



155 F Road Loxahatchee Groves, FL 33470

TO: Town Council of Town of Loxahatchee Groves
FROM: Francine Ramaglia, Town Manager
DATE: September 3, 2024
SUBJECT: Budget background and setting of TRIM rates

Background:

The Council is nearing the conclusion of their budget deliberations after three workshops and individual meetings with staff along with two FAAC workshops and a joint Town Council FAAC workshop. There are two final assessment resolutions and a tentative millage and budget on the Council September 3, 2024 agenda. Public hearings have been set prior to Council consideration of the decision points. Based on Council direction at the workshops a balanced budget is presented with the proposed final assessment and millage rates as follows:

1. Road and Drainage assessment at \$200 per acre which is the same as the current rate and a \$50 per acre reduction from the preliminary proposed rate.
2. Solid Waste assessment at \$450 a unit which is a \$50 per unit increase over the current rate and the same rate as the preliminary proposed rate.
3. The millage rate is at 3 mils. This is the tentative rate as the final hearing and approval is scheduled for the Council's September 18, 2024 meeting. The preliminary rate had been at 4 mils, but the Council's current direction is to maintain the millage rate at 3 mils which is consistent with the rate that has been in place for several years.

Also on the agenda for first reading is the ordinance adopting the Town's revised 5 year Capital Improvement Plan (CIP).

OVERVIEW OF THE BUDGET

Fund Balances

The FY25 budget does not include further use of general or road and drainage fund balances. Anticipated reserves in both funds should exceed the 25% level on both September 30, 2024 and September 30, 2025. The transportation fund and LOST fund are programmed to transfer their monies to capital and road and drainage program and are budgeted to do so again next year as reserves are not maintained in those revenue generating funds. The solid waste budget is proposed to utilize \$61,900 of fund reserves for rate stabilization in the upcoming year which will bring the



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fund reserve level down to the 26 % level. The proposed capital plan will utilize \$420,000 in reserves made available by the deferment of 4 road segments from this year's road improvement plan. In addition, it is anticipated that capital funds will be carried forward to complete the ongoing and planned capital improvements from FY24 other than the deferred roads.

General Fund

The proposed FY25 General Fund budget is projected to have a slight surplus of \$6,583 with \$4,315,800 in projected revenues and \$4,308,947 in expenses which includes transfers to other funds totaling \$989,493 (\$595,493 to Roads and Drainage and \$394,000 to Capital). The millage rate used to balance the budget is 3 mills which will require a minimum of a 4-1 vote by the Council at the adoption hearing on September 18th.

Road and Drainage Fund

The Road and Drainage fund is balanced at \$2,432,500 with revenues coming from a \$200 per acre assessment and \$595,493 from the General fund and \$268,000 from the Transportation fund.

Capital Fund

The FY25 Capital Program is set forth in the budget and the Capital Improvement Plan (CIP) ordinance and calls for \$2,079,375 in spending. The sources of funds are \$750,000 from State grant and transfers from the General Fund, Transportation Fund, and LOST fund.

Solid Waste Fund

The Solid Waste Fund is balanced at \$720,000. Residential garbage collection is primarily funded by solid waste assessments. The proposed assessment rate is \$450 per unit. This assessment rate generates net revenue of about \$650,000. The additional \$70,000 comes from use of reserves, interest earnings and a small amount of recycling income.

Budget Presentation

The detailed Budget Presentation (Green Book) will be provided to you under separate cover and Chris Wallace from Munilytics, the Town's Finance Director will make the budget presentation to the Council.

Recommendation:

Council consideration and adoption of Loxahatchee Water Control District budget and rates for road and drainage assessment, solid waste assessment and Town's tentative budget and millage rate.