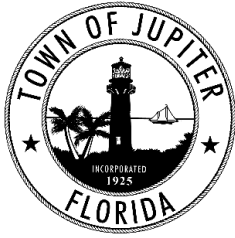


## TOWN OF JUPITER

### FY 2023 Town of Jupiter Millage Rate – First Reading



<b>DATE</b>	September 22, 2022
<b>TO</b>	Honorable Mayor and Members of Town Council
<b>THRU</b>	Frank Kitzerow, Town Manager
<b>FROM</b>	Scott Reynolds, Finance Director
<b>SUBJECT</b>	Consideration of Adopting Ordinance 10-22 to approve the Town of Jupiter FY2023 millage rate of 2.4633 for the fiscal year beginning October 1, 2022, and ending September 30, 2023.

#### EXECUTIVE SUMMARY

Staff seeks approval on second reading of Ordinance 10-22 for adoption of the FY2023 millage rate of 2.4633 (excluding a debt service millage of .1501) for the fiscal year beginning October 1, 2022 and ending September 30, 2023. The proposed millage rate includes the ad valorem requirements to fund both operating and capital needs per statutory regulations. The operating and capital millage rate of 2.4633 is 11.66% higher than the rollback rate of 2.2061 as calculated by the State TRIM provisions.

The flat millage rate is projected to generate approximately \$3,628,763 more in ad valorem taxes than the rollback rate. It is important to note that the rollback rate does not take into account population growth increases in services generated by new infrastructure completed or inflationary cost.

In addition to the rate of 2.4633 to fund operating and capital needs, the Town has a voter-approved debt service millage of .1501, which results in a total millage rate of 2.6134. This combined rate represents a .0192 reduction from the combined rate in FY 2022.

The Town continues to operate in the most fiscally responsible manner with the goal of maintaining the operating portion of our millage rate. The assessed property values in the Town have increased from \$12,473,066,062 in 2022 to \$14,108,719,582 in 2023 including new construction. This increase in valuation of \$1,635,653,520 or 13.11% includes new construction of \$136,278,045 which accounts for 1.09% of the total increase in valuation.

#### RECOMMENDATION

Approval on second reading of Ordinance 10-22 Adopting the Town of Jupiter millage rate for the fiscal year beginning October 1, 2022 and ending September 30th, 2023.

#### STRATEGIC PRIORITY

Fiscal Responsibility, Strong Local Economy

## ATTACHMENTS

Ordinance 10-22

### FUNDING SOURCE

	Approved in Budget	\$	Sources:
	Additional Funding Requested	\$	Sources:

For more information or to request attachments, please contact Scott Reynolds at [scottr@jupiter.fl.us](mailto:scottr@jupiter.fl.us) and/or 561-741-2327.

## **ORDINANCE NO. 10-22**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF JUPITER, FLORIDA, ADOPTING A MILLAGE RATE TO BE LEVIED BY THE TOWN OF JUPITER ON TAXABLE REAL AND TANGIBLE PERSONAL PROPERTY WITHIN THE TOWN FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2022, AND ENDING SEPTEMBER 30, 2023; STATING THE ROLLED-BACK MILLAGE RATE; STATING THE PERCENT BY WHICH THE MILLAGE RATE EXCEEDS, IF ANY, THE ROLLED-BACK MILLAGE RATE; AND LEVYING AD VALOREM TAXES ON ALL TAXABLE REAL AND TANGIBLE PERSONAL PROPERTY IN THE TOWN OF JUPITER FOR THE SAID FISCAL YEAR.**

**WHEREAS**, pursuant to Chapter 166, Florida Statutes and Article VIII, §2 of the Florida Constitution the Town of Jupiter, Florida (Town) has the governmental, corporate, and proprietary powers to conduct municipal government; and

**WHEREAS**, these powers include the power to adopt millage rates to be levied by the Town Council on all taxable real and tangible personal property within the Town each fiscal year; and

**WHEREAS**, the Town Council of the Town deems it necessary and advisable to adopt and levy a millage rate for the Town for the fiscal year 2022 - 2023; and,

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF JUPITER, FLORIDA:**

**Section 1.** In order to fund the budget of the Town, a millage rate is hereby adopted and levied by the Town Council of the Town, pursuant to the Laws and Constitution of the State of Florida, as follows:

A. Upon first reading hereof, the proposed millage rate computed to fund the Town's tentative budget is hereby approved and adopted in the sum of 2.4633 mills. For each \$1,000.00 of assessed valuation, said millage rate will raise a tax of \$2.46.

