



City Manager's Recommended Budget and Financial Plan

FY 2026-27

June 22, 2026



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.



AGENDA

- Current Situation
 - Citywide Budget
 - Workforce by Fund
 - General Fund Highlights
 - Major Cost Drivers, Increases/Decreases, and Investments
 - Tentative Millage
- 5-Year Financial Plan through FY 2030-31

FY 2026-27 BUDGET TIMELINE



WHAT THIS BUDGET DOES



The FY 2026–27 Recommended Budget is balanced, maintains current service levels, preserves reserves, and keeps the operating millage unchanged. However, rising operating costs, major capital obligations, and potential property tax reform create significant long-term financial pressure that will require continued planning and fiscal discipline.



Balanced Budget

Without using reserves



Current Service Levels

Maintained for residents



Operating Millage

Remains unchanged



Long-Term Pressures

Require stabilization planning

BUDGETARY PRESSURES



The FY 2026–27 budget is being developed in a period of increased financial uncertainty. While the budget remains balanced, several external cost drivers and policy changes may affect future operating and capital capacity.

Challenges outside of our control:

- Property tax reform proposal
- BSO contract increases
- Chaves Lake project costs
- Potential loss of federal funding
- Inflationary cost increases
- Pension cost increases
- Union negotiations



CURRENT SITUATION

Other Fund Types

\$31,507,553

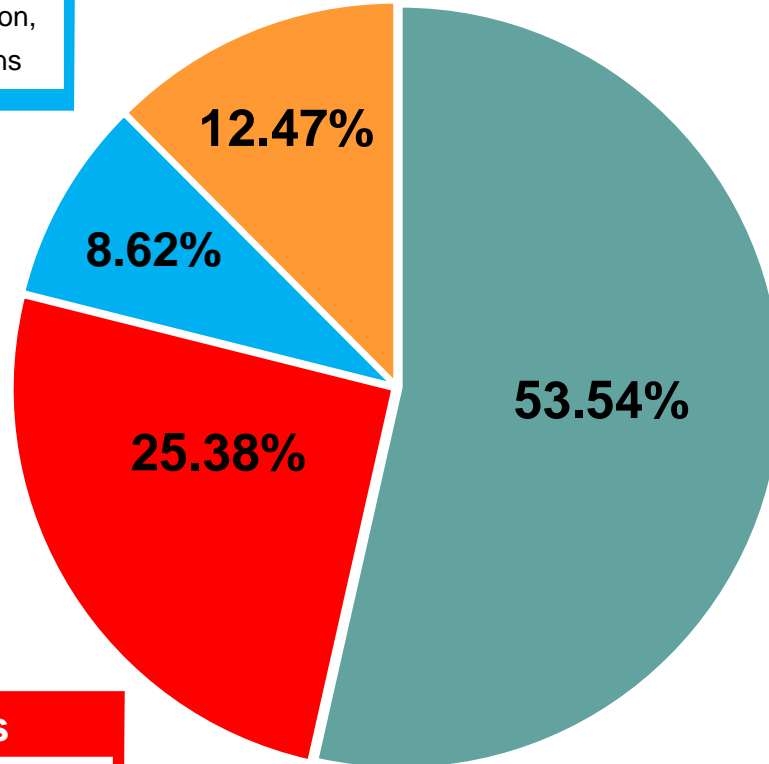
Debt Service, Capital Fund,
Internal Service Fund

Special Revenue Funds

\$21,767,821

R&R, Police Training, Police/Fire
Outside Services, PES, TISND,
GISND, ARPA, Transportation,
LETF, Permits & Inspections

Total City Manager's Recommended Budget \$252.6 Million



The Recommended Budget for FY 2026-27 is \$252.6 Million and is comprised of six fund types – the General Fund, Enterprise Fund, Special Revenue Funds, and Other Funds that support the Parks GO Bond Debt, Debt Service for Capital, Internal Service Funds (Fleet, General Liability, Worker's Compensation).

