



**FY 2026-27**

**BUDGET WORKSHOP**

**PROGRESS.INNOVATION.OPPORTUNITY**

**June 3, 2026**



**Hallandale Beach**  
PROGRESS. INNOVATION. OPPORTUNITY.



# AGENDA

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- FY 2026–27 Budget Timeline
- General Fund – Ad Valorem Revenues
- FY 2026-27 General Fund Highlights, Major Cost Drivers & Recommended Millage
- 5-Year Recommended Stabilization Plan

# FY 2026-27 BUDGET TIMELINE



# WHAT THIS BUDGET DOES? THINGS IN OUR CONTROL



## Balanced Budget

- Eliminated deficit spending
- Balanced without using reserves for the past six 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 2026-27 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:

- Property Tax Reform Proposal
- BSO Increases
- Chaves Lake – \$10.5M Budgeted FY 27
- Loss of federal dollars
- Inflationary Pressures – \$\$\$ millions in cost increases
- Pension Challenges – Cost increases
- Union Negotiations – Cost increases

# BUDGETARY PRESSURES

The FY 27 City Manager Recommended budget is being developed with a focus on maintaining core services, managing cost increases, and identifying responsible reductions in the midst of property tax reform. A recurring reduction in property tax revenue would require the City to further evaluate programs, staffing, capital needs, and service levels.

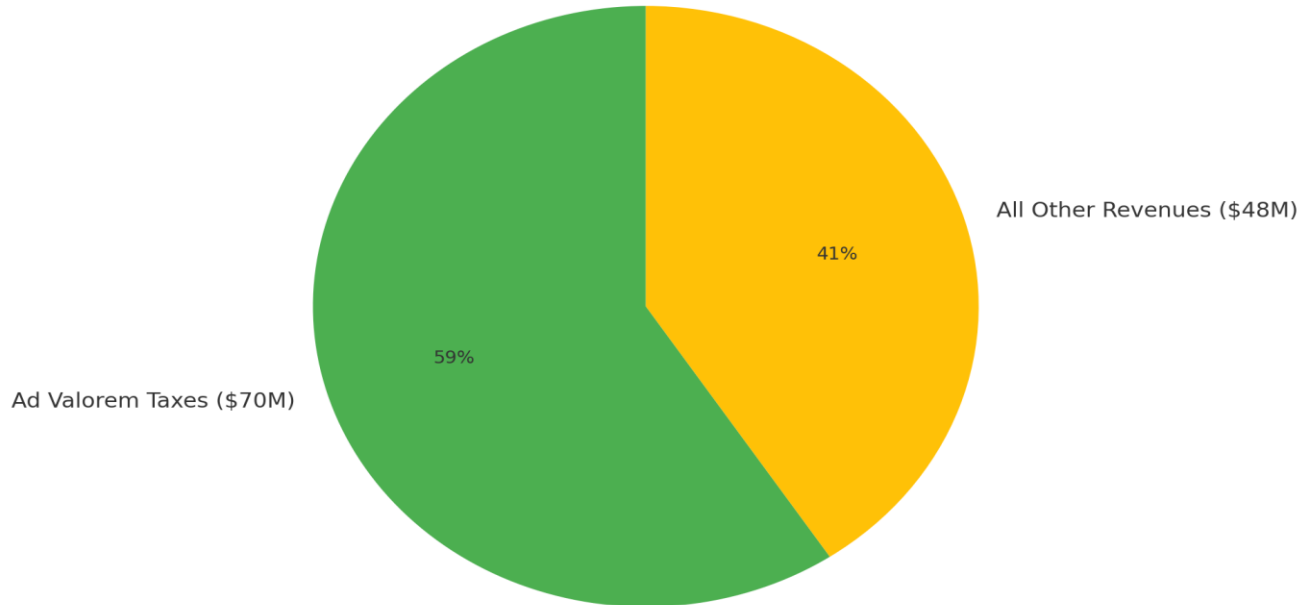
- Additional reductions may be needed beyond current FY 27 budget review efforts
- Departments may need to identify service-level impacts tied to reductions
- Capital projects, renewal and replacement, and equipment needs may be delayed
- Resident programs and quality-of-life services may face funding pressure
- Fees, assessments, or other revenues may need to be evaluated