B. Upon second reading hereof, the final millage rate computed to fund the Town's final budget is hereby approved and adopted in the sum of 2.4633 mills. For each \$1,000.00 of assessed valuation, said millage rate will raise a tax of \$2.46.

**Section 2.** The rolled back millage rate computed by the Town pursuant to the instructions furnished by the Palm Beach County Property Appraiser for the fiscal year 2022-2023 is 2.2061 mills. The percentage by which the above-specified millage rate to be levied by the Town exceeds, or is less than, the rolled-back rate, is as follows:

A. The proposed millage rate is 11.66% higher than the rolled-back millage rate. This figure is declared to be the percentage increase in property taxes for the Town proposed to be adopted by the Town Council.

B. The final millage rate is 11.66% higher than the rolled-back millage rate. This figure is declared to be the percentage increase in property taxes for the Town actually adopted by the Town Council.

**Section 3.** In order to fund the voter-approved debt service for the Town, a millage rate of .1501 is hereby adopted by the Town Council of the Town, pursuant to the Laws and Constitution of the State of Florida.

**Section 4.** Pursuant to the millage rate aforesaid, the following amount of ad valorem taxes shall be raised and collected by the Town for municipal purposes and expenses for the fiscal year beginning October 1, 2022, and ending September 30, 2023, to-wit:

Under the proposed millage rate:                 \$34,754,009

Under the final millage rate:                     \$34,754,009

**Section 5.** Pursuant to the applicable provisions of the Florida Constitution, the Laws of the State of Florida, and the Charter of the Town, there is hereby levied a general municipal millage rate as above stated, respectively, upon the dollar amount of the assessed valuation of all taxable real and tangible personal property in the Town as returned by the Palm Beach County Property Appraiser in the Town's behalf and fixed by the Town Council as shown by the 2021 tax roll for the Town, allowing the homestead and all other lawful exemptions as shown therein.

**Section 6.** The millage hereby levied, as above stated, respectively, is hereby approved and certified by the Town Council of the Town, pursuant to the laws of the State of Florida.

**Section 7.** The ad valorem taxes hereby levied are for the purpose of raising funds, revenues and moneys to be used, set aside and expended for the functions and purposes of the municipal government of the Town pursuant to the Constitution and Laws of the State of Florida and the Town Charter.

**Section 8.** The ad valorem taxes which are hereby levied are in excess of and above all other revenues to be received by the Town of Jupiter and are to be collected during the fiscal year beginning October 1, 2022, and ending September 30, 2023. All such ad valorem taxes so specified and levied are ordered to be extended upon the tax rolls, books, and records of Palm Beach County in the proper millage in proportion to the valuation of such property as returned by the Palm Beach County Property Appraiser and fixed by the Town Council of the Town.

**Section 9.** The Finance department shall furnish a certified copy of this Ordinance upon first and second readings, respectively, to the Palm Beach County Property Appraiser, the Palm Beach County Tax Collector, and the Department of Revenue of the State of Florida, as required by Law

**Section 10.** This Ordinance shall take effect immediately upon its execution.



— TOWN OF —  
**JUPITER**

**FISCAL YEAR 2023**  
**Proposed Operating Budget & Community**  
**Investment Plan**

Town Council Second Public Hearing 09/22/2022

# Fiscal Year 2023 Budget Meetings:

- June 23, 2022 – Operating Budget Workshop
- July 19, 2022 – Set TRIM and date of First Public Hearing
- August 11, 2022 – CIP Workshop/Operations Budget Update
- September 06, 2022 – First Public Hearing.



# Budget Objectives & Assumptions:

## Objectives

- Structure a proposed budget that allows for a flat millage rate which will result in modest increases for residents and businesses based on property valuation increases.
- Make investments in public safety, maintenance of infrastructure, landscaping.
- Support strategic priorities of the Town Council.
- Maintain or enhance levels of service.

