

City of Palm Coast, Florida Agenda Item

Agenda Date: September 9, 2026

Agenda Item:
E.1

Department FINANCE Division FINANCE	Amount Org/Account #
Subject: PRESENTATION – PROPOSED FISCAL YEAR 2027 BUDGET AND REVISED FISCAL YEAR 2026 BUDGET FOR ALL APPROPRIATED FUNDS - FIRST PUBLIC HEARING	
Presenter: The Finance Department	
Attachments: 1. Presentation	
Background: City Council adopted the Fiscal Year 2026 Budget on the 24th day of September 2025, in the amount of \$696,444,327 – Resolution 2025-152. At the April 21, 2026, Special Budget Workshop, City Council was presented with the Year-to-Date Budget results for operating department budgets, for Fiscal Year 2026 October through March. On June 2, 2026, City Council approved and adopted the Strategic Action Plan (SAP) for Fiscal Year 2025-2026. On June 9, 2026, City Council was presented with an overview of the process for adopting the Property Tax (TRIM) rate in preparation to adopt the Fiscal Year 2027 Budget. On July 14, 2026, City Council was presented the Fiscal Year 2027 General Fund, IT Operations, and Facilities Budget, and an overview of the TRIM rate options. As discussed, staff is proposing a maximum millage rate of 4.2296 mills, which is a 2.20% increase from the rolled-back rate of 4.1387. The first budget hearing is to be held at 5:15 p.m. on Wednesday, September 9, 2026, at the Palm Coast City Hall - Jon Netts Community Wing, located at 160 Lake Ave, Palm Coast. Local governments must conform to the maximum millage limitation requirements as outlined in Section 200.065(5), F.S. within 35 days of the certification of value, the City of Palm Coast must inform the property appraiser of the current year's proposed millage rate and the first budget hearing date and location which will be advertised on the Notice of Proposed Property Taxes (TRIM notice) that the property appraiser mails. On July 21, 2026, Council adopted Resolution 2026-97 setting the Proposed Maximum Millage Rate for Fiscal Year 2027 at 4.2296 and setting the date, time, and location for the Tentative Budget Hearing for September	

9, 2026, at 5:15 PM at the Palm Coast City Hall - Jon Netts Community Wing, 160 Lake Ave, Palm Coast, Florida.

On July 28th, staff presented the Fiscal Year 2027 Proprietary Funds Budget to Council, as well as millage rate options.

On August 11, 2026, staff presented to City Council the Capital and Fleet Internal Service Fund for Fiscal Year 2027.

On August 25, 2026, the Final Proposed Fiscal Year 2027 Budget for all appropriated funds was presented to City Council by staff, as well as millage rate options.

City Council will now be presented with the final Fiscal Year 2026-2027 Proposed Budget and the final Fiscal Year 2025-2026 Revised Budget for all appropriated funds.

Recommended Action:
FOR PRESENTATION ONLY



**Fiscal Year 2027 Budget
Hearing
Final Proposed Budget
September 09, 2026**

Finance Department

General Fund Revenues

Summary

	Adopted(A) 2026	Estimated 2026	Proposed(P) 2027	Fiscal Year 2026(A)-2027(P) Change	Percentage Change
Ad Valorem Tax (Property Taxes)*	\$ 42,698,778	\$ 42,726,062	\$ 45,558,297	\$ 2,859,519	
State Revenues and Other Taxes	9,934,175	10,157,014	10,231,445	297,270	
Permits and Fees	2,770,155	2,679,700	2,614,600	(155,555)	
Fines and Forfeitures	658,183	678,000	678,000	19,817	
Charges for Services	7,514,905	7,919,890	8,050,482	535,577	
Other Revenue	508,231	1,402,863	468,250	(39,981)	
Transfers	1,367,533	1,383,557	1,372,533	5,000	
Appropriated Fund Balance	2,149,435	1,946,492	7,768,310	5,618,875	
Loan Proceeds - Land Purchase	-	-	11,000,000	11,000,000	
Total General Fund Revenue	\$ 67,601,395	\$ 68,893,578	\$ 87,741,917	\$ 20,140,522	29.8%

