TOWN OF MELBOURNE BEACH

TOWN COMMISSION WORKSHOP

August 12, 2026

Immediately following the first meeting

AGENDA PACKET

Town of Melbourne Beach

TOWN COMMISSION WORKSHOP
Wednesday, August 12, 2026 immediately following the first meeting
COMMUNITY CENTER – 509 OCEAN AVENUE

PUBLIC NOTICE
AGENDA

Commission Members:
Mayor Alison Dennington
Vice Mayor Terry Cronin
Commissioner Anna Butler
Commissioner Tim Reed
Commissioner Sherri Quarrie

Staff Members:
Town Manager A. Marie Smith
Town Attorney Ryan Knight
Town Clerk Cyd Jones

1. **Call to Order**

2. **Roll Call**

3. **Pledge of Allegiance, Moment of Silence, and Civility Pledge**
   The Commission and Staff of The Town of Melbourne Beach pledge to conduct all public discourse in a civil manner. The Mayor and all members of the Commission will treat one another with courtesy and respect, and ask the public to do the same toward the Commission, each other, and toward staff. We will be respectful of one another even when we disagree. We will direct all comments toward the issues. We will avoid personal attacks.

4. **Public Comment**
   After being acknowledged by the Mayor, members of the public should state their name and address for the record. The Commission encourages citizens to prepare their comments in advance. Each individual will have three (3) minutes to address the Commission on any topic(s) related to Town business, not on the Agenda. Please remember to sign the sign-in sheet provided if you will be speaking at the meeting.

5. **New Business**
   A. Discussion regarding the FY 2026-2027 budget

6. **Adjournment**

PURSUANT TO SECTION 286.0105, FLORIDA STATUTES, THE TOWN HEREBY ADVISES THE PUBLIC THAT: In order to appeal any decision made at this meeting, you will need a verbatim transcript of the proceedings. It will be your responsibility to ensure such a record is made. Such person must provide a method for recording the proceedings verbatim as the Town does not do so. In accordance with the Americans with Disability Act and Section 286.26, Florida Statutes, persons needing special accommodations for this meeting shall, at least 5 days prior to the meeting, contact the Office of the Town Clerk at (321) 724-5860 or Florida Relay System at 711.

Town Commission Workshop

Section: New Business

Meeting Date: August 12, 2026

From: Town Manager

RE: Fiscal Year 2027 Budget Discussion

Background Information:

This is the second full budget presentation for the Town of Melbourne Beach for Fiscal Year 2026-27. The purpose of this workshop is to discuss the budget being presented and to address any questions or concerns about the proposed budget before September when the Commission must finalize the budget.

Highlights of the proposed budget include:

- **Maintains the current millage rate at 4.6000**, the lowest among Brevard County's full-service municipalities.
- **Balanced budget** that prioritizes public safety, critical infrastructure, operational efficiency, and long-term fiscal sustainability.
- **Departments completed a 10% budget reduction review**, ensuring resources remain focused on essential services and community priorities.
- **Strong financial reserves of approximately $3.06 million** provide stability for emergencies and economic uncertainty.
- **Capital improvements** beyond essential needs will be pursued through bond financing and grant opportunities whenever feasible.
- **Employee compensation** is strategic and not excessive, and includes a 4.25% salary adjustment for most employees, with a $3,000 increase to the starting salary for police officers to remain competitive within Brevard County.
- **Continued commitment** to fiscal responsibility, infrastructure investment, public safety, environmental stewardship, and preserving Melbourne Beach's exceptional quality of life.