**General Fund  
Ad-Valorem Revenues**

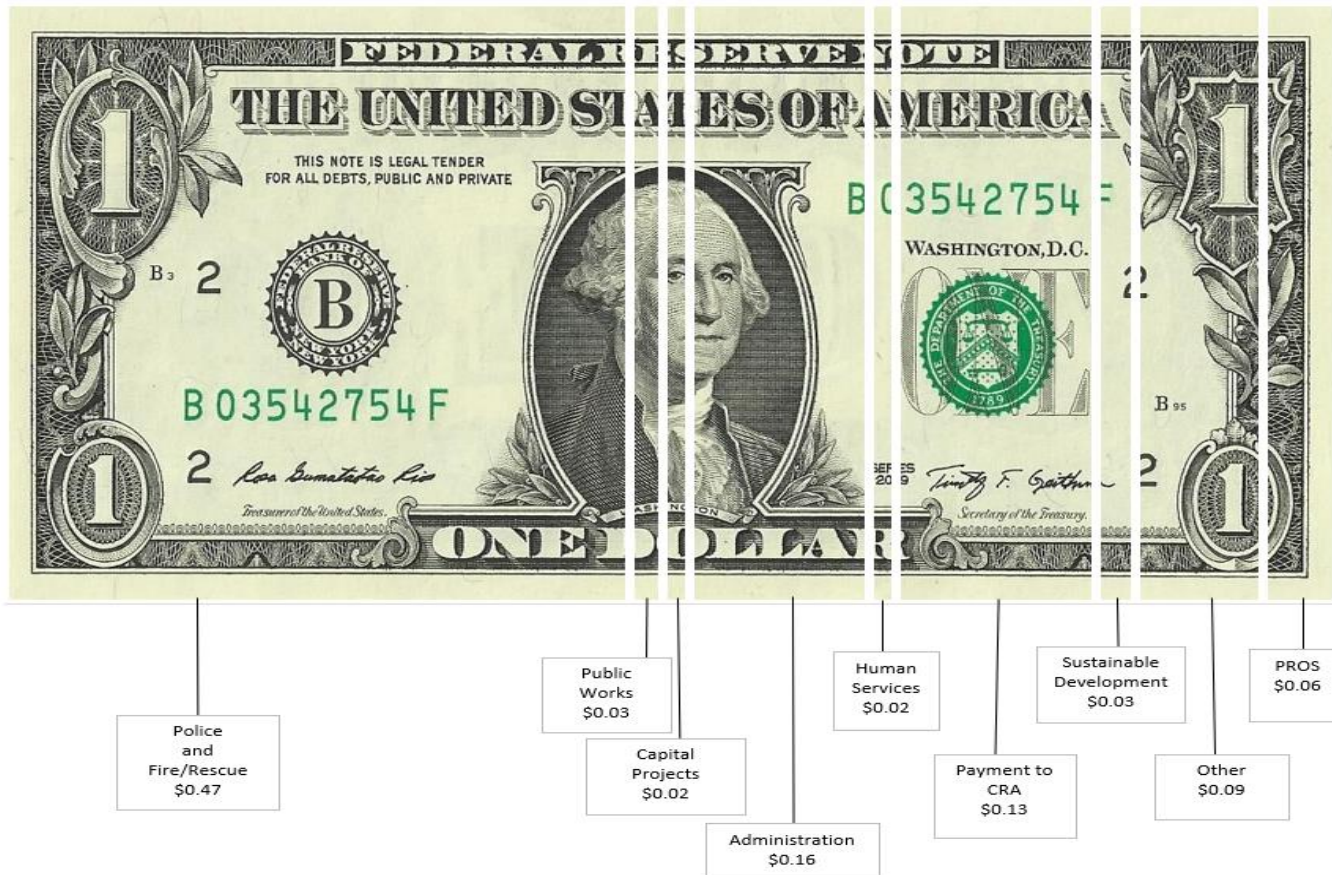
# AD VALOREM TAXES

- Total Proposed FY 2026-27 General Fund Budget: \$129M
- Ad Valorem Revenue: \$69M
- Ad Valorem as % of General Fund: 51.18%
- Nearly 5 out of every 10 dollars (51%) in the General Fund come from property taxes
- Property Values increased 2.25% based on June 1, 2026

General Fund Revenue Breakdown (\$118M Total)



# WHERE DOES MY GENERAL FUND 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),

# **FY 2026-27 General Fund Highlights, Major Cost Drivers & Recommended Millage**

# General Fund Highlights



## FY 2026 Revenues Compared to FY 2027

The General Fund has a combined gain in revenues in the amount of \$14,206,872 in comparison to the FY 2025-26 Adopted Budget largest revenue increase is the contribution from the CRA for the Chaves Lake project

## Expenditure Increase

General Fund expenditures increased by \$14,206,872 or 12.1% from the previous year primarily due to the Chaves Lake project

## General Fund Reserves

General Fund reserves are projected to be approximately \$42.4 million at the beginning of FY 2025-26, which is 32.2% 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 remains at 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

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 0.4584 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.