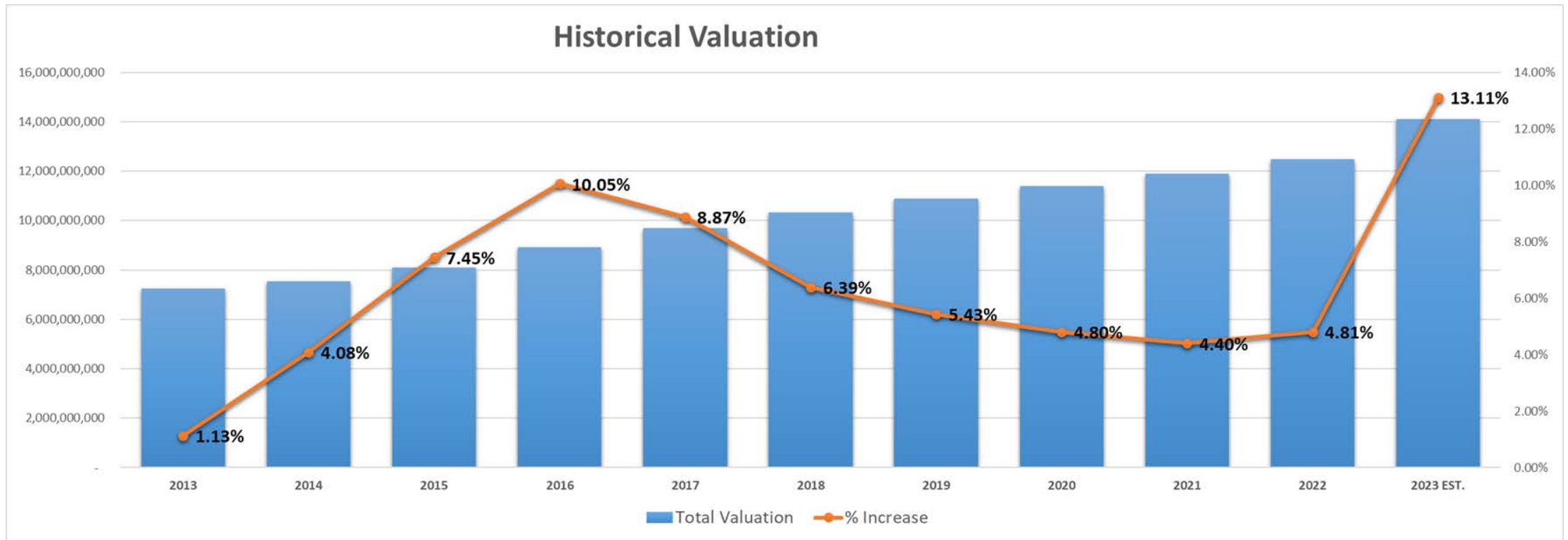
## Assumptions

- Ad valorem (property) tax revenues higher than FY 2022 due to increases in property values and new construction.
- Salary adjustments and subsidies for Town employees to assist them in fighting inflationary pressures and to stay competitive in the area market.





# Property Valuations Historical Perspective



# Property Valuation Increase

FY 2023 Valuation           \$ 14,108,719,582

FY 2022 Valuation           \$ 12,473,066,062

Increase                       \$ 1,635,653,520

New Construction           \$ 136,278,045           1.09%

Valuation Increase         \$ 1,499,375,475         12.02%

\$ 1,635,653,520         13.11%

*Note: Property value increase capped at 3% for homesteaded property per Save Our Homes limitations for FY2023.*



# Proposed Millage Rate Compared to Rollback

## Taxes Collected @ 95% Collection Rate

2023 Proposed Rate @ 2.4633	\$33,016,308
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2023 Rollback Rate @ 2.2061	<u>\$29,568,984</u>
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Proposed Rate over Rollback	\$3,447,325
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# Millage Reduction Option:

- 1% reduction in the proposed millage would reduce ad valorem collections by \$320,702.
- For residents who own a home valued at \$550,000 would receive an annual savings between \$12.72 - \$15.32 annually.

	1% Reduction in Millage	
	Millage Rate	Ad Valorem
Flat Millage Rate	2.4633	32,070,226
1% Reduction in Rate	2.4387	31,749,524
<b>Impact to Ad Valorem</b>	0.0246	<b>(\$320,702)</b>
Operating - 85%		<b>(\$272,597)</b>
CIP - 15%		<b>(\$48,105)</b>

\$550,000 Home Value Impact to Residents	2.4387	2.4633	Resident Annual Impact
	Jupiter Annual Tax Reduced Rate	Jupiter Annual Tax Proposed Rate	
3% Homesteaded	\$1,259.57	\$1,272.29	<b>(\$12.72)</b>
10% Non-Homesteaded	\$1,475.39	\$1,490.30	<b>(\$14.90)</b>
13.11% New Value from Sale	\$1,517.11	\$1,532.43	<b>(\$15.32)</b>



# Total Budget Expenditure Overview

- Proposed FY 2023 Operating Budget represents a \$12.2 million increase over FY 2022.
- A \$7 million increase in the General Fund primarily due to salary increases & Inflation subsidies for employee's, capital transfers for furniture and fixtures for the new Town Hall project and cost increases for solid waste charges.
- A \$22 million decrease in the community investment program is primarily due to new project funding of over \$18 million in FY2022.
- The proposed budget includes funding of health insurance benefits for vacant positions.
- A 7.5% water rate increase and a 7% stormwater rate increase are included.