*2026 Based on Proposed TRIM Rate of 4.1893 and 96% of Taxable Property Values

General Fund Expenditure Summary

	Adopted(A) 2026	Estimated 2026	Proposed(P) 2027	Fiscal Year 2026(A)-2027(P) Change	Percentage Change
Administrative Services	\$ 6,847,106	\$ 6,870,716	\$ 7,113,947	\$ 266,841	
Construction Management & Engineering	1,482,102	1,483,087	1,368,066	(114,036)	
Economic Development	1,818,365	1,790,796	1,371,452	(446,913)	
Planning	3,917,366	3,833,964	4,021,192	103,826	
Community Compliance - Formerly Code Enforcement	3,812,865	3,862,610	3,693,528	(119,337)	
Business Tax	226,919	225,956	228,655	1,736	
Public Safety - Fire	16,002,655	16,311,696	17,044,960	1,042,305	
Public Safety - Flagler County Sheriff's Contract	11,181,587	11,181,587	12,152,736	971,149	
Public Works Streets Maintenance	10,321,742	10,398,546	11,060,788	739,046	
Parks and Recreation	6,246,842	6,288,736	6,266,208	19,366	
Parks Maintenance	3,916,202	3,939,568	4,090,815	174,613	
Non-Departmental	1,827,644	1,606,316	2,179,570	351,926	
Non-Departmental - Land Purchase, Interest, & Debt	-	1,100,000	17,150,000	17,150,000	
Service Expenses					
Total General Fund Expenses	\$ 67,601,395	\$ 68,893,578	\$ 87,741,917	\$ 20,140,522	29.8%

Proprietary Funds Budget Summary

	Adopted(A) 2026	Estimated 2026	Proposed(P) 2027	Fiscal Year 2026(A)-2027(P) Change	Percentage Change
Water and Wastewater Fund	\$ 88,214,320	\$ 88,415,174	\$ 92,922,561	\$ 4,708,241	5.3%
Water and Wastewater Capital Fund	326,390,581	353,163,263	160,990,766	(165,399,815)	-50.7%
Stormwater Management Fund	42,801,621	33,417,035	32,486,873	(10,314,748)	-24.1%
Building Permits Fund	3,779,254	3,404,193	3,351,919	(427,335)	-11.3%
Collections and Sanitation Fund	19,698,024	19,506,423	20,738,721	1,040,697	5.3%
Information Technology Enterprise Fund	1,576,231	1,342,704	1,120,101	(456,130)	-28.9%
Total Expenditures	\$ 482,460,031	\$ 499,248,792	\$ 311,610,941	\$ (170,849,090)	

New Personnel for FY2027:

Water and Wastewater Fund: 14 FTEs

Stormwater Fund: 1 FTE

Building: Reduction of 2.98 FTEs - Allocation Transfer to Community Development

	Adopted(A) 2026	Estimated 2026	Proposed(P) 2027	Fiscal Year 2026(A)-2027(P) Change	Percentage Change
Transportation Impact Fees	54,173,103	22,913,487	50,755,762	\$ (3,417,341)	-6.3%
Town Center Transportation Impact Fees	660,319	850,000	1,121,018	460,699	100.0%
Recreation Impact Fee	9,291,385	6,503,707	7,289,500	(2,001,885)	-21.5%
Fire Impact Fee	12,326,600	12,934,356	779,487	(11,547,113)	-93.7%
Capital Projects	23,697,976	18,607,276	28,595,468	4,897,492	20.7%
Developer Special Projects Fund	122,275	201,983	50,000	(72,275)	-59.1%
Total Expenditures	\$ 100,271,658	\$ 62,010,809	\$ 88,591,235	\$ (11,680,423)	



CAPITAL PROJECTS FUND

Maintenance Operations Complex	\$23.85 M
Park Renovations	\$1.10 M

STREETS IMPROVEMENT FUND

Street Rehab and Renewal	\$4.41 M
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TRANSPORTATION IMPACT FEE FUND

Matanzas Woods Parkway Extension West	\$22.02 M
OKR North Widening	\$15.65 M
Belle Terre Safety Improvements	\$3.36 M
Palm Coast Parkway Extension Loop Road	\$3.20 M
Loop Road Connector Phase 4	\$3.16 M
Seminole Woods / State Road 100 Intersection	\$1.05 M