Enterprise Funds

\$64,110,444

Cemetery, Sanitation, Utility,
Stormwater, Utility Impact Fee

General Fund

\$135,262,713

Additional Funds

12

Risk (3), Fleet (9)

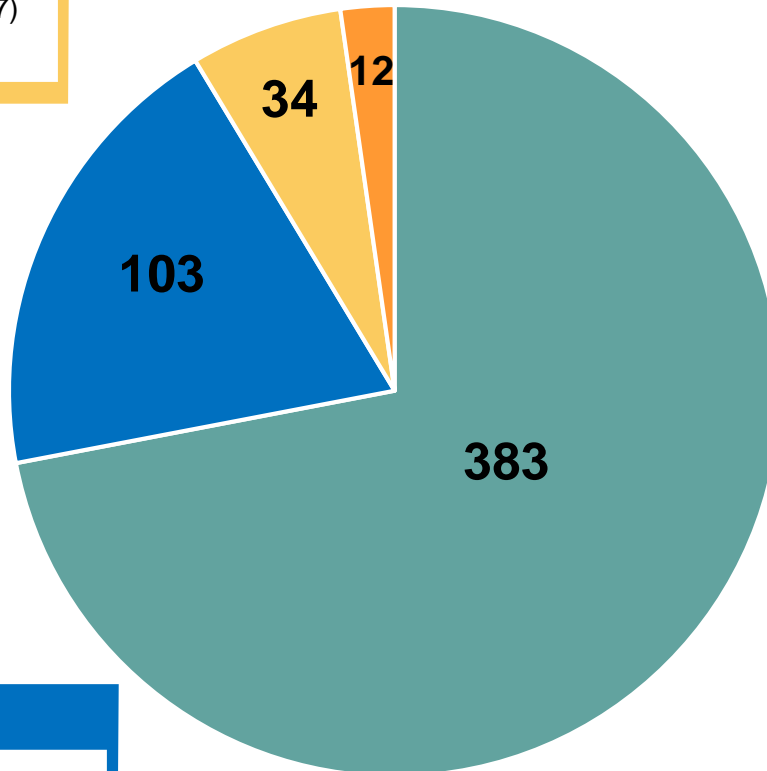
Special Revenue Funds

34

Cemetery (3), Transportation (14),
Permits and Inspections (17)

Workforce by Fund 532 Positions

A bulk of our workforce is sustained by the General Fund. The majority of the General Fund is sustained by Property Taxes and Other Revenues.



General Fund

383

HR, Finance, CM Office,
Procurement, City Attorney, Parks &
Rec, Budget, Development Services,
IT, PD, DPW, Human Services

Enterprise Fund

103

Sanitation (23),
Utility (71), Stormwater (9)

BUDGET – FISCAL YEAR 2026-27

Citywide



17.14%

**TOTAL RECOMMENDED
BUDGET**

\$252,648,531

Increases from the FY 2025-26 adopted budget are primarily due to increases in the General Fund, Capital Projects Fund Utility Fund, and General Liability Fund

General Fund



15.16%

**TOTAL RECOMMENDED
BUDGET**

\$135,262,713

Increase from
FY 2025-26 adopted budget is
\$17,803,614



For example: Some increases include BSO salary adjustments and higher Tax Increment Financing (TIF) payments.