An updated copy of the budget with edits made based on conversation from last meeting will be provided at the August 12th meeting***. A significant discussion point based on last meeting is whether or not to increase the millage rate to undertake more capital projects such as stormwater and road improvement, especially if general obligation bond financing is not possible.***

Attachments:

Power point Presentation: Fiscal Year 2026-27 Proposed Budget

TOWN OF MELBOURNE BEACH

Fiscal Year 2026–2027 Proposed Budget

A balanced budget focusing on long-term sustainability

Town Commission Budget Workshops • Wednesday, August 5, 2026

What is a "mill" and how to calculate millage rate?*

1 mill = $1 of tax for every $1,000 of taxable value

Melbourne Beach's proposed rate is 4.6000 mills — about $4.60 per $1,000 of taxable value, unchanged from the current year. This is only the Town's share; Brevard County, the School Board, and special districts set their own rates on the same bill.

Illustrative example

Taxable value	$300,000
Town millage rate	× 0.0046000
Town property tax	$1,380.00

That $1,380.00 is what the Town receives from this home to help fund police, fire, public works, and parks.

* Slide Courtesy of the City of Satellite Beach.

A 3% shield on your assessed value*

Since 1995

Florida's constitutional "Save Our Homes" amendment protects homestead (primary) residences.

Capped at 3% — or less

After the first homestead year, assessed value can't rise more than 3% or the change in CPI, whichever is lower.

Market value can still climb

Even if a home's market value jumps, the taxable assessment only inches up — so the bill stays predictable.

Homestead only

The cap applies to a primary residence, not to second homes, rentals, or commercial property — a significant distinction in a town where 72% of value is homesteaded.

Illustrative example

Two identical $450,000 homes, taxed very differently

	Long-time owner	New buyer
Market value	$450,000	$450,000
Assessed value	$235,000	$450,000
Homestead exempt.	–$50,000	–$50,000
Taxable value	$185,000	$400,000
Town tax @ 4.6000 mills	**$851.00**	**$1,840.00**

* Slide Courtesy of the City of Satellite Beach

The Essentials of the Florida tax formula*

1

Just (Market) Value

What your home would sell for today, set each January 1 by the Property Appraiser.

V

2

Save Our Homes cap

For homesteads, assessment growth is limited — lowering your **Assessed Value**.

–

3

Exemptions

Homestead and other exemptions (up to $50,000) reduce it to **Taxable Value**.

×

4

× Millage Rate

Taxable Value × the rate set by the City, County & schools = your tax.

The result: Your property tax bill. The City, County and School System set their own rates, which are consolidated into your property tax bill. Assessments are "below the line" charges.
Note: The same market value can yield very different bills — because the Save Our Homes cap changes step 2 for every homeowner.

* Slide Courtesy of the City of Satellite Beach

A balanced, disciplined budget for FY 2026–27

- **Balanced budget.** Melbourne Beach's proposed FY 2026–27 budget is balanced, with the millage rate holding at 4.6000 — the lowest rate among Brevard County's full-service municipalities.
- **Costs outpacing Values.** Property values rose approximately 3%, but it is a pace that does not keep up with inflation and rising operating costs.
- **Bond and grant financing.** Capital projects beyond essential needs will rely on bond and also grant funding, whenever possible, rather than additional property-tax revenue.
- **Strategic but Moderate Compensation.** Employee compensation includes a 4.25% wage adjustment; police officers will instead receive a $3,000 starting-salary increase to remain competitive with other law enforcement agencies countywide.
- **Disciplined spending.** All departments completed a 10% reduction exercise, ensuring spending remains focused on essential services and Town priorities. *The FY27 Budget is less than last year's budget.*
- **Strong reserves.** Financial reserves remain strong, at an estimated $3.06 million, providing a cushion against economic uncertainty. *No funding is slated to come from reserves to pay for the FY27 budget.*
- **Long-term focus.** The Town's long-term priorities remain financial sustainability, infrastructure, life safety, environmental stewardship, and preserving Melbourne Beach's quality of life.

3,250	**Residents (2026 estimate)**
$725.98M	**Taxable Value, 2026 Tax Roll**
72%	**Share of value that is homesteaded — the highest of any Brevard beachside city**

Source: Town of Melbourne Beach FY 2026–27 proposed budget.

