



FY 2025-26

BUDGET WORKSHOP

PROGRESS.INNOVATION.OPPORTUNITY

June 4, 2025



AGENDA

- Budget Timeline
- General Fund – Ad-Valorem Revenues
- Major Cost Drivers & Recommended Millage
- 5-Year Recommended Stabilization Plan

FY 2025-26 BUDGET TIMELINE

-  January 27, 2025 | Commencement of Budget Planning
-  February 27, 2025 | Submission Deadline for Department Budget Requests
-  April 2025 | Review by the City Manager
-  May 7, 2025 | Commission Budget Workshop
-  June 4, 2025 | Commission Budget Workshop
-  June 18, 2025 | Setting of the Tentative Millage and Budget
-  August 4 & 20 2025 | Commission Budget Workshop & FY 2025-26 Commission Annual Plan
-  September 15 & 29 2025 | First and Second Readings for Adoption of the Millage and Budget
-  October 1, 2025 | Implementation of FY 2025-26 Budget

WHAT THIS BUDGET DOES? THINGS IN OUR CONTROL



Balanced Budget

- Eliminated deficit spending
- Balanced without using reserves for the past four years

Increased Reserves

- Ensures a reliable fund balance
- Prevents future insolvency threats

Financial Stabilization

- Addresses legacy issues and financial challenges
- Constantly reviewing new opportunities to diversify revenue sources

BUDGETARY PRESSURES



The FY 2025-26 Budget planning reflects a proactive approach to anticipated economic uncertainties known and unknown, while focusing on fiscal resilience and continued progress.

Challenges outside of our control:

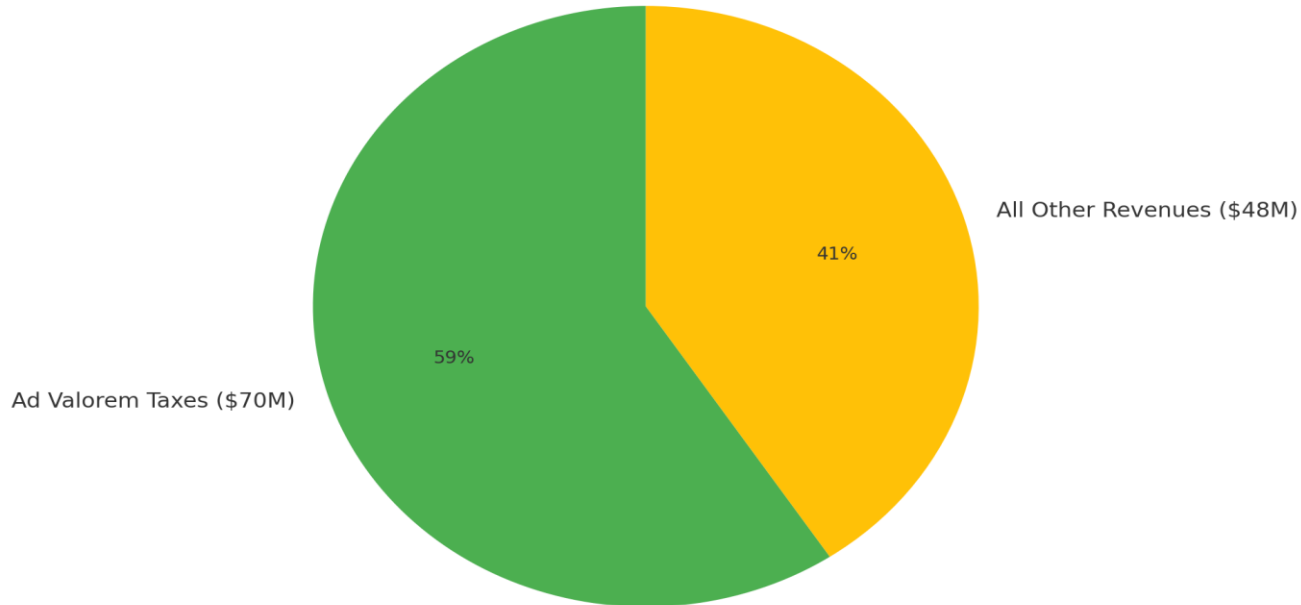
- Elimination of Property Taxes? - \$70M
- BSO Increases
- Chaves Lake – Potentially \$10M – expensed during FY 2024-25
- Potential loss of federal dollars
- Inflationary Pressures – \$\$\$ millions in cost increases
- Pension Challenges – Potential cost increases
- Union Negotiations – Potential cost increases