MAJOR GENERAL FUND REVENUES FOR FY 2026-27

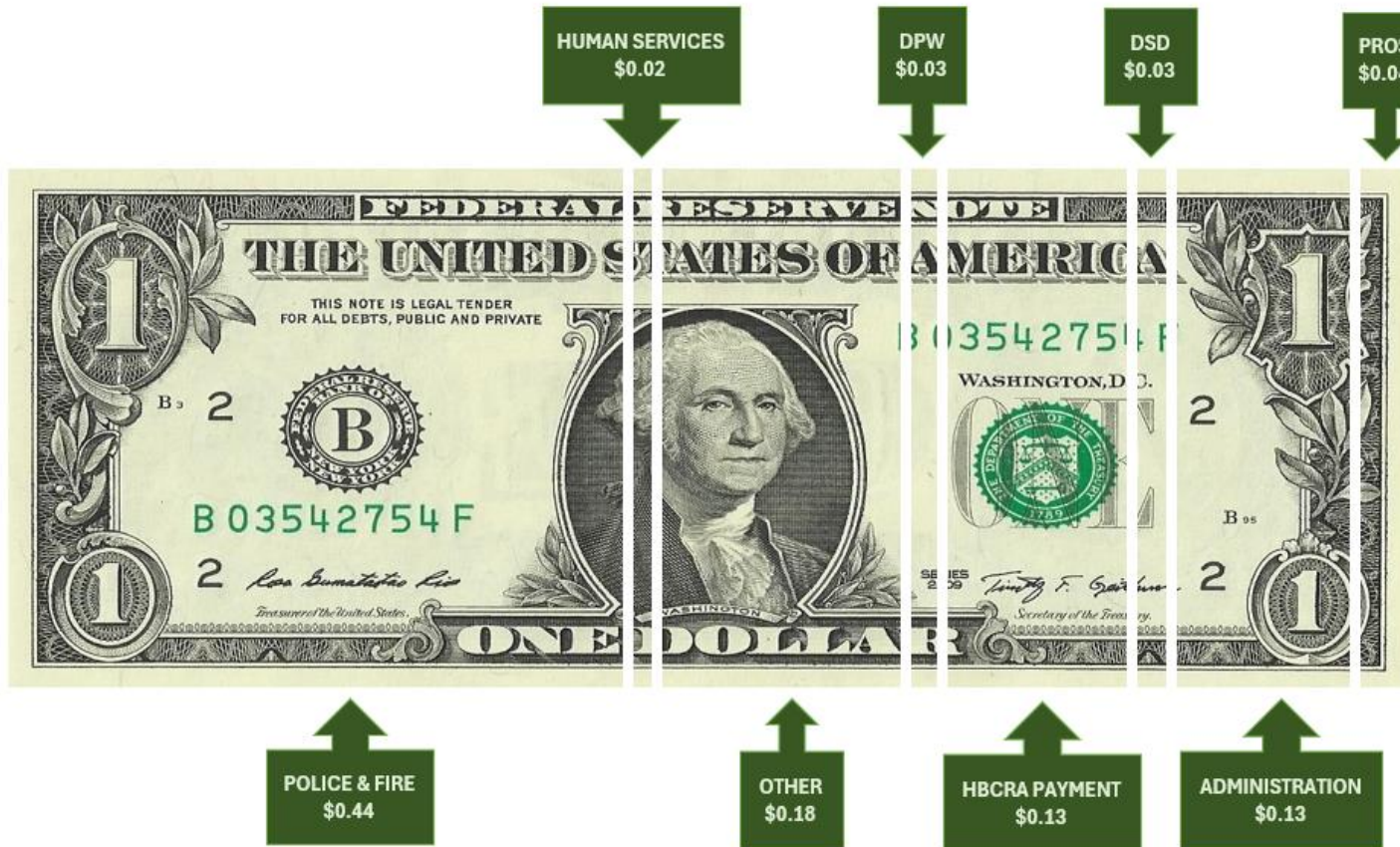
	ADOPTED	PROPOSED	% OF TOTAL		
	BUDGET	BUDGET	PROPOSED	\$	%
	2025-26	2026-27	BUDGET	CHANGE	CHANGE
PROPERTY TAXES- BEFORE DISCOUNTS	68,629,653	69,400,607	51.31%	770,954	1.12%
PROPERTY TAXES- DISCOUNTS	-3,431,483	-3,470,031	-2.57%	-38,548	1.12%
FIRE ASSESSMENTS	12,815,588	13,669,657	10.11%	854,069	6.66%
UTILITY & FRANCHISE TAXES	12,078,658	12,789,293	9.46%	710,635	5.88%
CHARGES FOR SERVICES	11,688,666	11,298,558	8.35%	-390,108	-3.34%
INTERGOVERNMENTAL	6,834,625	6,728,121	4.97%	-106,504	-1.56%
FINES & FORFEITURES	1,539,500	2,060,500	1.52%	521,000	33.84%
SLOT MACHINE PROCEEDS	1,616,000	1,621,000	1.20%	5,000	0.31%
CONTRIBUTION FROM HBCRA- CHAVESLAKE	-	6,000,000	4.44%	6,000,000	100.00%
APPROPRIATIONS FROM RESERVES- CHAVESLAKE	-	4,500,000	3.33%	4,500,000	100.00%
OTHER REVENUES	5,687,892	10,665,008	7.88%	4,977,116	87.50%
TOTAL	117,459,099	135,262,713	100.00%	17,803,614	15.16%

MAJOR GENERAL FUND EXPENDITURES FOR FY 2026-27

		ADOPTED	PROPOSED	% OF TOTAL		
		BUDGET	BUDGET	PROPOSED	\$	%
		2025-26	2026-27	BUDGET	CHANGE	CHANGE
(1)	SALARIES & BENEFITS	40,778,419	44,524,038	32.92%	3,745,619	9.19%
(1)	POLICE & FIRE PENSION	10,825,081	11,044,621	8.17%	219,540	2.03%
(1)	HEALTH INSURANCE	4,139,804	4,638,576	3.43%	498,772	12.05%
	BROWARD SHERIFF'S OFFICE CONTRACT	20,239,343	21,895,294	16.19%	1,655,951	8.18%
	TAX INCREMENT FINANCING	17,270,429	18,176,172	13.44%	905,743	5.24%
	TRANSFER TO TRANSPORTATION FUND	2,645,359	1,785,361	1.32%	-859,998	-32.51%
	REPLACEMENT VEHICLES	1,229,350	1,527,990	1.13%	298,640	24.29%
	RENEWAL & REPLACEMENT	1,284,124	2,861,365	2.12%	1,577,241	122.83%
	TRANSFER TO CAPITAL PROJECT FUND	1,881,126	11,073,514	8.19%	9,192,388	488.66%
	TRANSFER TO GENERAL LIABILITY FUND	2,703,798	3,149,092	2.33%	445,294	16.47%
	OTHER EXPENDITURES	14,462,266	14,586,690	10.78%	124,424	0.86%
	TOTAL	117,459,099	135,262,713	100.00%	17,803,614	15.16%