FUND	FY 2022 ADOPTED	FY 2023 PROPOSED
General Fund	56,678,721	63,674,531
Water Fund	28,332,864	32,041,804
Stormwater Fund	3,724,064	4,216,249
Building Fund	4,560,006	5,605,437
<b>Total Operating</b>	<b>93,295,655</b>	<b>105,538,021</b>
Debt Service	2,009,479	2,011,833
Community Investment Program (CIP)	32,018,478	9,850,769
Insurance Fund	8,025,371	9,041,985
<b>TOTAL</b>	<b>135,348,983</b>	<b>126,442,608</b>



# General Fund Revenues

REVENUES:	Actual 2020 - 2021	Adopted 2021 - 2022	Proposed 2022 - 2023
Taxes - Current Ad valorem	24,020,102	24,176,208	27,259,692
Taxes - Utility	5,187,399	5,231,000	5,328,000
Franchise fees	4,833,112	4,800,000	5,067,000
Taxes - Other	3,816,845	3,845,166	3,983,874
Licenses and permits	573,134	75,000	75,000
Intergovernmental	8,630,455	8,009,248	8,457,697
Charges for services	4,209,562	4,791,284	4,987,030
Solid Waste Collection Revenue	3,814,055	3,881,520	6,121,041
Fines and forfeitures	452,487	224,000	223,000
Interest	212,604	176,967	138,267
Miscellaneous	397,354	224,400	228,300
CRA Cost Reimbursement	811,769	743,928	749,996
CRA Loan Repayment	-	500,000	500,000
Fund Balance	-	-	555,634
GO Bond Proceeds	3,380,000	-	-
<b>TOTAL REVENUES</b>	<b>\$ 60,338,879</b>	<b>\$ 56,678,721</b>	<b>\$ 63,674,531</b>

- Ad Valorem: 13.11% increase in assessed value for a total of \$3,083,484 increase for General Fund Operating.
- Utility taxes: slight increase in utility tax revenue.
- Intergovernmental: \$448,449 slight increase due to sales tax revenue and state revenue.
- Solid Waste: Increase of \$2.2 million over FY2022 due to increases in solid waste program activity fees.
- Fund balance usage for additional inflation subsidy & additional salary increase (1%) for employees.



# General Fund Expenditures

EXPENDITURES:	Actual 2020 - 2021	Adopted 2021 - 2022	Proposed 2022 - 2023
Council	266,608	261,836	260,032
Town Manager	482,116	703,021	976,227
Town Clerk	395,317	689,170	750,699
Neighborhoods	254,667	372,910	448,104
Community Relations/Public Info	736,522	812,589	853,924
Finance	899,162	1,017,364	1,172,423
Town Attorney	504,504	450,000	450,000
Information Systems	2,755,068	3,146,057	3,415,584
Human Resources	725,550	669,886	864,830
Utilities and Operating Expenses	9,263,301	4,454,056	6,087,162
Solid Waste Collections	3,823,823	3,881,520	6,121,041
Planning and Zoning	1,991,223	2,103,723	2,371,787
Police	24,148,464	25,521,126	26,147,609
Code Compliance	530,684	715,539	871,369
Engineering	1,460,673	1,624,384	1,622,921
Public Works	4,102,446	4,590,360	4,909,405
Parks Maintenance	2,289,667	2,498,076	2,825,278
Recreation Services	2,046,977	3,167,104	3,526,136
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 56,676,772</u></b>	<b><u>\$ 56,678,721</u></b>	<b><u>\$ 63,674,531</u></b>

<b>\$6.9 Million Increase over FY22 Adopted Budget:</b>		
Salary/Overtime Increase	928,800	13%
Benefits Increase	656,369	9%
Inflation Subsidy	476,000	7%
Holiday Decorations	75,000	1%
Cypress Drive Revitalization Grants.	125,000	2%
Contractual Services Increase	293,528	4%
Solid Waste Increase	2,239,521	32%
Utility Increases	361,992	5%
Gas/Oil & Lube Increase	378,071	5%
Repairs and Maintenance Increase	74,243	1%
Operating Supplies Increase	241,716	3%
Machinery & Equipment	140,885	2%
Software	53,000	1%
New TH Furniture and Fixtures	850,000	12%
Misc Items	101,685	1%
<b>Total</b>	<b><u>6,995,810</u></b>	



