



SEBASTIAN INLET DISTRICT

A multi-county, independent special taxing district created by the Florida State Legislature

MEMORANDUM *(Revised 7-7-26)

TO: Sebastian Inlet District Commissioners
FROM: James D. Gray, Jr. 
DATE: June 26, 2026
SUBJECT: 2026/2027 Draft Budget

In preparation for the upcoming 2026/27 Fiscal Year (FY) Budget staff is recommending the Board consider using the ~~anticipated~~ **Certified** Rolled Back Rate (RBR) of ~~0.1517~~ **0.1518** mills. Applying the RBR to the upcoming FY 2026/2027 Truth in millage process (TRIM) would produce relatively the same tax revenues as FY 2025/2026.

- For FY 2025/2026 the approved millage rate was 0.1555 mills.
- Based on ~~initial~~ property tax values received from Brevard and Indian River Counties, the ~~anticipated~~ **Certified** RBR is ~~0.1517~~ **0.1518** mills.

Analysis Budget Version (July 8, 2026)

Staff based the DRAFT budget on:

- Property tax revenues on a calculated RBR of ~~0.1517~~ **0.1518** mills
- Anticipated interest revenue from FL Prime at \$500,000
- Anticipated grant reimbursement (revenue) from FDEP at \$1.5M
- Utilizing a Use of Fund Balance (Assigned) of approximately ~~\$7.38~~ **\$7.17M**

During the meeting, staff will discuss in greater detail the DRAFT FY 2026/27 Budget (attached). It is important to note that the DRAFT FY 2026/27 budget identifies expenses and capital outlays that are comparable to those in the FY 2025/26 Budget. However, the DRAFT FY 2026/27 \$16.94M budget, as proposed, reflects an overall **22.16% Increase** from the Board Approved FY 2025/26 Budget. The proposed "Project Based Budget" will utilize approximately ~~\$7.38~~ **\$7.17M** in Use Of Fund Balance to fund FY 2026/27 scheduled projects (i.e. North Jetty Phases 2&3, DMMA material screening, and the continuation Thomas Shoal investigations) and not through collection of additional revenue from a tax levy above the RBR.

Update on Property Tax Reform

On June 24, 2026, Governor DeSantis approved Senate Bill 4-F, implementing property tax legislation associated with HJR 1-F adopted during the Legislative Special Session F this June.

Effective immediately, not contingent on voter approval this November, and for FY 2026/2027 Budget adoption process, the maximum millage rate Local Governments/Special Districts may adopt by a simple majority vote is now limited to the RBR.

For the Sebastian Inlet District FY 2026/2027 budget adoption process, Board approval is now as follows:

Proposed Millage	Proposed Rate (Mills)	Required Board Approval Votes
Rolled Back Rate (RBR) or lower	0.1518	3
Up to 110% of the RBR	0.1670	4
Above 110% of the RBR	0.1671 or higher	5 or by voter referendum

A proposed District Project (FY 2027-2031) forecasting schedule is also attached to identify anticipated District projects over the next 5 years.

Additionally, please find the proposed Tentative and Final Budget Hearing meeting dates and times.

Wednesday, September 9, 2026 TENTATIVE Millage and Budget Hearing	North Indian River County Library 1001 Sebastian Blvd, Sebastian, FL 32958	5:30 PM
Monday, September 21, 2026 FINAL Millage and Budget Hearing	District Office 114 Sixth Avenue, Indialantic, FL 32903	5:01 PM

* Note:

Additions are **bolded** and underlined

Deletions are **bolded** and ~~strikethrough~~

REVENUE AND OPERATING FUNDS

3110100	Property Taxes-Brevard (CERTIFIED)
3110200	Property Taxes-Indian River (CERTIFIED)
3340000	Contract/Grant Funds (ESTIMATED)
3610200	Interest Income (ESTIMATED)
2701000	Use of Fund Balance (Assigned)
Total Funds Available	

	Rolled-Back Rate	
	2025-26 Budget (0.1555)	2026-27 Budget (0.1518)
		Prior Year Incr/Decr
	6,222,068	6,367,599
	1,342,518	1,404,398
	3,100,000	1,500,000
	300,000	500,000
	2,830,914	7,168,431
	13,795,500	16,940,428