WHERE GENERAL FUND DOLLARS GO?

2026-27 PROPOSED BUDGET (GENERAL FUND)



OTHER (Transfers, Non-departmental, Administrative Charges)

includes Chaves Lake, Street and Sidewalk improvements, set asides for Renewal & Replacement, Debt Service Payments, and General Liability obligations

HBCRA PAYMENT (Tax Increment Financing for Community Redevelopment Agency)

DPW (Public Works), **DSD** (Sustainable Development), **PROS** (Parks Recreation & Open Spaces)

DPW also receives additional funding from other funds, such as the Water & Sewer Fund

AD VALOREM TAXES



- Total Proposed FY 2026-27 General Fund Budget: \$135.2M
- Ad Valorem Revenue: \$69.4M
- Ad Valorem as % of General Fund: 51.31%
- Nearly 5 out of every 10 dollars (51.31%) in the General Fund come from property taxes
- Property Values increased 2.25% based on June 1, 2026

GENERAL FUND HIGHLIGHTS



FY 2026 Revenues Compared to FY 2027

The General Fund has revenues in the amount of \$17,803,614 in comparison to the FY 2025-26 Adopted Budget – largest revenue increase is in one-time contributions for Chaves Lake.

Expenditure Increase

General Fund expenditures increased by \$17,803,614 or 15.16% from the previous year

General Fund Reserves

General Fund reserves are projected to be approximately \$45.3 million at the beginning of FY 2026-27, with 17.5% over the minimum of 16%

General Fund Balanced

The FY 2026-27 General Fund budget is currently balanced.

Property Value

Property Values increased 2.25% based on June 1, 2026

TIF / CRA

Increase of \$905,743 resulting from the Tax Increment Financing (TIF) payment to the CRA because of higher property values (4.55%) within the CRA based on the June 1, 2026 Taxable Value Report

OPERATING, DEBT, GOLDEN ISLES, AND THREE ISLANDS MILLAGE



Operating & Debt Service Millage

The recommended operating millage is 7.3848 and Debt Service Millage is 0.3445.

Average Taxable Value for a Single-Family Home in the City of Hallandale Beach is \$455,471 which is an increase of \$23,544 from prior year.

An average property tax increase of \$161 for a single family home.

The operating millage **remains the same as prior year.**

Golden Isles Millage

Golden Isles millage is 1.0934 and **remains the same as prior year**

Based on the Assessed Taxable Value of \$500,000 for a Single-Family Home in the district, this equates to \$547 in property taxes. Property Values **increased** 3.76% based on the Preliminary June 1, 2026 taxable value report

Three Islands Millage

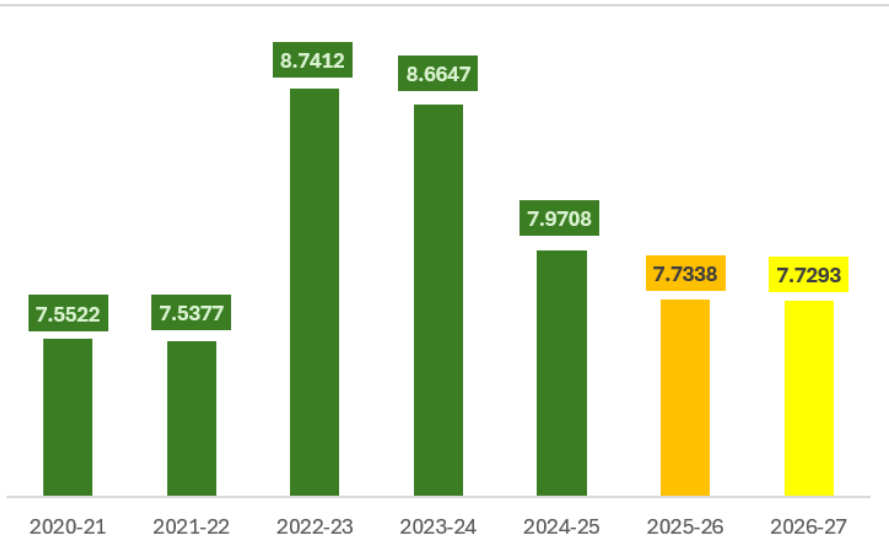
Three Islands millage is 0.4584 and **remains the same as prior year**

