

STAFF REPORT REGULAR MEETING

AGENDA DATE: June 17, 2025

DEPARTMENT: Finance

TITLE:

Resolution No. 29-2025 -- establishing the Proposed Tentative Voter Approved Debt Rate for fiscal year 2025-2026

SUMMARY:

Resolution No. 29-2025 will establish the Proposed Tentative Voter Approved Debt Millage Rate of 0.40 for the fiscal year 2025-2026 General Obligation Bond Fund Levy.

BACKGROUND AND JUSTIFICATION:

In November 2016, approximately 67% or two-thirds of Voters of the City of Lake Worth approved the issuance of General Obligation Bonds for Road Improvement Projects in an amount not to exceed forty million dollars.

In FY 2018-2019, the City established a Debt Fund to receive the receipts of debt rate and remit the debt service payments. For FY 2025-2026, the debt service receipts will be in the amount of \$1,437,059. Pursuant to §200.001, Florida Statutes, the City must advise the Palm Beach County Property Appraiser of the Tentative Voter Approved Debt Rate, as well as the date of the City's first public budget hearing scheduled for September 11, 2025. The Tentative Voter Approved Debt Rate approved at this public hearing establishes the maximum rate the City may consider and approve during the budget hearings in September. The Voter Approved Debt Rate may be lowered by the Commission at the hearings, but it cannot be raised without additional notice being provided to each taxpayer at a cost of approximately \$20,000 for postage. Due to sufficient fund balance available to cover the future FY 2026 debt services, the Voter Approved Debt Rate is being decreased to 0.40 mills in FY 2026 from 0.92 mills in FY2025.

The Voter Approved Debt Rate adoption process is governed by the State Statute known as Truth In Millage (TRIM). In Florida, properties are assessed by the County Property Appraiser and property taxes are collected by the County Tax Collector. All property is assessed at 100% of real value, which is approximately 85% of market value. The State Constitution restricts the annual increase in taxable value of homestead property to 3% or the increase in the CPI, whichever is less.

The City is required to hold two public hearings for adoption of a Voter Approved Debt Rate. The first public hearing is advertised by the Property Appraiser mailing to each property owner on a TRIM notice. In addition to notification of this first public hearing, the TRIM notice contains the following information:

- The new and prior year's assessed value;
- The tax bill if the current property tax rate is changed for the new year;
- The tax bill if the roll-back rate is levied for the new year; and
- The property tax bill if the proposed budget is adopted

MOTION:

Move to approve/disapprove Resolution No. 29-2025 establishing the Proposed Tentative Voter Approved Debt Rate for fiscal year 2025-2026 and schedule the first public hearing for the Voter Approved Debt Rate on September 11, 2025 at 5:01 PM and the second public hearing on September 25, 2025 at 5:01 PM.

ATTACHMENT(S):

Fiscal Impact Analysis – N/A
Resolution 29-2025