00	$4.00	1-Hour
Fort Lauderdale Beach	$4.00	$4.00	1-Hour
Deerfield Beach	$3.00	$4.00	1-Hour
Boca Raton South Inlet Beach	$3.00	$4.00	1-Hour
Hollywood Beach	$3.00	$4.00	1-Hour
Lake Worth Beach	$3.50	$4.00	1-Hour
Kreusler Park	$3.00	$3.00	1-Hour
Delray (beach Parking)	$3.00	$3.00	1-Hour
Boynton Oceanfront	$2.50	$2.50	1-Hour
Lantana Beach	$2.40 1st Hr. / $2.00	$2.40 1st Hr. / $2.00	1-Hour

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Lake Worth Beach - Golf Fund

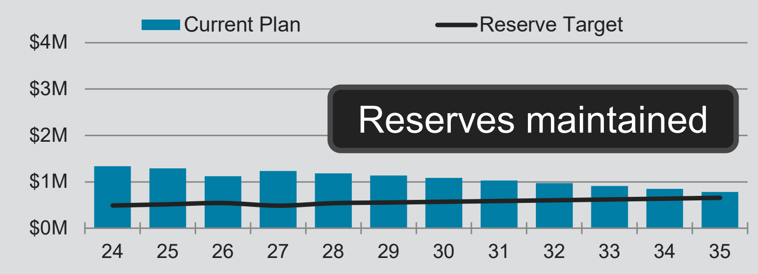
Increases in Golf Fees to fund capital

Stantec

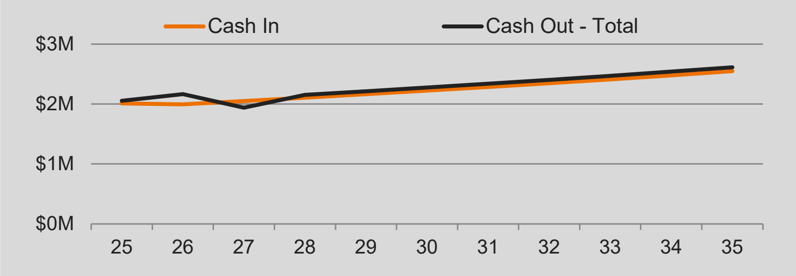
CALC SAVE LAST CTRL 5/10

	FY 2025	FY 2026	FY 2027	FY 2028	FY 20	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Memberships Increase		0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Greens Fees Increase		13.3%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Club Services Increase		0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cash Flow Surplus/(Deficit) $M	$ (0.05)	$ (0.17)	$ 0.11	$ (0.05)	$ (0.05)	$ (0.05)	$ (0.05)	$ (0.06)	$ (0.06)	$ (0.06)	$ (0.07)
End of Year Fund Balance $M	$ 1.29	$ 1.12	$ 1.23	$ 1.19	$ 1.14	$ 1.08	$ 1.03	$ 0.97	$ 0.91	$ 0.85	$ 0.78
Target Fund Balance $M	$ 0.51	$ 0.54	$ 0.49	$ 0.54	$ 0.55	$ 0.57	$ 0.58	$ 0.60	$ 0.62	$ 0.64	$ 0.65
Balance % of Expenses	87.50%	64.81%	65.36%	71.88%	67.20%	62.57%	57.97%	53.41%	48.88%	44.35%	39.84%
Reserve Target %	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Current Expense Growth	N/A	5.32%	-10.37%	10.94%	2.79%	2.79%	2.81%	2.82%	2.83%	2.84%	2.85%
CIP Execution %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

