



CITY MANAGER M E M O R A N D U M

12.A.

To: The Honorable Mayor and City Commissioners
From: The City Manager
Date: July 28, 2025
Subject: Proposed Millage Rate and Proposed Voted Debt Millage Rate for Fiscal Year 2025/2026

Introduction: Consideration to set the proposed millage rate at 3.9999 mills and the voted debt millage rate at 0.6126 mills for Fiscal Year 2025/2026 (FY 2026) is requested.

Background: Pursuant to “TRIM” legislation, the City Commission is required to set the proposed millage rate for FY 2026 within thirty-five (35) days of certification of taxable value by the Property Appraiser. Form DR-420, Certification of Taxable Value, and Form DR-420DEBT, Certification of Voted Debt Millage, must be delivered to the Property Appraiser with this information by August 4, 2025.

Form DR-420 advises of: a) prior year millage rate; b) current year proposed millage rate; c) current year rolled-back millage rate pursuant to F.S. 200.065; and d) states the date, time and meeting place of the tentative budget hearing.

Form DR-420DEBT advises of the current year proposed voted debt millage rate levied under Section 12, Article VII of the State Constitution.

The proposed millage rate set at the July 28, 2025 City Commission meeting cannot be easily increased after certification to the Property Appraiser absent additional notices to taxpayers, but it can be decreased as part of the final budget adoption. The City Commission has set September 8, 2025 for a public hearing on the FY 2026 tentative budget and millage rate, and September 22, 2025 for final adoption.

Discussion: The City Commission held its budget workshop on Monday, July 14, 2025 and discussion ensued to determine the proposed millage rate and voted debt rate for FY 2026. The City Commission consensus at the workshop was to select 3.9999 as the proposed millage rate and 0.6126 as the proposed voted debt millage rate.

By selecting 3.9999 mills, the City would collect \$3,468,052 in revenue above what the FY 2025 millage rate of 2.9000 mills yielded. At 3.9999, the millage is higher than the “rolled-back” rate of 2.7105. The FY 2026 gross levy would be \$3,523,163 more than at the “rolled-back” millage rate.

Budget Impact: The millage rate of 3.9999 will produce a tax levy of \$10,929,348 in property taxes but will yield only \$10,601,467 (97%) after taking into account early payer discounts and billing and collection costs.

The voted debt millage rate of 0.6126 will produce a tax levy of \$1,673,872 in voted debt taxes but will yield only \$1,623,656 (97%) after taking into account early payer discounts and billing and collection costs. This is sufficient to cover the Parks General Obligation Bond FY26 debt service payments. Revenue will be budgeted in the FY 2026 Adopted Budget in Debt Service Fund Special Assessments/Capital Improvements account 201-0000-325.10-00.

Recommendation: The City Manager and the Finance Director recommend approval to set the proposed millage rate at 3.9999 mills and the voted debt millage rate at 0.6126 mills for FY 2026.

Prepared by: CJ Kaawach, Senior Budget Accountant

Attachments: None