# WHAT IS INCLUDED IN THE FY 2026-27 BUDGET



- Maintains current service levels for residents
- Funds public safety and essential operations
- Continues infrastructure, roadway, drainage, and sidewalk improvements
- Supports parks, senior, youth, and community programs
- Advances renewal and replacement needs
- Funds major cost drivers including insurance, contracts, pensions, and negotiated increases
- Preserves reserves and avoids deficit spending
- Supports the early transition of HBCRA functions to the City

# MAJOR GENERAL FUND COST DRIVERS FOR FY 2026-27

		ADOPTED	PROPOSED	% OF TOTAL		
		BUDGET	BUDGET	PROPOSED	\$	%
		2025-26	2026-27	BUDGET	CHANGE	CHANGE
(1)	SALARIES & BENEFITS	40,778,419	43,224,815	32.83%	2,446,396	6.00%
(1)	POLICE & FIRE PENSION	10,825,081	11,044,621	8.39%	219,540	2.03%
(1)	HEALTH INSURANCE	4,139,804	4,780,997	3.63%	641,193	15.49%
	BROWARD SHERIFF'S OFFICE CONTRACT	20,239,343	21,895,294	16.63%	1,655,951	8.18%
	TAX INCREMENT FINANCING	17,270,429	18,176,172	13.80%	905,743	5.24%
	TRANSFER TO TRANSPORTATION FUND	2,645,359	1,792,623	1.36%	-852,736	-32.24%
	REPLACEMENT VEHICLES	820,050	1,527,990	1.16%	707,940	86.33%
	RENEWAL & REPLACEMENT	1,284,124	1,861,365	1.41%	577,241	44.95%
	CAPITAL PROJECTS	1,881,126	11,173,514	8.49%	9,292,388	493.98%
	GENERAL LIABILITY FUND	2,703,798	384,558	0.29%	-2,319,240	-85.78%
	OTHER EXPENDITURES	14,871,566	15,804,022	12.00%	932,456	6.27%
	<b>TOTAL</b>	<b>\$ 117,459,099</b>	<b>\$ 131,665,971</b>	<b>100.00%</b>	<b>\$ 14,206,872</b>	<b>12.10%</b>

