FINAL MINUTES AND AGENDA
TOWN OF JUPITER
TOWN COUNCIL WORKSHOP
TOWN COUNCIL CHAMBERS
THURSDAY, JUNE 18, 2026

Mayor Kuretski called the meeting to order at 6:00 P.M.

Roll Call: Mayor Jim Kuretski; Councilor Ron Delaney; Councilor Dan Guisinger; Councilor Malise Sundstrom; Town Manager Frank Kitzerow; and Town Clerk Merriane Lahmeur. Vice-Mayor Phyllis Choy and Town Attorney Thomas J. Baird were absent.

1. Discussion of the Proposed Operating Budget for FY2027.

   Mr. Scott Reynolds, Chief Financial Officer, presented the proposed Fiscal Year 2027 Operating Budget and noted that it was a working document pending information from the State and the Property Appraiser's July 1 taxable value estimates. He advised that a special workshop would be scheduled to discuss potential property tax reform impacts.

   Mr. Reynolds reviewed the FY2027 Budget Highlights & Assumptions. He explained that the proposed budget continued the Town's practice of operating within its means while supporting the first year of fire operations with a significantly lower replacement millage rate. He noted that the budget proposed no indexing of water and stormwater rates and maintained the Town's investment in public safety, including the start of Jupiter Fire Rescue on October 1, 2026. He also mentioned that the budget continued to invest in Town employees to attract and remain competitive within the local employment market. Mr. Reynolds stated that Town continues to achieve service levels to meet the needs of the community related to public safety, public works, public information, infrastructure maintenance, while focusing on organizational enhancements and improvements, including operational efficiency by leveraging technology.

   Mr. Reynolds then reviewed the FY2027 Jupiter Fire Rescue Department estimated cost compared to the Countywide Millage for Palm Beach County Fire Rescue (PBCFR). He explained that the PBCFR millage rate of 3.4581 would have cost the Town of Jupiter taxpayers $64 million in FY2027.

   Mayor Kuretski provided an overview of the timeline regarding the Town's decision to establish its own Fire Department and the discussions that took place with the County. Mr. Reynolds explained that previous negotiations with PBCFR had been challenging and noted that they had initially planned for the full Countywide millage rate to be imposed on the Town.

   Mayor Kuretski stated that PBCFR had also purchased property in Palm Beach Country Estates with the intent to build a new fire station. He explained that the existing contract would have required the Town to pay a share of the station's cost based on the number of service calls from that station during a year running service. Mayor Kuretski noted that considering those conditions, the Town voted to start its own Fire Department.

Mr. Reynolds continued with his presentation, explaining the anticipated revenues from the increase in property values, and noted the historical distribution of Ad Valorem between General Fund Operating and the Community Investment Program (CIP) at an 85-15 split. Mayor Kuretski explained the Town's 85/15 split approach, noting that it was adjusted during certain times when revenues declined. He wanted to ensure everyone knew it was a tool in the future.

Mr. Reynolds next reviewed the Ad Valorem Revenue assumptions for all funds, including the CRA, and provided a breakdown of each of the Operating Funds. He next provided a comparison of the proposed JFRD millage rate with other municipalities.

Mr. Reynolds proceeded to present on the Revenue Assumptions, noting that estimates will start coming in from the State Revenue Conferences in July. He explained that they will continue to watch revenue forecasts, including state-shared sales tax, interest earnings, and projected reductions in the water surcharge fee. He briefly discussed legislative changes affecting the water surcharge and its impact on the budget.

Mayor Kuretski asked where the surcharge funding had previously gone, and Mr. Reynolds explained that the funds had been deposited into the General Fund. However, due to recent legislative changes, the revenue must be placed into utility rate. Mayor Kuretski noted that the surcharge revenues had previously helped fund other Town Departments, including parks, and that those funds would no longer be available for those purposes, and it would be an additional $1.4 million loss.

Councilor Guisinger mentioned that Town residents pay a 6% utility fee for water, which does not apply to unincorporated Palm Beach County residents, and that Town residents could possibly pay more for water than those in unincorporated areas until the completion of the rate study. Mr. Reynolds confirmed that there could be a disparity between inside and outside rate payers. It was stated that the study would help to recapture the loss, but the funds would no longer go into the General Fund. Mayor Kuretski explained that these changes only impacted a small number of municipalities, and he was disappointed that the legislature had not reached out for input. There was continued discussion on the impact of the new regulations on the Town.