RECREATION IMPACT FEE FUND

Community Center Extended Parking	\$4.35 M
Graham Swamp Trail Phase 2	\$1.15 M

STORMWATER MANAGEMENT FUND

Major Canal Crossings	\$3.13 M
Stormwater Storage & Detention Expansion	\$2.94 M
Capacity Improvements	\$2.18 M
System Rehab & Renewal	\$1.98 M

OLD KINGS ROAD SPECIAL ASSESSMENT FUND

Old Kings Road South Design	\$1.13 M
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WATER/WASTEWATER CAPITAL PROJECTS FUND

Wastewater Plant 1 Expansion & Rehabilitation	\$67.78 M
Wells & Wellfields - Brackish	\$5.50 M
Water Plant 1 Wellfield & Wells	\$5.37 M
Water Plant 3 Plant Expansion	\$5.00 M
Old Kings Road North Gravity & Water Main Relocates	\$5.00 M
Wastewater Plant 2 Rib/Exfiltration	\$5.00 M

Special Revenue Funds Budget Summary

	Adopted(A) 2026	Estimated 2026	Proposed (P) 2027	Fiscal Year 2026(A)-2027(P) Change	Percentage Change
Community Development Block Grant Fund	\$ 806,000	\$ 580,492	\$ 761,817	\$ (44,183)	-5.5%
State Road 100 Community Redevelopment Agency	3,336,344	3,375,357	4,003,956	667,612	20.0%
Police Education Fund	12,000	12,000	9,000	(3,000)	-25.0%
Disaster Reserve Fund	-	486,250	-	-	N/A
Special Events Fund	166,660	200,291	179,115	12,455	7.5%
Neighborhood Stabilization Program Fund	121,035	-	121,035	-	0.0%
Old Kings Road Special Assessment Fund	1,233,573	818,000	1,506,674	273,101	22.1%
Streets Improvement Fund	9,632,495	8,632,496	5,135,000	(4,497,495)	-46.7%
Art in Public Places	-	307,725	100,000	100,000	N/A
Total Expenditures	\$ 15,308,107	\$ 14,412,611	\$ 11,816,597	\$ (3,491,510)	

	Adopted(A) 2026	Estimated 2026	Proposed(P) 2027	Fiscal Year 2026(A)-2027(P) Change	Percentage Change
Fleet Management Fund	10,664,763	12,071,895	13,425,511	\$ 2,760,748	25.9%
Facilities Management Fund	2,273,201	2,331,199	2,387,482	114,281	5.0%
Emergency Communications Fund	444,849	469,849	445,595	746	0.2%
Information Technology Fund	6,953,140	6,839,007	7,070,387	117,247	1.7%
Health Insurance Fund	10,467,183	10,708,183	10,593,220	126,037	1.2%
Total Expenditures	\$ 30,803,136	\$ 32,420,133	\$ 33,922,195	\$ 3,119,059	

Personnel:

Fleet Management Fund – 1 FTE



Fiscal Year 2027 Proposed Budget -Summary

	Adopted(A) 2026	Estimated 2026	Proposed(P) 2027	Fiscal Year 2026(A)-2027(P) Change	Percentage Change
General Fund	\$ 67,601,395	\$ 68,893,578	\$ 87,741,917	\$ 20,140,522	29.8%
Water/Wastewater Fund	88,214,320	88,415,174	92,922,561	4,708,241	5.3%
Water/Wastewater Capital Projects Fund	326,390,581	353,163,263	160,990,766	(165,399,815)	-50.7%
Stormwater Management Fund	42,801,621	33,417,035	32,486,873	(10,314,748)	-24.1%
Fleet Management Fund	10,664,763	12,071,895	13,425,511	2,760,748	25.9%
Facilities Management Fund	2,273,201	2,331,199	2,387,482	114,281	5.0%
Collection and Sanitation Fund	19,698,024	19,506,423	20,738,721	1,040,697	5.3%
IT Enterprise Fund	1,576,231	1,342,704	1,120,101	(456,130)	-28.9%
IT Internal Service Fund	6,953,140	6,839,007	7,070,387	117,247	1.7%
Building Permit Fund	3,779,254	3,404,193	3,351,919	(427,335)	-11.3%
Capital Projects Fund	23,697,976	18,607,276	28,595,468	4,897,492	20.7%
Streets Improvement Fund	9,632,495	8,632,496	5,135,000	(4,497,495)	-46.7%
Recreation Impact Fee Fund	9,291,385	6,503,707	7,289,500	(2,001,885)	-21.5%
Transportation Impact Fee Fund	54,173,103	22,913,487	50,755,762	(3,417,341)	-6.3%
Fire Impact Fee Fund	12,326,600	12,934,356	779,487	(11,547,113)	-93.7%
State Road 100 Community Redevelopment Act Fund	3,336,344	3,375,357	4,003,956	667,612	20.0%
All Other Funds	14,033,894	14,634,773	14,887,474	853,580	6.1%
Total Budget	\$ 696,444,327	\$ 676,985,923	\$ 533,682,885	\$ (162,761,442)	-23.4%