# Water Fund

	Actual FY 2021	Adopted FY 2022	Proposed FY 2023
<b>REVENUES</b>			
Charges for services	\$ 27,845,808	\$ 27,175,539	\$ 28,932,862
Interest	277,393	296,231	220,440
Miscellaneous	408,090	384,600	323,528
Designated from retained earnings	-	476,494	2,564,974
<b>TOTAL REVENUES</b>	<b>\$ 28,531,291</b>	<b>\$ 28,332,864</b>	<b>\$ 32,041,804</b>
<b>EXPENSES</b>			
Administration	\$ 2,066,805	\$ 3,308,152	\$ 3,553,641
Plant	8,637,802	10,515,875	13,106,693
Field	2,564,636	3,058,217	3,214,524
Cost Allocation - General Fund	1,259,560	1,304,970	1,528,157
Depreciation	6,617,620	6,980,000	7,519,000
Debt service	2,700,726	2,665,650	2,613,689
Contingency	-	500,000	506,100
Designated to retained earnings	4,684,143	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 28,531,291</b>	<b>\$ 28,332,864</b>	<b>\$ 32,041,804</b>
<b>FUNDS AVAILABLE FOR R&amp;R (excluding retained earnings)</b>			
Revenue	\$ 28,531,291	\$ 27,856,370	\$ 29,476,830
Less: Total expenses	(23,847,148)	(28,332,864)	(32,041,804)
Plus: Depreciation	6,617,620	6,980,000	7,519,000
Plus: OPEB	(30,907)	234,200	234,200
<b>AVAILABLE FOR R&amp;R</b>	<b>\$ 11,270,856</b>	<b>\$ 6,737,706</b>	<b>\$ 5,188,226</b>
(R&R target is \$7.2M in FY2023)			
<b>Notes:</b>			
Capitalized Salaries	\$ 288,512	\$ 277,700	\$ 282,600

- Revenues:

- 7.5% water rate indexing.
- Revenue net increase of 105.82% over last year due to customer demand and rate indexing for inflation.
- Assumes 1% growth in customers.

- Expenses:

- 5% salary increases and \$2,800 inflation subsidy for employees.
- \$3.7 million increase in cost primarily due to inflation and supply chain issues.
- Increase of \$159,513 in utility service cost due to FPL rate increase.
- Chemical cost increase of \$1,969,435 a 196.86% increase.





# Stormwater Fund

	Actual FY 2021	Adopted FY 2022	Proposed FY 2023
<b>REVENUES</b>			
Charges for services	\$ 3,449,772	\$ 3,530,183	\$ 3,756,294
Interest & miscellaneous	2,026	1,550	650
Designated from retained earnings	-	192,331	459,305
<b>TOTAL REVENUES</b>	<b>\$ 3,451,798</b>	<b>\$ 3,724,064</b>	<b>\$ 4,216,249</b>
<b>EXPENSES</b>			
Administration	\$ 396,949	\$ 556,100	\$ 869,361
Field	1,088,843	1,422,902	1,524,460
Cost Allocation - General Fund	181,341	181,439	198,205
Depreciation	910,958	1,010,000	1,070,600
Debt service	453,623	453,623	453,623
Contingency	-	100,000	100,000
Designated to retained earnings	420,085	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 3,451,798</b>	<b>\$ 3,724,064</b>	<b>\$ 4,216,249</b>
<b>FUNDS AVAILABLE FOR R&amp;R (excluding retained earnings)</b>			
Revenue	\$ 3,451,798	\$ 3,531,733	\$ 3,756,944
Less: Expenses	(3,031,713)	(3,724,064)	(4,216,249)
Plus: Depreciation	910,958	1,010,000	1,070,600
Plus: OPEB	(6,539)	11,900	11,900
<b>AVAILABLE FOR R&amp;R</b>	<b>\$ 1,324,503</b>	<b>\$ 829,569</b>	<b>\$ 623,195</b>
(R&R target is \$696k in FY2023)			
<b>Notes:</b>			
Capitalized Salaries	\$ -	\$ 18,400	\$ -

## Revenues:

- 7.0% rate increase.
- 1% customer growth.