Holding the millage rate steady at 4.6000

4.6000
Proposed FY27 millage rate

4.6000
Current FY26 millage rate

$3.239M
Proposed ad valorem tax revenue

+4.6%
Above the 4.3987 rollback rate

What is meant by the "rollback rate"?

- The rollback rate is the millage that would raise the same property-tax revenue as last year, excluding new construction.
- Melbourne Beach's proposed rate of 4.6000 mills is unchanged from the current rate, but still sits above the 4.3987 rollback rate.
- This means that ***rising property values, not a rate increase, account for the additional revenue.***

Source: FY2026–27 proposed millage comparison, Brevard County municipalities.

YEAR OVER YEAR

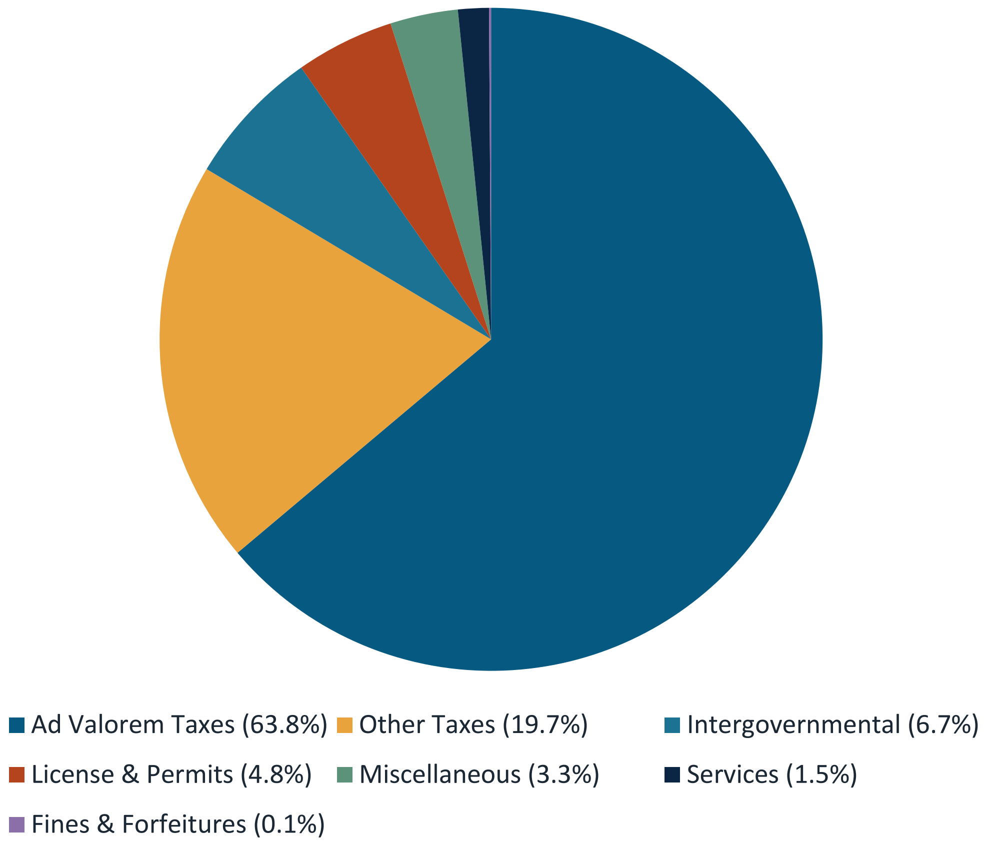
How FY 2026–27 compares to last year

	FY 2025–26	FY 2026–27	% Change
Total Budget (All Funds)	$5,293,520	$5,060,150	–4.4%
Operating Millage Rate	4.6000	4.6000	No change
Budgeted Positions	30	30	No change

The Town's total budget across all funds is down about 4.4% from FY 2025–26, while the operating millage rate and the number of budgeted positions both hold steady. The Town is maintaining service levels and staffing — including the move to 24/7 fire coverage — without raising the tax rate, headcount or talking funds from reserves. ***This approach maintains the current millage rate, prioritizes critical infrastructure and public safety, improves operational efficiency, and preserves the Town's long-term financial stability despite rising costs.***

Source: Town of Melbourne Beach FY 2025–26 approved budget; FY 2026–27 proposed budget total.