Based on the Assessed Taxable Value of \$500,000 for a Single-Family Home in the district, this equates to \$330 in property taxes. Property Values **decreased** 3.88% based on the Preliminary June 1, 2026 taxable value report

HB MILLAGE TRENDS

TOTAL MILLAGE RATE

Total Millage Rate is used to determine operating millage (the amount of property taxes that property owners pay) and the debt service millage. The City is proposing a millage rate of 7.3848 mills, the same as last year, and 0.3445 mills for debts service in the City Manager Recommended FY 2026-27 Budget. **Please note that as of the date of this presentation, proposed millages for other municipalities for FY 2026-27 are not available yet.**



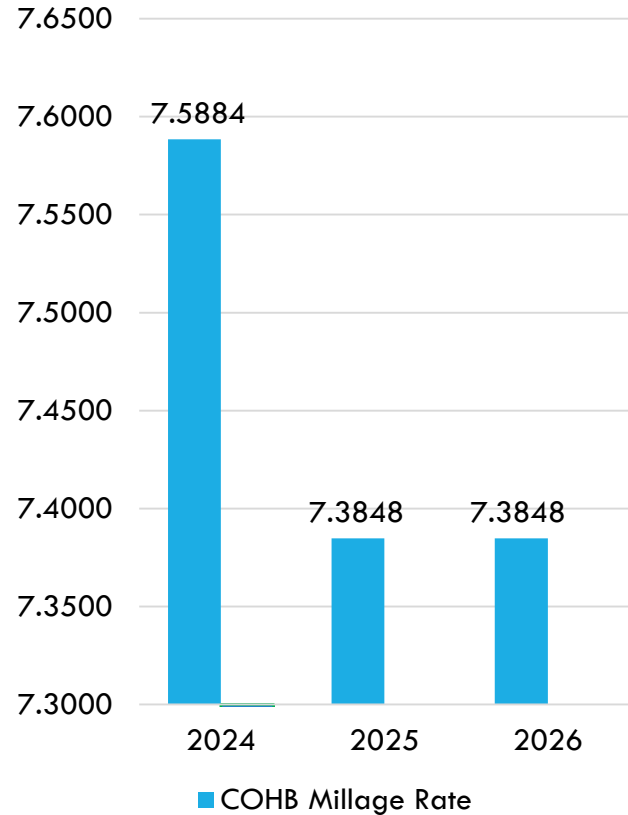
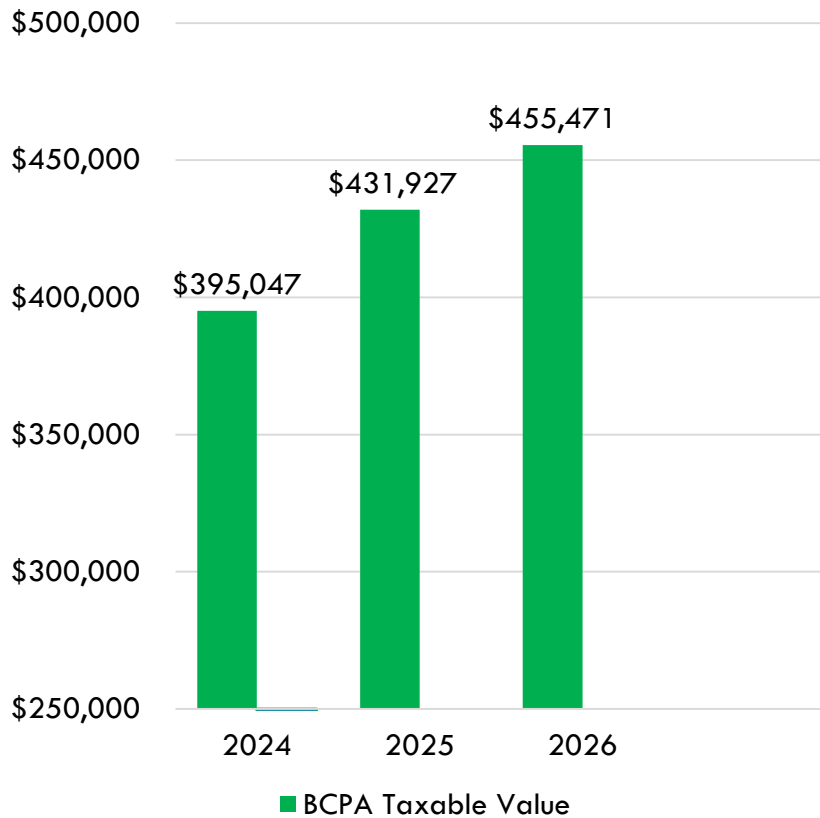
MUNICIPALITY	OPERATING	DEBT	TOTAL	RANK
LAUDERDALE LAKES	8.6000	0.4910	9.0910	1
LAUDERHILL	7.4998	1.1212	8.6210	2
PEMBROKE PARK	8.5000	-	8.5000	3
HOLLYWOOD	7.4293	0.5313	7.9606	4
WEST PARK	7.9000	-	7.9000	5
HALLANDALE BEACH (FY 2025-26 Adopted)	7.3848	0.3490	7.7338	6
HALLANDALE BEACH (FY 2026-27 Proposed)	7.3848	0.3445	7.7293	
MARGATE	7.1171	0.4207	7.5378	7
NORTH LAUDERDALE	7.4000	-	7.4000	8
MIRAMAR	7.1172	-	7.1172	9
TAMARAC	7.0000	-	7.0000	10
COCONUT CREEK	6.8988	-	6.8988	11
LAZY LAKE	6.5000	-	6.5000	12
WILTON MANORS	6.2270	0.1661	6.3931	13
SUNRISE	6.0543	0.3019	6.3562	14
OAKLAND PARK	5.6979	0.5110	6.2089	15
CORAL SPRINGS	6.0232	0.1659	6.1891	16
DEERFIELD BEACH	6.0018	0.1711	6.1729	17
DANIA BEACH	5.9998	0.0985	6.0983	18
SEA RANCH LAKES	6.0000	-	6.0000	19
PLANTATION	5.7000	0.2710	5.9710	20
PEMBROKE PINES	5.6690	0.2862	5.9552	21
COOPER CITY	5.8450	-	5.8450	22
DAVIE	5.6250	0.1725	5.7975	23
POMPANO BEACH	5.2181	0.4427	5.6608	24
LIGHTHOUSE POINT	4.4207	0.2492	4.6699	25
FORT LAUDERDALE	4.1193	0.2306	4.3499	26
PARKLAND	4.2979	-	4.2979	27
LAUDERDALE-BY-THE-SEA	3.9000	-	3.9000	28
SOUTHWEST RANCHES	3.9000	-	3.9000	29
HILLSBORO BEACH	3.5000	-	3.5000	30
WESTON	3.3464	-	3.3464	31
UNINCORPORATED	2.3353	-	2.3353	32
AVERAGE	5.9999	0.1904	6.3138	

