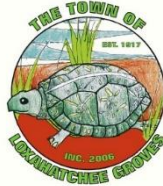


# TOWN OF LOXAHATCHEE GROVES

155 F Road Loxahatchee Groves, FL 33470



## AGENDA ITEM MEMORANDUM – OFFICE OF THE TOWN MANAGER

**TO: BOARD OF SUPERVISORS, LOXAHATCHEE WATER CONTROL DISTRICT**

**FROM: FRANCINE L. RAMAGLIA, CPA, AICP, ICMA-CM, DISTRICT MANAGER**

**DATE: TUESDAY, JULY 1, 2025**

**SUBJECT: CONSIDERATION OF APPROVAL ON *RESOLUTION NO. 2025-DD07* ESTABLISHING THE DISTRICT'S PRELIMINARY ROAD AND DRAINAGE NON-AD VALOREM ASSESSMENT RATE FOR THE FISCAL YEAR 2026, BEGINNING OCTOBER 1, 2025.**

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### **Background:**

Truth-in-Millage (TRIM) rates will be due to the Palm Beach County Property Appraiser's office to facilitate the preparation of TRIM notices, which their office will send out. The accompanying *Resolution No. 2025-DD07* specifies the preliminary assessment rate of \$300 per unit for the Water Control District, which is an increase of \$100 per unit over the rate for the current year, FY 2025.

The Board may adopt final rates at or below the preliminary TRIM rates.

As the Board and Finance Advisory and Audit Committee have discussed for the past several years, the district's operating expenses have exceeded its operating revenues. The funds have been balanced by the use of reserves. Sufficient reserves no longer exist in either the Road and Drainage Fund or the General Fund to supplement the operating revenue to cover the operating expenses. Last year, a transfer of over \$600,000 was made from the general fund to the road and drainage fund to cover operational expenses. Staff had recommended an increase in the District Assessment of \$80 per unit, again, which would have produced \$600,000 in additional revenue. This funding cap remains an issue, and therefore, the staff recommends an increase in the assessment rate. This suggested increase is \$100 per unit, which would result in an approximate rise of \$750,000. The additional revenue is needed to maintain current levels of service and rebuild the reserves, as they

are currently at the minimum recommended level of 25 percent. For TRIM purposes, the staff is also recommending an increase in the ad-valorem mileage rate in case the council would prefer to offset road and drainage expenses with general fund transfers. The adoption of any increase in ad-valorem rate would require a unanimous vote of the Town Council, whereas an increase in the assessment rate requires a simple majority vote by the board.

The staff will continue to review expenditures within the budget for potential savings; however, the issue is a lack of revenue if current levels of service are to be maintained.

The District's final rate will be adopted following the public hearing in September, currently scheduled for September 2<sup>nd</sup>.

**Recommendation:**

Staff recommends that the Board of Supervisors approve *Resolution No. 2025-DD07* establishing the District's preliminary Road and Drainage no-ad valorem assessment rate of \$300 per unit for Truth-in-Millage ("Trim") purposes for the fiscal year 2026 beginning on October 1, 2025.