How we are funded



Property taxes carry the budget

Ad valorem taxes alone provide 63.8% of General Fund revenue — and combined with "other taxes" (19.7%), taxes make up 83.5% of every dollar the Town collects.

Modest outside revenue

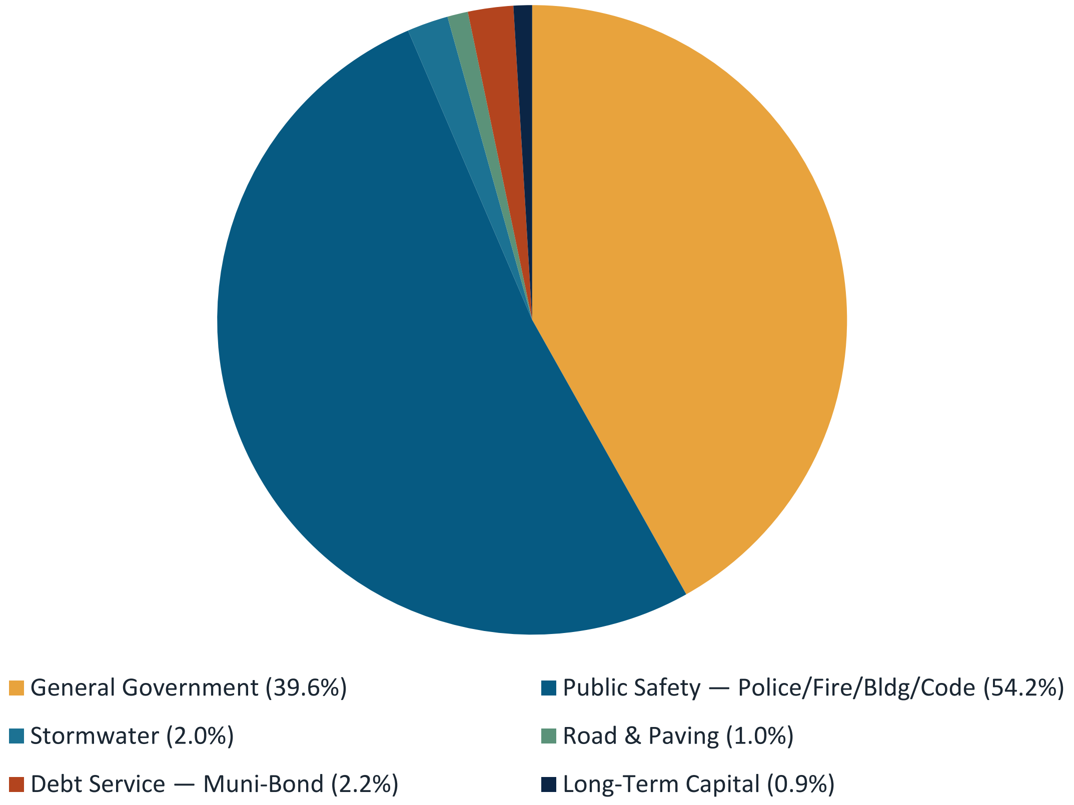
Intergovernmental revenue (state revenue sharing, grants) contributes 6.7%. License & permit fees add another 4.8%.

Very little from fees or fines

Charges for services (1.5%) and fines & forfeitures (0.1%) are very small — reinforcing how dependent the Town is on its property-tax base.

Source: Town of Melbourne Beach FY 2025–26 approved budget, General Fund revenue summary.

$5.06 Million Town Budget



Public safety is an essential component of the budget

Police, fire, building and codes together make up 54.2% of the Town's $5,060,150 budget.