EXPENSES AND CAPITAL OUTLAY

General
Government

5110 000	<u>Commission</u>
	Sub-Total
5130 000	<u>Financial and Administrative</u>
	Sub-Total
5140 000	<u>Legal Counsel</u>
	Sub-Total
5190 000	<u>Governmental and Tax Related Fees</u>
	Sub-Total

	46,000	54,200
		17.83%
	701,650	731,968
		4.32%
	252,500	252,500
		0.00%
	264,000	279,710
		5.95%

Physical
Environment

5370 000	<u>Staff Engineer / Engineering</u>
	Sub-Total
5371 000	<u>Sand Transfer System / Advanced Studies</u>
	Sub-Total
5372 000	<u>Sand Trap Dredging</u>
	Sub-Total
5373 000	<u>Maintenance of Channel</u>
	Sub-Total
5373 000	<u>Channel Extension</u>
	Sub-Total
5374 000	<u>Ebb Shoal / Offshore Projects</u>
	Sub-Total
5375 000	<u>Construction Programs</u>
	Sub-Total
5376 000	<u>Natural Resources Programs</u>
	Sub-Total
5377 000	<u>Other Planned Projects</u>
	Sub-Total
5378 000	<u>Professional/Contract/Service</u>
	Sub-Total
5410 000	<u>Debt Interest Payments</u>
6000000	<u>Capital Outlay</u>
	Sub-Total of All Expenses
	Reserve

	170,500	170,500
		0.00%
	509,500	512,500
		0.59%
	7,350,000	3,100,000
		-57.82%
	260,000	260,000
		0.00%
	20,500	20,500
		0.00%
	126,050	1,501,050
		1090.84%
	834,500	6,834,500
		718.99%
	303,000	179,500
		-40.76%
	11,000	26,000
		136.36%
	16,500	16,500
		0.00%
	1,810	1,000
		-44.75%
	0	0
	10,867,510	13,940,428
		28.28%
	3,000,000	3,000,000
		0.00%
	13,867,510	16,940,428
		22.16%

Notes/Assumptions/Projects

REVENUE

2701000—Use of assigned fund balance
 3340000—DEP funding (TBD)
 3610200—PNC MMDA and Florida PRIME

EXPENSES

5130 120 / 121— FY 27 (5% COLA / MERIT)
 5130 320 Accounting Audit—Single Audits (\$4,500) required through FY 27-28
 Reserve-\$3M per policy

5-Year (FY 2027-2031) District Project Forecasting (PROPOSED)

FY 2026-2027	2026			2027								
Anticipated Project	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept
Environmental Monitoring	Beach and Inlet											
North Jetty Maintenance - Phase 2&3		Project Construction										
South Jetty Maintenance				Project Design and Bidding								
Thomas Shoal Investigations	Geotechnical Vibracores and Analysis											
Tide Pool Excavation				Project Design and Permitting								
DMMA Material Screening				Project Bidding and Construction								
Supplemental Truck Haul				Project Design and Bidding								

FY 2027-2028	2027			2028								
Anticipated Project	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept
Environmental Monitoring	Beach and Inlet											
South Jetty Maintenance				Project Construction								
Thomas Shoal Investigations				Design and Permitting for Shoal Utilization								
DMMA Truck Haul (25 KCY)				Project Construction								
Tide Pool Excavation (10 KCY)				Project Construction								
Supplemental Truck Haul (90 KCY)				Project Construction								

FY 2028-2029	2028			2029								
Anticipated Project	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept
Environmental Monitoring	Beach and Inlet											
Supplemental Truck Haul				Project Design and Bidding								

FY 2029-2030	2029			2030								
Anticipated Project	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept
Environmental Monitoring	Beach and Inlet											
Supplemental Truck Haul (125 KCY)				Project Construction								

FY 2030-2031	2030			2031								
Anticipated Project	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept
Environmental Monitoring	Beach and Inlet											
Sand Trap and Channel Dredging				Project Design and Bidding								

1. Anticipated projects are for future budget planning purposes only
2. North Jetty Maintenance project construction was phased to distribute budget funding requirements
3. Sand Trap and Channel Dredging is anticipated every 5 years
4. Supplemental Truck Haul projects are necessary to meet the Sebastian IMP Bypassing objective of 75,000 CY/YR
5. Environmental Monitoring includes, State of Inlet Report, Wind/Wave/Weather Sta., Surveys, Sea Turtles and Hardbottom