TAXABLE VALUE GROWTH (%) IN BROWARD COUNTY

<u>MUNICIPALITY</u>	<u>TAXABLE VALUE</u>	<u>% GROWTH</u>	<u>RANK</u>
LAUDERDALE LAKES	2,234,751,453	5.38%	23
PLANTATION	15,448,178,301	5.29%	24
CORAL SPRINGS	16,826,106,324	4.81%	25
COOPER CITY	4,939,769,378	4.79%	26
PEMBROKE PINES	20,882,699,850	4.76%	27
PARKLAND	9,111,077,929	4.75%	28
WILTON MANORS	2,578,847,836	4.60%	29
TAMARAC	7,216,308,697	4.29%	30
LAUDERDALE-BY-THE-SEA	3,979,180,119	4.22%	31
HALIANDALE BEACH	9,397,763,937	2.25%	32

(TOTAL BROWARD COUNTY MUNICIPALITIES 32)

BCPA TAXABLE VALUE & CITY MILLAGE-OPERATING



Average Taxable Value for a Single-Family Home increased from \$431,927 to \$455,471 or 5.45% from 2025

Proposed Operating Millage Unchanged at 7.3848

5-YEAR FINANCIAL PLAN

RECOMMENDED 5-YEAR PLAN – GENERAL FUND ASSUMPTIONS



- Property Tax Reform Assumptions
 - \$150,000 homestead exemption FY 2027-28
 - \$250,000 homestead exemption FY 2028-29 and future
 - Reduction in commercial property cap from 10% to 5%
- A 2% increase is budgeted for Ad Valorem revenue for FY 2027-28 and subsequent years also includes Future Major Developments, FY 2026-27 has a 2.25% increase based on BCPA
- Increase in Fire Assessment rate starting FY 2026-27 estimated revenue increase approx. \$800k
- New school zone enforcement program expected to generate \$400k in revenue starting in FY 2026-27
- All other revenue assumptions for FY 2026-27 and subsequent years are based on recent trends