(1) SALARIES AND BENEFITS EXCLUDES HEALTH INSURANCE AND POLICE & FIRE PENSIONS

# 5 -YEAR FINANCIAL RECOMMENDED STABILIZATION PLAN

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

MILLAGE RATE	7.5884	7.3848	7.3848	7.3848	7.3848	7.3848	7.3848
	FY25	FY26	FY27	FY28	FY29	FY30	FY31
	ACTUAL	ADOPTED	CMREC1	PROJECTION	PROJECTION	PROJECTION	PROJECTION
Revenue (Income)	\$ 109,140,248	\$ 100,104,484	\$ 112,559,999	\$ 96,407,861	\$ 103,252,844	\$ 99,124,728	\$ 100,524,049
Expenses	\$ (119,299,188)	\$ (117,459,099)	\$ (131,665,971)	\$ (119,909,011)	\$ (124,689,124)	\$ (128,730,312)	\$ (134,097,242)
<b>Budget Surplus/Shortfall</b>	<b>\$ (10,158,941)</b>	<b>\$ (17,354,615)</b>	<b>\$ (19,105,972)</b>	<b>\$ (23,501,150)</b>	<b>\$ (21,436,280)</b>	<b>\$ (29,605,584)</b>	<b>\$ (33,573,193)</b>
<b>APPROVED STABILIZATION STRATEGIES</b>							
Federal American Rescue Plan Act Assistance	\$ 1,489,899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Remote School Zone Enforcement	\$ -	\$ -	\$ 400,000	\$ 500,000	\$ 600,000	\$ 700,000	\$ 800,000
New Certificate of Use Program	\$ 482,533	\$ 290,000	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000	\$ 440,000
Parking Program	\$ 2,216,826	\$ 1,924,500	\$ 1,975,500	\$ 1,975,500	\$ 1,975,500	\$ 1,975,500	\$ 1,975,500
Payment in Lieu of Franchise Fee - Water & Wastewater	\$ 2,134,650	\$ 2,324,527	\$ 2,620,815	\$ 2,620,815	\$ 2,620,815	\$ 2,620,815	\$ 2,620,815
Fire Assessment (\$395.14)	\$ 12,195,807	\$ 12,815,588	\$ 13,669,657	\$ 13,669,657	\$ 13,669,657	\$ 13,669,657	\$ 13,669,657
Total Offset to Shortfalls	\$ 18,519,715	\$ 17,354,615	\$ 19,105,972	\$ 19,205,972	\$ 19,305,972	\$ 19,405,972	\$ 19,505,972
<b>Ending Budget Surplus/Shortfall after Recommended Strategies</b>	<b>\$ 8,360,774</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>\$ (4,295,178)</b>	<b>\$ (2,130,308)</b>	<b>\$ (10,199,612)</b>	<b>\$ (14,067,221)</b>
<b>BUDGET PROJECTIONS AFTER STRATEGIES</b>							
Year over Year Expenditure Change		-1.5%	12.1%	-8.9%	4.0%	3.2%	4.2%
Revenue (Income)	\$ 127,659,963	\$ 117,459,099	\$ 131,665,971	\$ 115,613,833	\$ 122,558,816	\$ 118,530,700	\$ 120,030,021
Expenses	\$ (119,299,188)	\$ (117,459,099)	\$ (131,665,971)	\$ (119,909,011)	\$ (124,689,124)	\$ (128,730,312)	\$ (134,097,242)
<b>Budget Surplus/Shortfall</b>	<b>\$ 8,360,774</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>\$ (4,295,178)</b>	<b>\$ (2,130,308)</b>	<b>\$ (10,199,612)</b>	<b>\$ (14,067,221)</b>
<b>RESERVES</b>							
Beginning Balance	\$ 34,578,090	\$ 41,804,641	\$ 42,443,263	\$ 42,443,263	\$ 32,648,085	\$ 30,517,778	\$ 20,318,166
Encumbrances & Other Items	\$ (1,134,223)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chaves Lake (Projected Estimate)	\$ -	\$ -	\$ -	\$ (5,500,000)	\$ -	\$ -	\$ -
Budget Surplus/Shortfall after Implementation of Strategies	\$ 8,360,774	\$ -	\$ -	\$ (4,295,178)	\$ (2,130,308)	\$ (10,199,612)	\$ (14,067,221)
<b>Ending Reserves Balance</b>	<b>\$ 41,804,641</b>	<b>\$ 41,804,641</b>	<b>\$ 42,443,263</b>	<b>\$ 32,648,085</b>	<b>\$ 30,517,778</b>	<b>\$ 20,318,166</b>	<b>\$ 6,250,946</b>
Fund Balance - Less than minimum reserves shown in red	35.0%	35.6%	32.2%	27.2%	24.5%	15.8%	4.7%

# IMPACT TO THE CITY



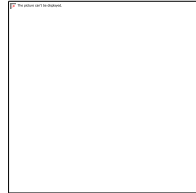
The proposed property tax reform would significantly reduce the City's largest and most flexible revenue source, limiting the City's ability to maintain current service levels.

## POTENTIAL IMPACTS INCLUDE:

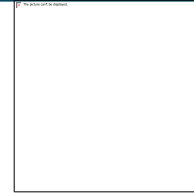
*Potential Financial Impact to the City ~ \$4.8M*



Greater pressure on fees, assessments, and other revenue sources



Delays to capital projects, repairs and R&R



Increased reliance on uncertain state grant/trust funding to support local services



Affect the ability to support senior, youth and family services

“Resident savings today could result in reduced services, delayed improvements, or higher pressure on other revenue sources tomorrow.”

# Closing Remarks

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- Identify impacts to residents and operations for property tax reform
- Prioritize core services and legally required obligations
- Evaluate one-time vs. recurring reductions
- Monitor legislative changes and revenue estimates

