Property Tax-Supported Budgets

Over the past several years the growth of ad valorem revenues had exceeded projections because of strong tax roll growth. In FY 2026-27, the tax roll growth rate has stabilized. As such, the tax roll growth rates assumed for this five-year outlook project a 5.5 percent growth for the Countywide, UMSA, Library and Fire taxing jurisdictions in FY 2027-28 and 5.0 percent in FY 2028-29 through FY 2031-32. Our assumptions utilize flat millage (tax) rates for the forecast period based on the FY 2025-26 adopted rates.

Another significant limitation on fully realizing the benefits of the County's ad valorem growth is the increasing financial obligation tied to the Tax Increment Financing (TIF) payments to the 15 Community Redevelopment Agencies (CRA). Over time, these payments have grown considerably, closely tracking the rise in property values within CRA boundaries. While CRAs serve an important purpose in revitalizing needed communities, the resulting diversion of revenue limits the County's capacity to reinvest that growth into essential countywide priorities and services. These projections do not account for the creation of new CRAs, expansion of existing boundaries, or extensions of sunset dates.

As illustrated in the subsequent schedules, revenue and expenditure projections reflect a trajectory of moderate growth. This data is strictly informational and does not constitute a formal five-year budget. Long-term assumptions are inherently subject to rapid adjustment in response to global economic shifts, evolving service demands, environmental emergencies, and other unpredictable contingencies.

Our forecast does not include funding or adjustments for future collective bargaining agreements. Other personnel-related costs that have greatly impacted our forecasts are the costs of employee health care, Florida Retirement System payments and workers' compensation insurance. Over the next few years, we are projecting increases to the rates to maintain statutorily required reserves in our self-insurance fund.

We have identified $53.074 million in unmet service needs based on our strategic plan which are not addressed in this forecast. These unmet needs are detailed within each departmental narrative in Volumes 2 and 3.

Assumptions

<u>Millage Rates</u>

Operating millage rates for all four taxing jurisdictions are kept at the FY 2025-26 Adopted levels.

<u>Tax Roll Growth</u>

The Countywide, UMSA, Library and Fire property tax rolls are anticipated to grow 5.5 percent for the Countywide, UMSA, Library and Fire taxing jurisdictions in FY 2027-28 and 5.0 percent in FY 2028-29 through FY 2031-32.