General Fund Ad-Valorem Revenues

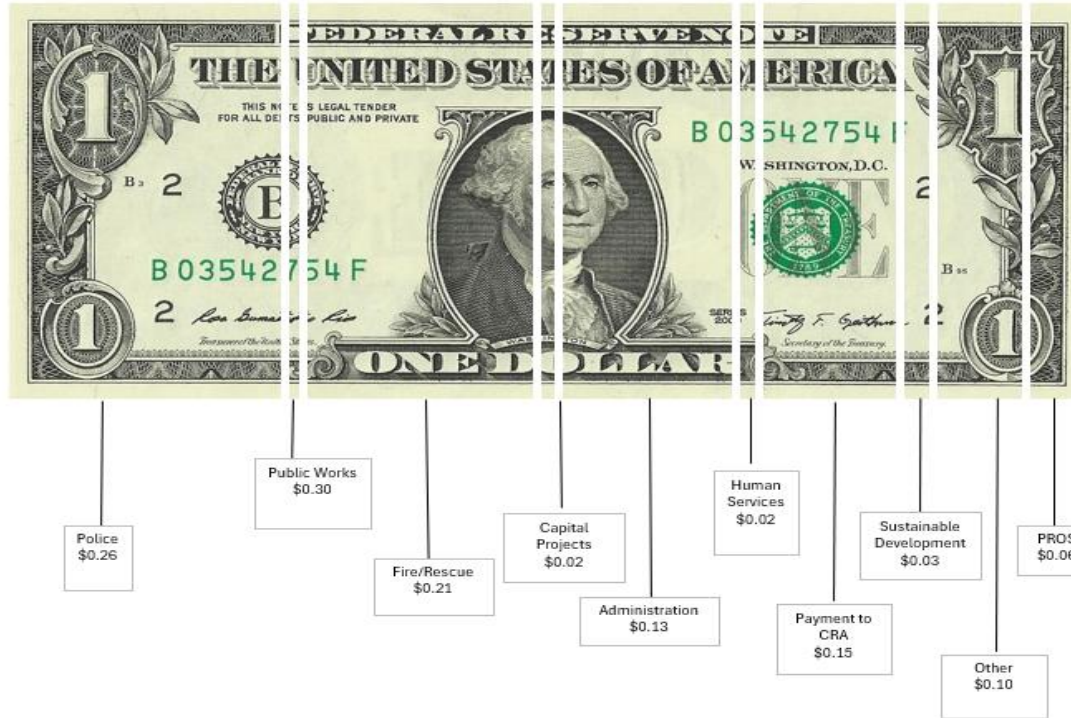
AD VALOREM TAXES

- Total Proposed FY 2025/26 General Fund Budget: \$118M
- Ad Valorem Revenue: \$70M
- Ad Valorem as % of General Fund: 59%
- Nearly 6 out of every 10 dollars (59%) in the General Fund come from property taxes
- Property Values increased 10.00% based on June 1, 2025

General Fund Revenue Breakdown (\$118M Total)



WHERE DOES MY GENERAL FUND TAX DOLLAR GO?



Public Works also receives additional funding from other funds, such as the Water and Sewer Fund
Capital Projects include city-wide cameras, street improvement, and cemetery improvements.
Administration (City Commission, City Manager, Procurement, Budget & Program Monitoring, City Attorney, Finance, Innovation Technology, Human Resources, City Clerk)
CRA (Community Redevelopment Agency)
Other (Debt payments and set asides for capital projects, future equipment replacement needs, and general liability obligations)
PROS (Parks, Recreation, Open Spaces),

PREPARING FOR A FUTURE WITHOUT PROPERTY TAXES

- Local state reps have signaled that changes to property taxes will be coming- potential elimination
- No bill is in place yet, but the message was clear: We should start preparing

“Change may not be immediate—but preparation must be.”