Mr. Reynolds next provided an overview of the General Fund Revenues, including the use of the $1.4 million in Fund Balance. He noted that the splash pad itself accounted for approximately $600,000, with an additional $450,000 planned in the CIP for equipment at FIND Park. He also said that about $25,000 was for design work, and additional funding was included for Station 16, now Station 13.

Mayor Kuretski provided a brief overview of a presentation previously given to the League of Women Voters. He highlighted key points, including the need to understand the scope of State mandates and restrictions on local governments, and noted that discretionary capital improvement projects and expenditures could be paused or cancelled while pursuing voter approval for new capital debt through a referendum. He noted the County was considering a referendum for Libraries and Parks, and the Jupiter could as well. He noted the Town’s successful history with referendums. Mayor Kuretski also stated that, as the budget process moved forward, he would advocate avoiding projects that could be considered discretionary, such as the splash pad project.

Councilor Sundstrom asked the Mayor whether he was suggesting the Town should pursue a referendum. Mayor Kuretski responded that if the proposed legislative referendum passes, the Town's ability to undertake projects supported by residents could be significantly limited. He expressed hope that the Town would retain the option to pursue its own referendum if necessary and noted that the Council would likely need to evaluate the CIP differently during this budget cycle.

Councilor Delaney commented that the projects noted are what is considered nonessential projects and might need to be postponed or eliminated in the future.

Councilor Sundstrom stated that the discussion was still at a very conceptual level and noted that the Council did not yet have the CIP before them for review.

Mayor Kuretski explained that he raised the issue because the potential impacts were reflected in the General Fund Revenue projections. He advocated eliminating the consumption of $1.45 million by capital projects, and either deferring those projects or finding an alternative. Mr. Reynolds stated that additional budget workshops would be held to discuss the potential impacts of the proposed legislative changes on the Town's finances and the CIP budget.

Mayor Kuretski stated that this was only the first workshop and they did not have to reach agreement but wanted to coalesce to get to that point. He wanted to explain his logic in not using Fund Balance and noted that everyone could provide items for consideration.

Mr. Reynolds next presented the General Fund Reserves Projection. He explained that in FY2025, the reserves started at $62.5 million, which was part of the funding plan for JFRD. He noted that they always look at having three months’ worth of operating funds available for storm activity or a catastrophic event. He discussed reimbursement from storms in prior years and the slow return of funds. He also discussed revisions to FEMA’s policies for reimbursements, including raising the deductibles, which would impact what the Town may be able to seek reimbursement for in future years. Mr. Reynolds next explained that looking at the next year, the reserve will be $40.3 million, which includes the use of the $1.4 million that was discussed earlier. He stated that the Town has a very healthy Fund Balance.

Mayor Kuretski emphasized the need to have funds available. He also expressed a desire for a table to be created for all of the future impacts due to regulatory changes, so that they could advocate. He noted as an example for future storm events, local governments would need more money due to changes at the Federal level.

Mayor Kuretski expressed discomfort with the Fund Balance going down for the $1.4 million discussed previously. He also thought that the 9-acre parcel sales proceeds should be placed into the reserves for this phase of the budget process, because if it is not used it would be added to reserves at fiscal year-end.

Mr. Reynolds next presented on Proposed General Fund Expenditures for the upcoming budget. He explained the items that created the $5.1 million increase, which are primarily salary and benefits. He also noted that 58% of the General Fund budget is employee related.

Mayor Kuretski suggested that the Councilors meet one-on-one with Staff to discuss department budgets and have their questions answered and noted that he had questions on some of the increases. Mr. Reynolds suggested that when looking at the increases and decreases that the Fire Rescue portion should be taken out in order to have an accurate comparison.

Mr. Reynolds continued his presentation by providing an overview of the first year of the Jupiter Fire Rescue Department Operations budget. He explained that it was estimated that the Ad Valorem needed to sustain JFRD would be 1.2023, equating to $21.6 million. He stated that the Transport Fees estimate had been reduced to $1.5 million based on recent call data and noted the $1.9 million from Non-Ad Valorem for debt service. Mr. Reynolds also noted that for Fire Prevention, the study for the related permit and plan review fees should be back by October 1, and the Annual Inspection fee will come before Council by then as well.