CRA LAND PURCHASE FUNDING

SR 100 Community Redevelopment Agency Fund

	Estimated 2026	Proposed 2027	Proposed 2028	Proposed 2029	Proposed 2030	Proposed 2031
Revenues						
Intergovernmental Revenue (County Portion)	\$ 2,157,700	\$ 2,705,886	\$ 2,737,565	\$ 2,772,864	\$ 2,856,100	\$ 2,941,800
Tax Exemption on CDD Property	-	(125,000)	(128,800)	(132,700)	(136,700)	(140,800)
Tax Increment (City Portion)	1,121,225	1,423,070	1,438,734	1,457,286	1,501,000	1,546,000
Other Revenue	55,000	-	-	-	-	-
Fund Balance Appropriations	41,432	-	-	-	-	-
Total Revenues	\$ 3,375,357	\$ 4,003,956	\$ 4,047,499	\$ 4,097,450	\$ 4,220,400	\$ 4,347,000
Expenditures						
Operating Expenditures	\$ 259,374	\$ 581,234	\$ 598,175	\$ 617,425	\$ 637,475	\$ 658,325
Debt Service	851,719	1,049,615	1,056,720	190,000	190,000	190,000
YMCA	1,500,000	500,000	500,000	500,000	-	-
Land Acquisition Repayment	-	-	-	2,556,059	3,392,925	3,498,675
Interfund Transfers	764,264	1,873,107	1,892,604	233,966	-	-
Total Expenditures	\$ 3,375,357	\$ 4,003,956	\$ 4,047,499	\$ 4,097,450	\$ 4,220,400	\$ 4,347,000

- ☒ Agreement Approved by City Council
- ☒ Agreement Executed by City Manager
- ☒ Escrow Deposit Payment Made
- ☒ Initiate the process to establish a General Fund Line of Credit up to \$15M



☐ Evaluate Reducing General Fund Reserves

FUND BALANCE AT 25%	FUND BALANCE AT 20% (INCLUDED IN PROPOSED FY 2027 BUDGET)	FUND BALANCE AT 15%
Line of Credit \$14M	Line of Credit \$11M	Line of Credit \$7.5M
Estimated Annual Interest \$700K	Estimated Annual Interest \$550K	Estimated Annual Interest \$390K
Reserves Balance Left \$16.8M	Reserves Balance Left \$13.8M	Reserves Balance Left \$10.3M

BUDGETARY ASSUMPTIONS:

LAND PURCHASE	\$17M
LAND CLOSING COSTS	\$500K
LINE OF CREDIT CLOSING COSTS	\$200K



- ☐ Assign any future General Fund Reserves over the 20% goal to debt repayment
- ☐ Amend CRA Plan to clearly delineate the use of TIF dollars for repayment to the General Fund
- ☐ Assign any Future CRA dollars to the repayment of Line of Credit and Interest as Incurred
- ☐ Initiate Marketing Plan for Sale of Prime Parcels



Millage Rate

Next Steps:

- September 23rd – Adopt the Millage Rate of 4.1387
- Adopt the FY26 Revised Budget and the FY27 Tentative Budget

	Rate	Tax Revenue
Rolled-Back Rate	4.1387	\$45.5M
2027 Majority Vote	4.1387	\$45.5M
2027 Maximum Millage	4.2296	\$46.5M
2026 Adopted Millage	4.0893	\$44.9M
2027 Proposed Millage	4.1387	\$45.5M



Action	Hearing Dates
Adopt Final FY 2027 Budget & Millage Rate	<u>Final Public Hearing:</u> Wednesday, Sept. 23 rd , 5:15PM