FY 2025/26 Major Cost Drivers & Recommended Millage

GENERAL FUND HIGHLIGHTS



FY 2025 Revenues Compared to FY 2026

The General Fund has a combined gain in revenues in the amount of \$5,046,385 in comparison to the FY 2024-25 Adopted Budget – largest revenue increase is in Property Taxes.

Expenditure Increase

General Fund expenditures increased by \$5,046,385 or 4.46% from the previous year

General Fund Reserves

General Fund reserves are projected to be approximately \$34.5 million at the beginning of FY 2024-25, with 15.7% over the minimum of 16%

General Fund Balanced

The FY 2025-26 General Fund budget is currently balanced without the use of either one-time revenue sources or reserves

Property Value

Property Values increased 10.00% based on June 1, 2025

TIF / CRA

Increase of \$3,124,902 resulting from the Tax Increment Financing (TIF) payment to the CRA because of higher property values (18.21%) within the CRA based on the June 1, 2025 Taxable Value Report

OPERATING, DEBT, GOLDEN ISLES, AND THREE ISLANDS MILLAGE



Operating & Debt Service Millage

The recommended operating millage is 7.5884 and Debt Service Millage is 0.3498.

Average Taxable Value for a Single-Family Home in the City of Hallandale Beach is \$431,927 which is an increase of \$36,880 from prior year

An average property tax increase of \$122 for a single family home

The operating millage is **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.

Three Islands Millage

Three Islands millage is 0.6600 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.

MAJOR GENERAL FUND COST DRIVERS FOR FY 2025-26

ITEMS	ADOPTED BUDGET		PROPOSED BUDGET	% of Total General Fund Budget	\$ DIFFERENCE	% Increase/Decrease from FY 25 to FY 26
	2024-25	2025-26	2025-26			
SALARIES & BENEFITS*	\$ 38,126,457	\$ 40,524,630		34.28%	2,398,173	6.29%
TAX INCREMENT FINANCING	14,583,634	17,708,536		14.98%	3,124,902	21.43%
TRANSFER TO TRANSPORTATION FUND	4,967,886	3,270,860		2.77%	-1,697,026	-34.16%
BROWARD SHERIFF'S OFFICE CONTRACT**	18,250,343	20,239,343		17.12%	1,989,000	10.90%
HEALTH INSURANCE*	4,133,099	4,153,607		3.51%	20,508	0.50%
REPLACEMENT VEHICLES	2,138,773	672,032		0.57%	-1,466,741	-68.58%
RENEWAL & REPLACEMENT	1,000,000	1,000,000		0.85%	-	0.00%
POLICE & FIRE PENSION *	10,410,369	9,730,250		8.23%	-680,119	-6.53%
CAPITAL PROJECTS	2,247,600	2,787,094		2.36%	539,494	24.00%
GENERAL LIABILITY FUND	2,231,815	2,708,619		2.29%	476,804	21.36%
OTHER EXPENDITURES	15,095,868	15,437,258		13.06%	341,390	2.26%
TOTAL	\$ 113,185,844	\$ 118,232,229		100.00%	\$ 5,046,385	4.46%

NOTES:

* SALARIES AND BENEFITS EXCLUDES HEALTH INSURANCE AND POLICE & FIRE PENSIONS,
THESE LINE ITEMS ARE SEPARATED ABOVE
BSO CONTRACT AMOUNT EXCLUDES VEHICLE