## Expenses:

- 5% salary increases plus \$2,800 inflation subsidy for employees.
- \$96,140 repairs & maintenance cost increase.



# Building Fund

REVENUES:	Actual 2020 - 2021	Adopted 2021 - 2022	Proposed 2022 - 2023
Building permits	5,714,136	4,412,000	5,012,000
Interest on investments	26,892	19,700	7,000
Misc. Revenue	650	1,100	650
Designated from retained earnings	-	127,206	585,787
<b>TOTAL REVENUES</b>	<b>5,741,678</b>	<b>4,560,006</b>	<b>5,605,437</b>

EXPENSES:	Actual 2020 - 2021	Adopted 2021 - 2022	Proposed 2022 - 2023
Protective inspections	3,262,377	4,045,886	4,470,635
Cost Allocation - General Fund	478,921	484,120	599,802
Depreciation	31,117	30,000	35,000
Transfer to CIP	-	-	500,000
Designated to Retained Earnings	-	-	-
<b>TOTAL EXPENSES</b>	<b>3,772,415</b>	<b>4,560,006</b>	<b>5,605,437</b>

- Revenues:
  - Permit revenue estimate for FY2023 shows a \$600,000 increase due to increased activity.
  - \$585,787 designated from retained earnings.
- Expenses:
  - 5% salary increases and \$2,800 inflation subsidy for employees.
  - Departmental expenses increased over FY2022 by \$1 million primarily due to salary increases for employees and capital transfers for the building funds portion of the New Town Hall Furniture and fixtures.



# CIP – Funding Summary 2023-2027

<b>COST CENTER</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Total</b>
Engineering	\$2,496,000	\$4,929,000	\$3,645,000	\$1,700,000	\$2,950,000	\$15,720,000
Parks	3,167,000	865,000	550,000	550,000	350,000	5,482,000
Neighborhoods	200,000	62,000	62,000	310,000	310,000	944,000
General Government	3,497,769	3,500,721	1,869,031	1,887,708	1,906,758	12,661,987
Planning and Zoning	490,000	500,000	755,000	185,000	-	1,930,000
Water	31,389,037	8,950,558	7,352,984	9,480,650	6,252,646	63,425,875
Stormwater	4,206,141	1,247,207	854,595	1,413,280	918,974	8,640,197
<b>TOTAL</b>	<b>\$45,445,947</b>	<b>\$20,054,486</b>	<b>\$15,088,610</b>	<b>\$15,526,638</b>	<b>\$12,688,378</b>	<b>\$108,804,059</b>

<b>PROJECT FUNDING</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Total</b>
General Revenues	\$ 5,125,954	\$ 5,624,174	\$ 6,040,807	\$ 4,117,708	\$ 5,206,758	26,115,401
Surtax Proceeds	2,331,500	2,000,000	500,000	200,000	-	5,031,500
Grants :						
LRPI	175,255	91,789	-	-	208,959	476,003
FDOT	110,000	248,000	248,000	-	-	606,000
CDBG	350,000	62,000	62,000	310,000	310,000	1,094,000
FEMA Hazard Grant	741,000	-	-	-	-	741,000
Escrow & Other Deposits	383,315	225,547	30,224	5,000	-	644,086
Neighborhood Equity Funds	549,212	-	-	-	-	549,212
Road Impact Fees	200,000	150,000	-	-	-	350,000
Transfer from General Fund	850,000	1,500,000	-	-	-	2,350,000
Transfer from Water Fund	100,000	-	-	-	-	100,000
Transfer from Building Fund	400,000	-	-	-	-	400,000
Off-Site Fees	49,600	46,888	44,175	41,463	38,750	220,876
Water R&R	31,159,577	8,903,670	7,308,809	9,439,187	6,213,896	63,025,139
Stormwater Revenues	151,780	156,333	161,023	165,853	170,829	805,818
Stormwater R & R	2,768,754	1,046,085	693,572	1,247,427	539,186	6,295,024
<b>TOTAL</b>	<b>45,445,947</b>	<b>20,054,486</b>	<b>15,088,610</b>	<b>15,526,638</b>	<b>12,688,378</b>	<b>108,804,059</b>



# Summary

- Staff seeks approval on second reading of the proposed operating millage rate of 2.4633 and Debt Service Rate of 0.1501 through ordinance 10-22
- Staff seeks approval on second reading of the proposed community investment program through ordinance 9-22
- Staff seeks approval of Resolution 82-22 to adopt the Town's FY2023 operating budget and pay plan