RECOMMENDED 5-YEAR PLAN – GENERAL FUND ASSUMPTIONS



- A 5.5% increase is budgeted for Non-Police Bargaining employees for FY 2026-27 and subsequent years which is comprised of a 3% COLA and 2.5% Merit
- An 8% increase is budgeted for Police Bargaining employees for FY 2026-27 and subsequent years which is comprised of the following:
 - 3% COLA
 - 5% Merit for subsequent years
- A 5% increase is budgeted for Police & Fire Pensions for FY 2026-27 through FY 2030-31
- A 10.2% increase is budgeted for Health Insurance for FY 2026-27 and subsequent years.
- A 8% increase is budgeted for the contract with the Broward Sheriff's Office for FY 2026-27 and 5% for subsequent years.

RECOMMENDED FINANCIAL PLAN THROUGH FY2030/31 – PROPERTY TAX REFORM

GENERAL FUND FINANCIAL 5-YEAR PLAN **PROPERTY TAX REFORM**

MILLAGE RATE	7.5884	7.3848	7.3848	7.3848	7.3848	7.3848	7.3848	7.3848
	FY25	FY26	FY27	FY28	FY29	FY30	FY31	
	ACTUAL	ADOPTED	PROPOSED	PROJECTION	PROJECTION	PROJECTION	PROJECTION	
Major Revenues								
* Property Taxes (Before Discounts)	\$ 63,795,186	\$ 68,629,653	\$ 69,400,607	\$ 66,682,962	\$ 66,983,414	\$ 70,473,778	\$ 72,929,921	
Fire Assessments (Before Discounts)	\$ 12,195,807	\$ 12,815,588	\$ 13,669,657	\$ 13,669,657	\$ 13,669,657	\$ 13,669,657	\$ 13,669,657	
Charges for Services	\$ 11,689,699	\$ 11,688,666	\$ 11,298,558	\$ 9,247,370	\$ 9,247,370	\$ 9,247,370	\$ 9,247,370	
Intergovernmental	\$ 6,759,205	\$ 6,834,625	\$ 6,728,121	\$ 6,728,121	\$ 6,728,121	\$ 6,728,121	\$ 6,728,121	
Utility & Franchise Taxes	\$ 12,256,926	\$ 12,078,658	\$ 12,789,293	\$ 12,789,293	\$ 12,789,293	\$ 12,789,293	\$ 12,789,293	
Appropriation from Fund Balance - Chaves Lake	\$ -	\$ -	\$ 4,500,000	\$ -	\$ 5,500,000	\$ -	\$ -	
Contribution from HBCRA - Chaves Lake (one-time)	\$ -	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	
Other Revenues	\$ 20,963,139	\$ 5,411,909	\$ 10,876,477	\$ 6,078,818	\$ 6,163,796	\$ 6,089,278	\$ 6,066,470	
Revenue (Income)	\$ 127,659,963	\$ 117,459,099	\$ 135,262,713	\$ 115,196,221	\$ 121,081,651	\$ 118,997,497	\$ 121,430,832	
Major Expenditures								
Salaries & Benefits	\$ 36,111,116	\$ 39,650,264	\$ 43,059,818	\$ 45,550,007	\$ 48,200,606	\$ 51,022,374	\$ 54,026,815	
Police & Fire Pension	\$ 10,637,483	\$ 10,825,081	\$ 11,044,621	\$ 11,596,855	\$ 12,176,699	\$ 12,785,536	\$ 13,424,815	
Health Insurance	\$ 3,971,843	\$ 4,139,804	\$ 4,638,576	\$ 5,111,726	\$ 5,633,138	\$ 6,207,734	\$ 6,840,939	
Broward Sheriff's Office Contract	\$ 18,083,556	\$ 20,239,343	\$ 21,895,294	\$ 23,139,306	\$ 24,536,661	\$ 26,024,327	\$ 27,325,543	
Tax Increment Financing - HBCRA Payment	\$ 14,571,822	\$ 17,270,429	\$ 18,176,172	\$ -	\$ -	\$ -	\$ -	
Transfer to Renewal & Replacement Fund	\$ 1,000,000	\$ 1,284,124	\$ 2,861,365	\$ 2,688,162	\$ 2,688,162	\$ 2,688,162	\$ 2,688,162	
Transfer to Transportation Fund	\$ 5,459,554	\$ 2,645,359	\$ 1,785,361	\$ 5,327,976	\$ 5,327,976	\$ 5,327,976	\$ 5,327,976	
Transfer to Capital Project Fund	\$ 3,326,228	\$ 1,137,240	\$ 11,073,514	\$ 1,343,500	\$ 6,843,500	\$ 320,000	\$ 320,000	
Transfer to General Liability Fund	\$ 2,358,197	\$ 2,703,798	\$ 3,149,092	\$ 3,149,092	\$ 3,149,092	\$ 3,149,092	\$ 3,149,092	
Other Expenditures	\$ 23,779,389	\$ 17,563,657	\$ 17,578,900	\$ 16,665,721	\$ 16,750,843	\$ 16,833,694	\$ 16,858,300	
Expenses	\$ 119,299,188	\$ 117,459,099	\$ 135,262,713	\$ 114,572,345	\$ 125,306,677	\$ 124,358,895	\$ 129,961,642	
Budget Surplus/Shortfall	\$ 8,360,774	\$ -	\$ -	\$ 623,876	\$ (4,225,026)	\$ (5,361,398)	\$ (8,530,810)	