**5 -YEAR FINANCIAL RECOMMENDED
STABILIZATION PLAN**

**RECOMMENDED 5-YEAR FINANCIAL STABILIZATION PLAN
GENERAL FUND**

MILLAGE RATE	8.2466	7.5884	7.5884	7.5884	7.5884	7.5884	7.5884
	FY24	FY25	FY26	FY27	FY28	FY29	FY30
	ACTUAL	PROJECTION	TENTATIVE	PROJECTION	PROJECTION	PROJECTION	PROJECTION
Revenue (Income)	\$ 117,015,800	\$ 112,698,427	\$ 118,232,229	\$ 120,663,008	\$ 123,317,452	\$ 127,842,171	\$ 132,629,835
Expenses	\$(113,333,082)	\$(110,982,905)	\$(118,153,329)	\$(122,049,756)	\$(117,864,533)	\$(121,965,863)	\$(125,688,026)
Budget Surplus/Shortfall	\$ 3,290,322	\$ 1,612,477	\$ -	\$ (1,465,648)	\$ 5,374,019	\$ 5,797,408	\$ 6,862,909

APPROVED STABILIZATION STRATEGIES

Federal American Rescue Plan Act Assistance	\$ 5,382,780	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Certificate of Use Program	\$ 198,465	\$ 282,585	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Parking Program	\$ 1,614,616	\$ 2,150,486	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
Fire Assessment (\$347.98)	\$ -	\$ 12,531,464	\$ 12,531,464	\$ 12,531,464	\$ 12,531,464	\$ 12,531,464	\$ 12,531,464
Payment in Lieu of Franchise Fee - Water & Wastewater	\$ 1,806,845	\$ 2,069,466	\$ 2,324,527	\$ 2,069,466	\$ 2,069,466	\$ 2,069,466	\$ 2,069,466
Solid Waste Franchise Fees	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Offset to Shortfalls	\$ 10,502,707	\$ 17,034,001	\$ 16,905,991	\$ 16,650,930	\$ 16,650,930	\$ 16,650,930	\$ 16,650,930
Ending Budget Surplus/Shortfall after Recommended Strategies	\$ 13,793,029	\$ 18,646,478	\$ 16,905,991	\$ 15,185,282	\$ 22,024,949	\$ 22,448,338	\$ 23,513,839

BUDGET PROJECTIONS AFTER STRATEGIES

Year over Year Expenditure Change		-2.1%	4.5%	3.3%	-3.4%	3.5%	3.1%
Revenue (Income)	\$ 117,015,800	\$ 112,698,427	\$ 118,232,229	\$ 120,663,008	\$ 123,317,452	\$ 127,842,171	\$ 132,629,835
Expenses	\$(113,333,082)	\$(110,982,905)	\$(118,153,329)	\$(122,049,756)	\$(117,864,533)	\$(121,965,863)	\$(125,688,026)
Other Expenses (Capital, R&R, Fleet, Judgement)	\$ (392,396)	\$ (103,045)	\$ (78,900)	\$ (78,900)	\$ (78,900)	\$ (78,900)	\$ (78,900)
Budget Surplus/Shortfall	\$ 3,290,322	\$ 1,612,477	\$ -	\$ (1,465,648)	\$ 5,374,019	\$ 5,797,408	\$ 6,862,909

RESERVES

Beginning Balance	\$ 31,084,139	\$ 34,578,090	\$ 36,190,567	\$ 36,190,567	\$ 34,724,919	\$ 40,098,938	\$ 45,896,346
Encumbrances & Other Items	\$ 203,629	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget Surplus/Shortfall after Implementation of Strategies	\$ 3,290,322	\$ 1,612,477	\$ -	\$ (1,465,648)	\$ 5,374,019	\$ 5,797,408	\$ 6,862,909
Ending Reserves Balance	\$ 34,578,090	\$ 36,190,567	\$ 36,190,567	\$ 34,724,919	\$ 40,098,938	\$ 45,896,346	\$ 52,759,255

Fund Balance - Less than minimum reserves shown in red	30.4%	32.6%	30.6%	28.4%	34.0%	37.6%	42.0%
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CLOSING REMARKS



- We've built a **financially sound and balanced budget**
- We're in a good position to absorb inflationary pressures
- We're planning for potential economic shifts
- Staying vigilant as pressures may significantly reduce reserves
- **Next up:** Setting the tentative millage and budget on **June 18**

QUESTIONS