General government follows closely

General government — administration, finance, and town operations — is the second-largest category at 39.6% ($2.00M) of the budget.

Infrastructure and debt commitments

Stormwater (2.0%), road & paving (1.0%), debt service (2.2%), and long-term capital (0.9%) together fund about $308,669 in infrastructure investment and bond obligations.

Category shares reflect the Town's published FY 2026–27 budget mix, applied to the Town's $5,060,150 total budget (all funds).

A $5 million bond heads to voters this November

$5M

Proposed new General Obligation Bond, on the Nov. 3, 2026, ballot

$3.5M

2009 GO Bond being paid off this year (4.23% interest)

$178K

Example: Basin 1 stormwater pipe work ready for construction

$380K

Example: Basin 10 engineering and stormwater pipe work ready to begin

Why we need a new bond to replace the retiring bond

- The Town's 2009 stormwater bond — the line-item residents know as “Stormwater Debt Payment (DBTP)” — is paid off this year.
- Stormwater and road projects across several basins can no longer be deferred, so the Town Commission voted on June 17, 2026 to advance a new $5 million General Obligation Bond to voters to replace the retiring bond as a funding source.
- If approved, the Town would finance these projects at today’s costs rather than paying more later as construction costs continue to rise.
- In addition, it spreads the costs over the 15–25-year life of the improvements rather than placing the full burden on current taxpayers alone.

Source: Town of Melbourne Beach, August 5, 2026 Special Meeting agenda memo — General Obligation Bond Resolution and Ballot Language.

A lean staff, now backed by a 24/7-staffed fire station

Police Department

Chief, Deputy Chief, 2 Sergeants, 2 Corporals, 6 Officers, plus admin support

Fire Department

Fire Chief, 3 new Fire Captains bringing 24/7 coverage starting in FY27, and approximately 36 volunteer firefighters

Public Works

Director, Maintenance Foreman, 2 Maintenance Worker II, and a Groundskeeper

Building & Code

Building Official (contracted), Permit Technician, and Code Enforcement Officer

Finance & Clerk

Finance Manager/HR Administrator, Finance Clerk, Town Clerk, and Deputy Town Clerk

Administration

Town Manager, Office Manager, Town Planner (contracted), and Town Attorney (contracted)

Staff will receive a 4.25% wage adjustment; police officers will instead receive a $3,000 starting-salary increase to remain competitive with other law enforcement agencies countywide. Both adjustments are reduced from initial budget proposals.

Source: Town of Melbourne Beach FY 2025–26 approved budget, organizational chart.

Why we are increasing the police base salary by $3,000

Police Department	Current Starting Salary FY26	Proposed Starting Salary FY27
Rockledge	$59,841.00	$61,636
BCSO	$58,115.20	$61,609
Melbourne	$58,052.00	$59,793
Titusville	$57,000.00	$61,000
Palm Bay	$56,292.00	$58,900
Indian Harbor	$55,211.00	$55,350
Cocoa	$55,161.60	$58,030
West Melbourne	$55,000.00	$58,850
Airport	$54,410.00	$56,042
Indialantic	$54,267.00	$55,895
Satellite Beach	$53,320.82	$54,919
Cocoa Beach	$51,136.00	$55,626
Melbourne Beach	$51,000.00	$54,000

Average Police Starting Salaries

FY 2025-26	$55,292
FY 2026-27	$57,780
Melbourne Beach	$51,000 – 54,000

Our starting salary for police officers is the lowest in Brevard County but needs to remain competitive to deter poaching of our trained officers. Although a $3,000 increase in starting salary still keeps us the lowest paid in the county, it brings us in range of neighboring communities.

NEW ESSENTIAL LIFE SAFETY SERVICE

24/7 life safety coverage begins in FY27

Starting in FY27, three new Fire Captains bring the fire station to round-the-clock, 24/7 staffing for the first time — a career team working alongside the roughly 36 community volunteer firefighters who continue to serve Melbourne Beach.