Councilor Delaney inquired if the fees were mainly for commercial properties, and Mr. Reynolds confirmed. He emphasized that the operational budget of $25.4 million was an early estimate and that 92 firefighters had been hired, and he expected the number may go down due to selection of benefits.

Mayor Kuretski requested that the JFRD operations budget include a notation indicating operations would begin "October 1, or earlier." He explained that the Town continues to offer to the County to assist, and that if there is a hurricane in September, he hoped that County would take advantage of JFRD Staff.

Mr. Reynolds next provided a brief overview of the Jupiter Fire Debt Service. He noted that he anticipates still receiving a competitive rate in the market. He explained that the commercial paper that was used to construct the two fire stations will need to be paid off, and he would return in late summer early fall for permission.

Mr. Reynolds continued his presentation with an overview of the Water Fund. He stated that no rate indexing was needed, but that a water rate study is being conducted. It is anticipated that the study will be completed by December. Mr. Reynolds pointed out the five percent salary increase in the Water Fund expenses but noted that it was included with all Funds. He also discussed other impacts on Water expenses, such as the reduction in debt service, chemical costs, and utility services based on FPL estimates.

Mayor Kuretski asked whether the projected increase in water service revenues was 1.8%. He noted that in December the Council had approved a two-year implementation plan to replace water meters, which was expected to generate approximately $1.3 million in additional annual revenue, representing about a 4% increase. Mr. Reynolds responded that the revenue projections would be evaluated as part of the upcoming water rate analysis.

Councilor Guisinger inquired about the chemical line item only increasing by 14%, noting that a recent contract for sulfuric acid had increased by 48%, and if that would be adequate for this year. Mrs. Amenda Barnes, Director of Utilities, explained that the estimate was based on the PPI (Producer Index for Chemicals), and that the numbers would be adjusted based on the bid pricing.

Mr. Reynolds next presented on the Stormwater Fund. He stated that no rate indexing was being requested and explained impacts to Revenue and Expenses for the upcoming year. Mr. Reynolds also explained that there was a shared expense between the Stormwater Fund and the Water Fund, which is the purchase of a new Vac Truck.

Mr. Reynolds continued his presentation with an overview of the Jupiter River Estates Non-Ad Valorem Assessment Fund. He explained that it was a non-trimming year, and there is minimal impact.

Mr. Reynolds continued to present next on the Building Fund. He stated that was an increase of $350,000 related to the permit revenue. He also explained that a study is being conducted, and that the State has changed the methodology that these fees can be based on, and that process was being expedited. Mr. Reynolds noted the decrease in interest earnings due to the cash purchase of a building. He also stated that there was $18 million in reserves, with $5 million legally available for operations, and the remainder reserved for technology and training enhancements, which is allowable per the statute. He provided a brief overview of Expenses and increases, which included contractual increases, and Code Compliance allocations for their work with Building.

Mr. Reynolds next provided an overview of the Health Fund. He stated that they anticipate keeping the fund balance at $10 million, but that it would be reevaluated going into next year based on JFRD joining.

Councilor Delaney inquired if JFRD had increased the base employee population by about 20%, and it was confirmed it was increasing by 113 employees. There was a brief discussion on the necessity in the future to raise the $10 million balance, and how the driving factor would be the claims' costs.

Mayor Kuretski noted a prior experience when an Insurance Company did not make much money because of a couple of events and they significantly increased rates, which is why the Town took over. He wanted to emphasize that there could be two or three events and it would consume millions of dollars. He explained that he previously supported premium holidays, but he would not support any more until the reserve goals are reevaluated in late 2027/2028. Mr. Reynolds clarified that for catastrophic events, the Town is partially self-insured, so the Town's stock loss insurance would also be utilized. Mayor Kuretski noted how stunning it was that the Town has been able to keep costs constant for so long, and that it has really paid off.

Councilor Delaney stated how great the program was and how solid the fund is. Mayor Kuretski noted he was expecting the fund at some point to go down for a year or two, and in recognizing a significant number has been added to the employee population, it warranted looking at.