Fire Assessment Revenue includes a proposed increase in FY 2026-27

RECOMMENDED FINANCIAL PLAN THROUGH FY2030/31 – PROPERTY TAX REFORM

GENERAL FUND FINANCIAL 5-YEAR PLAN **PROPERTY TAX REFORM**

MILLAGE RATE	7.5884	7.3848	7.3848	7.3848	7.3848	7.3848	7.3848	7.3848
	FY25	FY26	FY27	FY28	FY29	FY30	FY31	
	ACTUAL	ADOPTED	PROPOSED	PROJECTION	PROJECTION	PROJECTION	PROJECTION	
RESERVES								
Beginning Unassigned Fund Balance	\$ 35,712,313	\$ 41,804,641	\$ 45,304,641	\$ 45,304,641	\$ 45,928,517	\$ 41,703,491	\$ 36,342,093	
Encumbrances & Other Items	\$ (2,268,446)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Three Islands Promissory Note	\$ -	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	
Budget Surplus/ Shortfall after Implementation of Strategies	\$ 8,360,774	\$ -	\$ -	\$ 623,876	\$ (4,225,026)	\$ (5,361,398)	\$ (8,530,810)	
Ending Unassigned Fund Balance	\$ 41,804,641	\$ 45,304,641	\$ 45,304,641	\$ 45,928,517	\$ 41,703,491	\$ 36,342,093	\$ 27,811,283	
Fund Balance - Less than minimum reserves shown in red	35.0%	38.6%	33.5%	40.1%	33.3%	29.2%	21.4%	
* FUTURE FINANCIAL FACTORS								
Property Taxes - \$150,000 Homestead Exemption Impact	\$ -	\$ -	\$ -	\$ (4,900,000)	\$ -	\$ -	\$ -	
Property Taxes - \$250,000 Homestead Exemption Impact	\$ -	\$ -	\$ -	\$ -	\$ (7,800,000)	\$ (7,800,000)	\$ (7,800,000)	
Property Taxes - 5% Limit on Non-Homestead Properties	\$ -	\$ -	\$ -	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	
New Development - Property Tax Revenue	\$ -	\$ -	\$ -	\$ 1,239,396	\$ 2,303,734	\$ 1,915,614	\$ 870,667	
Total Future Financial Factors	\$ -	\$ -	\$ -	\$ (4,660,604)	\$ (6,496,266)	\$ (6,884,386)	\$ (7,929,333)	

FISCAL STABILITY – NOW AND IN THE FUTURE



5-Year Financial Plan

Maintain Adequate
Reserves

Long-Term Planning

Effect of Property
Tax Reform &
Strategies to Offset
the Impact

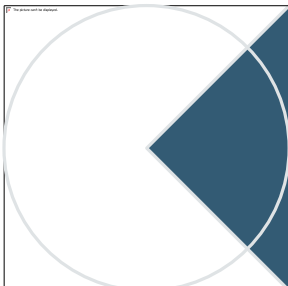
FY 2026-27 BUDGET TIMELINE



August 5 & 19 2026 | Commission Budget Workshop



September 14 & 28 2026 | First and Second Readings for Adoption of the Millage and Budget



October 1, 2026 | Implementation of FY 2026-27 Budget

FY 2026

QUESTIONS