Having Fire Captains on-site around the clock will significantly reduce response times to all life safety calls. It also brings faster, local medical response at the Basic Life Support (BLS) service level to residents 24/7 — a meaningful upgrade in emergency medical care, funded through this budget.

New - 24/7 life safety

Fire coverage begins in fiscal year 2027, cutting response times, saving lives and property!

New - We have BLS!

Basic Life Support is now available to residents round-the-clock, starting in October 2026.

FY2026–27 PROPOSED

How Melbourne Beach's proposed rate compare to our neighboring communities*

City	Current	Rollback	Proposed	Population	Ad Valorem Taxes	COLA
Brevard County	4.4909	4.4753	**4.7492**	667,900	$236,406,228	3.00%
Cocoa Beach	6.0000	5.9988	**6.1644**	11,349	$19,786,729	4.00%
Indialantic	6.2388	5.8728	6.1959	3,009	$4,438,083	4.00%
Indian Harbour Bch.	5.5099	5.3618	5.5077	8,998	$8,171,003	3.25%
Melbourne Beach	4.6000	4.3987	4.6000	3,250	$3,239,000	4.25%
Satellite Beach	7.9000	7.6565	7.9000	11,493	$13,345,719	3.00%
Rockledge	5.350	5.1106	5.2335	30,554	$14,701,955	10.0%

Melbourne Beach's proposed rate holds flat at 4.6000 mills — unchanged from the current year, and still the lowest rate in dollar terms among these cities.

** Bolded = increased millage. Source: FY2026–27 proposed millage comparison, Brevard County municipalities.*

2025-26 tax year: “just value” (market) and homestead mix

City	Just Value	Homesteaded	% Homesteaded	Non-Homesteaded	Millage Rate
Melbourne Beach	$1,142,304,024	$827,736,890	72%	$260,123,640	4.6000
Satellite Beach	$2,856,295,842	$1,900,174,790	67%	$699,122,820	7.9000
Cocoa Beach	$4,831,619,397	$2,043,922,010	42%	$1,865,330,170	6.0000
Indian Harbour Beach	$2,250,646,191	$1,440,741,590	64%	$509,607,180	5.5099
Indialantic	$1,076,166,337	$686,292,390	64%	$248,455,660	6.2388

Melbourne Beach has the LOWEST MILLAGE RATE BUT HIGHEST HOMESTEAD share of value among Brevard’s beachside cities – THERE IS ROOM AND REASON TO RAISE THE MILLAGE RATE.

Source: Brevard County Property Appraiser, 2025 tax roll.

Addressing uncertainty

State tax reform	Florida voters will be weighing property-tax changes, including proposals to substantially expand homestead exemptions, that could impact municipal revenue statewide. It will require a supermajority of voters (60%) to pass.
A Concentrated Impact	Since 72% of Melbourne Beach's taxable value is homesteaded— the Town's tax base is sensitive to any expansion of the homestead exemption. Larger tax exemptions mean less revenue for local services. Also slower growth in property values means less new revenue is available each year for rising infrastructure and operating costs.
Steady Reserves	The town has $3.06M in reserves, well above the 2 months (16.7% of revenue) that is recommended by the Government Finance Officers' Association (GFOA) or even the 35% that is considered favorable by credit rating agencies. These reserves can be tapped in an emergency or during uncertain times.
Planning Ahead	The Town Commission has voted to pursue a general obligation bond to finance infrastructure projects that are overdue. This funding cannot be used for operations but for capital projects only, which will ensure a funding stream dedicated to improving infrastructure within the town. **If not adopted, the millage rate can be increased this year.**

INVITATION TO PARTICIPATE

This is your community and your town’s budget. Let’s hear from you!

Join the Town Commission at the public budget hearings this September before the final millage is set.

Public hearings: Advertised on your **August** TRIM notice — typically held in **September** at Town Hall

Learn more: www.melbournebeachfl.org