Councilor Guisinger inquired about the number of employees, and if the Town was 100% staffed. Town Manager Kitzerow explained that the Town is not completely staffed, and that some of the hiring process has been deferred to onboard JFRD Staff. He also noted that there are no new positions being requested, but there were critical positions that still needed to be filled. Councilor Guisinger next asked if the critical positions are accounted for in the budget. Mr. Reynolds responded that what was being presented was the position control, which indicated the positions that had been authorized, and not whether they were filled. There was continued discussion about vacancies and salaries for those positions. There was also a brief discussion on the significance of no new positions being requested.

Mr. Reynolds concluded his presentation with an overview of the next steps, which included an update from the Property Appraiser on the taxable values on July 1, the setting of the TRIM preliminary millage rate on July 21, Workshops on August 13 for Operating and CIP, and the public hearings for the final adoption of the Operating and CIP budgets on September 8 and September 22.

Councilor Sundstrom stated that a lot of efforts have been taken to remain conservative looking ahead. She added that Fire Rescue continues to be a success story and should be highlighted. She stated that the Town has talked about it, planned for it, and it is a really significant milestone when it becomes operational on October 1, including it being the first year that residents will be able to realize savings.

Councilor Sundstrom also explained that it was the first time for Council to see the budget and think about the possible ways to address possible impacts from the voter referendum. She stated that the CIP would be scrubbed, but she suggested that discretionary projects be reviewed too, and that they needed to think about what the criteria for CIP should be and what the Council wants to preserve. She expressed her desire to see the splash pad completed, as it was the final phase to complete the park, and noted its importance to her. She also noted that there were still State appropriations that would require a local match, with some of those being discretionary, some being in the strategic plan, and some having been discussed for many years. She agreed with the Mayor’s approach, noting that it was a sound approach, but that she wanted to see options and more details. She advocated setting criteria and being able to provide logic for the CIP.

Councilor Guisinger inquired about the other contractual services of $1 million in the Fire Fund, and its purpose. Mr. Michale DeStefano, Deputy Fire Chief, responded that it was for dispatch services. Councilor Guisinger next asked where the renovation costs for Fire Station 13 (Current Fire Station 16), and Mr. Reynolds explained that it would be part of the CIP discussion. Councilor Guisinger expressed gratitude for the presentation, and particularly the Revenue Manual.

Mayor Kuretski stated that estimated impacts to the Town from the legislative referendum in year one and year two had been provided by the Property Appraiser, but those numbers had not taken into account the JFRD incremental Ad Valorem and was instead estimated on the current base Ad Valorem. Mr. Reynolds explained that once you add the JFRD incremental, the impact goes up to a total impact of $16 million.

Mayor Kuretski also explained that when the County was doing the MSTU for the Town, they were able to take the MSTU for Fire Rescue that was in the CRA area and The Town is not. He noted that this was an additional loss of $600,000-$500,000, that had to be accounted for, and that the Finance team has to take into account all the various nuanced complications. Mr. Reynolds confirmed.

Mayor Kuretski noted that for the Splash Pad, when they get to CIP, they will look at everything and decide what is really a nicety to have, and he explained that he felt field renovations had been neglected. He expressed that he would be disciplined for this one coming year. He stated that the public wants amenities, but if the legislative referendum goes through, local governments will not have the options that they have had before to do these things, and the Town would be limited for some time.

Mayor Kuretski spoke briefly about the irony of the legislative referendum, and if it goes through, and the probability that many of the homeowners that do not pay taxes, could be voting on a referendum that they have no dollar stake in. He pointed out that local referendums have been successful, and if the people want a splash pad, they will vote for one.

Councilor Sundstrom noted that Mayor Kuretski had made a good point, and that it could change how local government fundamentally works. She stated that the County will actually have it even worse, because in addition to cuts, there may be solvency issues with municipalities across the County, and they would possibly need to take over fire and police services from those municipalities. She questioned how local government was going to be able to represent people effectively with the limitations.

Mayor Kuretski reiterated his opinion on local referendums and expressed his concerns with a large number of voters that have absolutely no stake in voting for an Ad Valorem.

In closing, Mayor Kuretski expressed his gratitude for the Revenue Manual, explaining that it was phenomenal and a useful tool. He requested that with the Non-Ad Valorem that was added, in order to be transparent, it needed to be noted that the total square footage only applies to single-family homes and not to Townhomes and Condos.

ADJOURNMENT – 7:13 P.M.

____

Merriane Lahmeur, Town Clerk