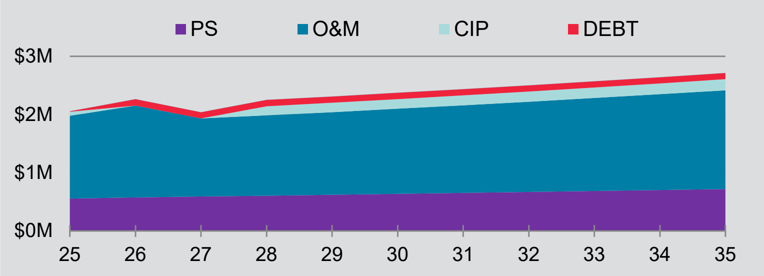
End of Year Fund Balance



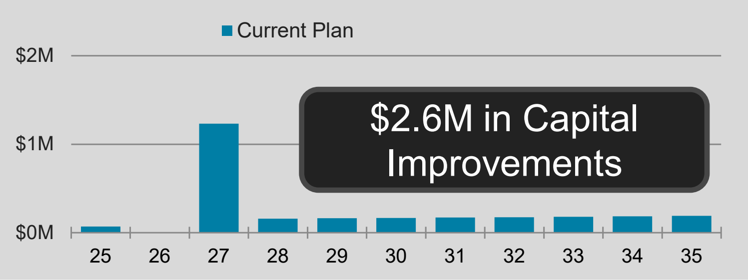
Revenues vs. Expenses



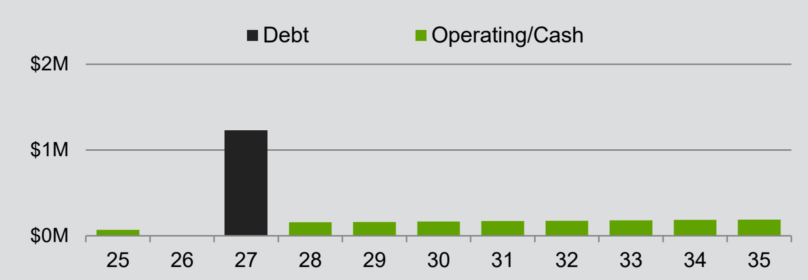
Expenses by Type



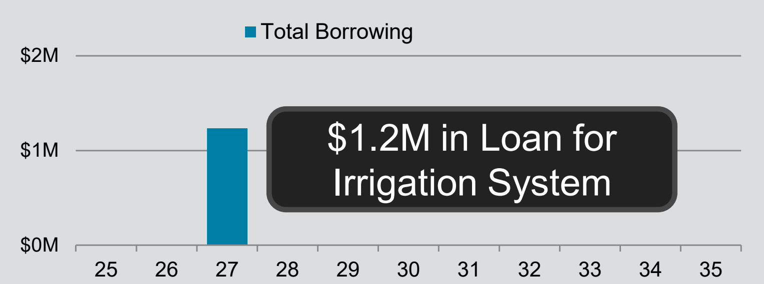
CIP Spending



CIP Funding



Borrowing



Scenario 1: Status Quo

No millage rate adjustments

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City of Lake Worth Beach General Fund

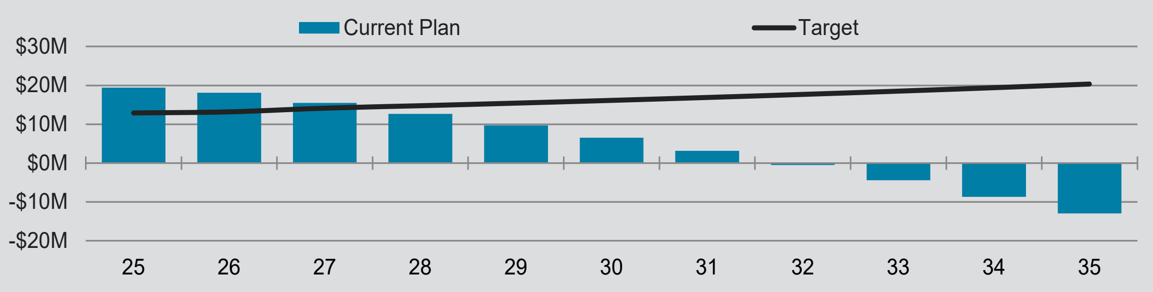
Stantec

CALC SAVE LAST CTRL 5/10

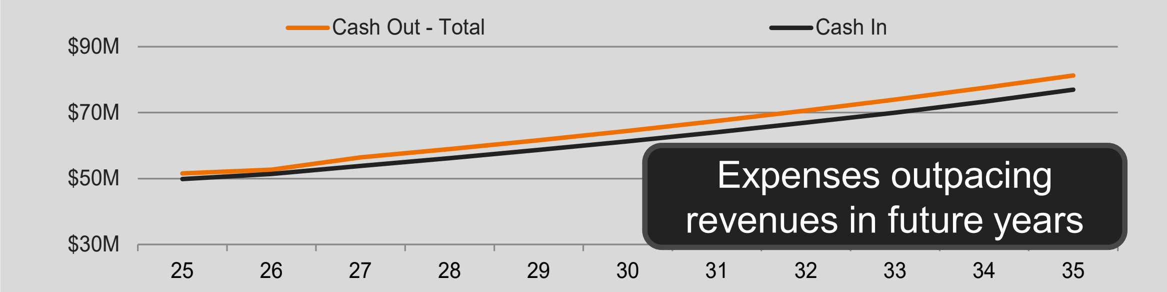
	FY 2025	FY 2026	FY 2027	FY 202	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Millage Rate	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945
Fire MSTU	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581
Total Millage	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526
Taxable Value Increase	7.1%	7.4%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Cash Flow Surplus/(Deficit) $M	$ (1.67)	$ (1.31)	$ (2.64)	$ (2.78)	$ (2.96)	$ (3.17)	$ (3.40)	$ (3.64)	$ (3.95)	$ (4.23)	$ (4.30)
End of Year Fund Balance $M	$ 19.44	$ 18.13	$ 15.49	$ 12.70	$ 9.74	$ 6.57	$ 3.17	$ (0.47)	$ (4.42)	$ (8.65)	$ (12.94)
Target Fund Balance $M	$ 12.89	$ 13.17	$ 14.11	$ 14.74	$ 15.41	$ 16.12	$ 16.86	$ 17.65	$ 18.49	$ 19.38	$ 20.32

Projected property growth

Working Capital Balance



Revenues vs. Expenses



Expenses outpacing revenues in future years

Reserves fall below target

GENERAL FUND

Scenario 2: Recognize reduction in defined benefit contributions

No millage rate adjustments

FAMS Financial Analysis & Management System | By Stantec | City of Lake Worth Beach General Fund

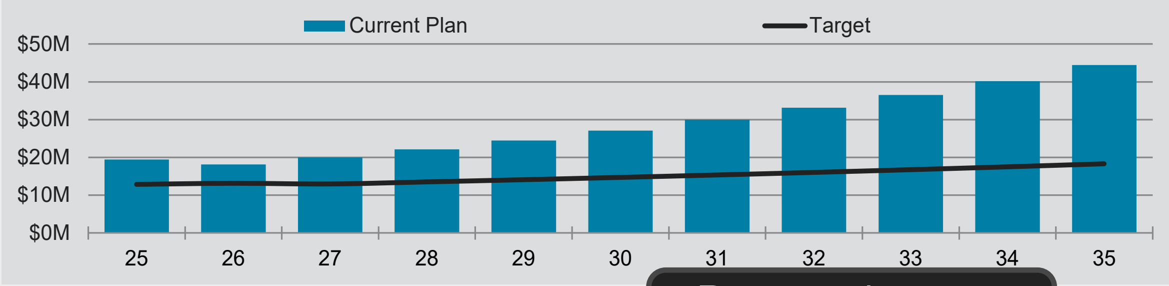
Stantec

CALC SAVE LAST CTRL 5/10

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Millage Rate	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945
Fire MSTU	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581
Total Millage	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526
Taxable Value Increase	7.1%	7.4%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Cash Flow Surplus/(Deficit) $M	$ (1.67)	$ (1.31)	$ 1.87	$ 2.12	$ 2.37	$ 2.61	$ 2.87	$ 3.16	$ 3.39	$ 3.68	$ 4.23
End of Year Fund Balance $M	$ 19.44	$ 18.13	$ 20.00	$ 22.12	$ 24.49	$ 27.10	$ 29.97	$ 33.13	$ 36.52	$ 40.20	$ 44.43
Target Fund Balance $M	$ 12.89	$ 13.17	$ 12.99	$ 13.53	$ 14.11	$ 14.72	$ 15.36	$ 16.03	$ 16.74	$ 17.50	$ 18.30

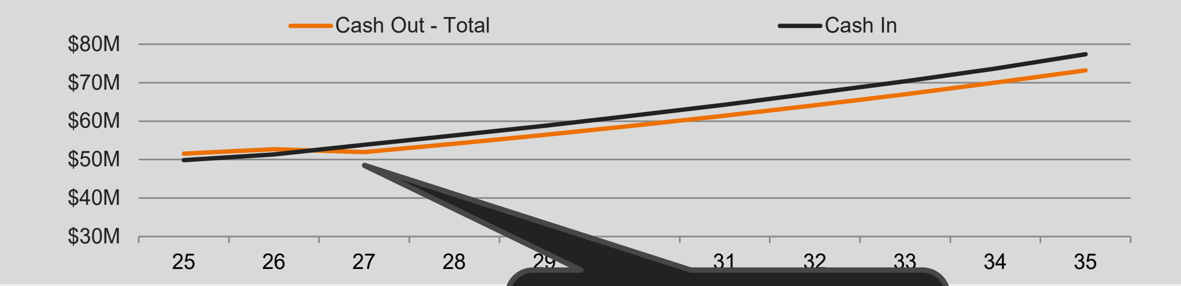
Projected property growth

Working Capital Balance



Reserves increase over projection

Revenues vs. Expenses



50% reduction in Police and Fire Defined Benefit Contributions

Scenario 3: Reduction Benefit Contributions & Additional Capital

No millage rate adjustments

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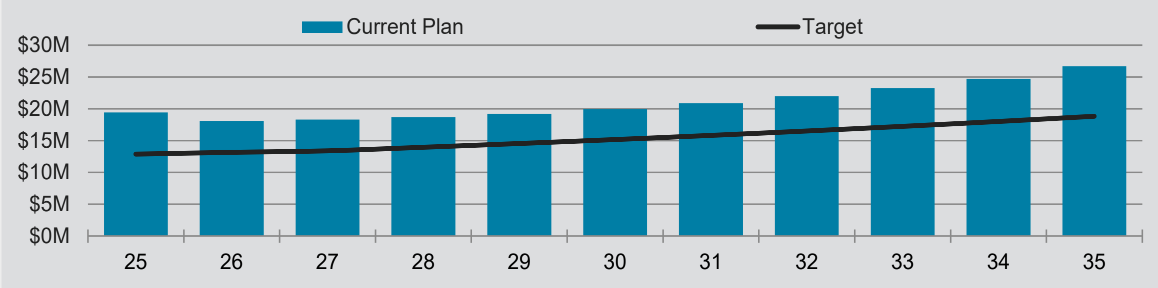
CALC | SAVE | LAST | CTRL | 5/10

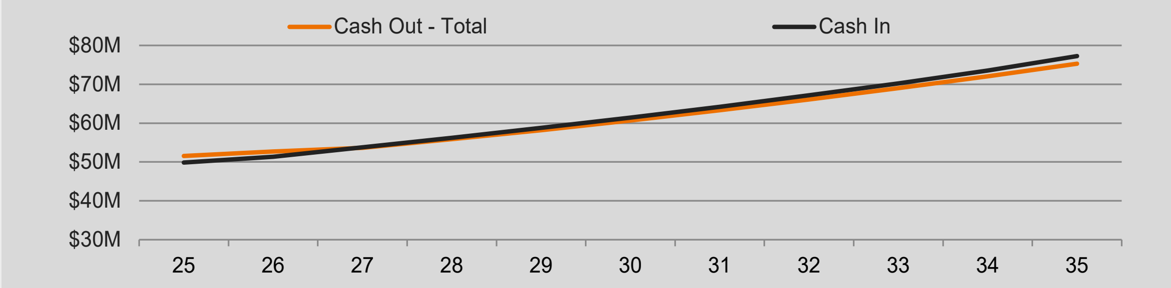
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Millage Rate	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945	5.4945
Fire MSTU	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581	3.4581
Total Millage	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526	8.9526
Taxable Value Increase	7.1%	7.4%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Cash Flow Surplus/(Deficit) $M	$ (1.67)	$ (1.31)	$ 0.19	$ 0.38	$ 0.55	$ 0.72	$ 0.91	$ 1.12	$ 1.27	$ 1.48	$ 1.95
End of Year Fund Balance $M	$ 19.44	$ 18.13	$ 18.32	$ 18.70	$ 19.25	$ 19.96	$ 20.88	$ 22.00	$ 23.27	$ 24.75	$ 26.70
Target Fund Balance $M	$ 12.89	$ 13.17	$ 13.40	$ 13.96	$ 14.55	$ 15.17	$ 15.83	$ 16.52	$ 17.24	$ 18.01	$ 18.83

Projected property growth

Working Capital Balance



Revenues vs. Expenses



Reserves increase over projection

50% reduction in Police and Fire Defined Benefit Contributions in FY 2027

Additional $1.6M for Road Capital Improvements starting in FY 2027

Questions & Discussion

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