



FY 2026-27

BUDGET WORKSHOP

PROGRESS.INNOVATION.OPPORTUNITY

June 10, 2026

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FY 2026-27 Budget Timeline

-  January 20, 2026 | Commencement of Budget Planning
-  February 17, 2026 | Submission Deadline for Department Budget Requests
-  April 2026 | Review by the City Manager
-  May 6, 2026 | Commission Budget Workshop
-  June 10, 2026 | Commission Budget Workshop
-  June 22, 2026 | Budget Workshop & Setting of the Tentative Millage and Budget
-  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

Executive Summary

FY 2026–27 Recommended Budget



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:

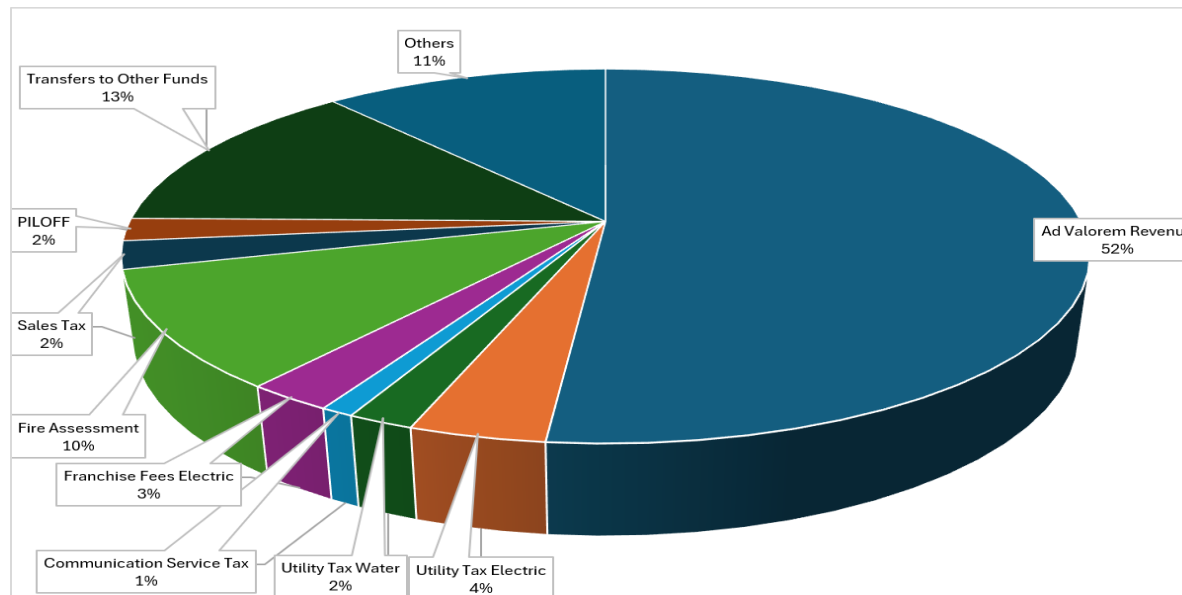
- Property tax reform proposal
- BSO contract increases
- Chaves Lake project costs
- Potential loss of federal funding
- Inflationary cost increases
- Pension cost increases
- Union negotiations

General Fund Ad Valorem Revenues

Ad Valorem Taxes

- Total Recommended FY 2026-27 General Fund Budget: \$135M
- Ad Valorem Revenue: \$69M
- Ad Valorem as % of General Fund: 52%
- Nearly 5 out of every 10 dollars (52%) in the General Fund come from property taxes
- Property Values increased 2.25% based on June 1, 2026

General Fund Revenue Breakdown (\$135M)



Where General Fund Dollars Go?



OTHER (TRANSFERS, NON-DEPARTMENTAL, ADMINISTRATIVE CHARGES)

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

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

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 \$17,803,614 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 \$17,803,614 or 15.16% from the previous year primarily due to the Chaves Lake project

General Fund Reserves

General Fund reserves are projected to be approximately \$41.8 million at the beginning of FY 2025-26, which is 19.6% 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 the Preliminary 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 Preliminary Taxable Value Report

OPERATING, DEBT, GOLDEN ISLES, THREE ISLANDS 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 **remains the same as prior year.**

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 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

Operating & Debt Service Millage

Golden Isles Millage

Three Islands Millage

What's 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 (paid by CRA)

MAJOR GENERAL FUND CC DRIVERS FOR FY 2026-27

	ADOPTED	PROPOSED	% OF TOTAL		
	BUDGET	BUDGET	PROPOSED	\$	%
	2025-26	2026-27	BUDGET	CHANGE	CHANGE
CAPITAL PROJECTS	1,881,126	11,173,514	8.26%	9,292,388	493.98%
RENEWAL & REPLACEMENT	1,284,124	2,861,365	2.12%	1,577,241	122.83%
REPLACEMENT VEHICLES	820,050	1,527,990	1.13%	707,940	86.33%
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%
SALARIES & BENEFITS	40,778,419	44,029,893	32.55%	3,251,474	7.97%
TAX INCREMENT FINANCING	17,270,429	18,176,172	13.44%	905,743	5.24%
GENERAL LIABILITY FUND	2,703,798	2,832,558	2.09%	128,760	4.76%
OTHER EXPENDITURES	14,871,566	15,297,369	11.31%	425,803	2.86%
POLICE & FIRE PENSION	10,825,081	11,044,621	8.17%	219,540	2.03%
TRANSFER TO TRANSPORTATION FUND	2,645,359	1,785,361	1.32%	-859,998	-32.51%
TOTAL	117,459,099	135,262,713	100.00%	17,803,614	15.16%

PROPERTY TAX REFORM PROPOSAL

Property Tax Reform Proposal

What advanced out of House and Senate committees

Legislation filed on May 28 advanced after several provisions were amended or removed in response to concerns from local governments and special districts.

1 Ballot Question



- ✓ November 2026 General Election
- ✓ Requires 60% voter approval

2 Homestead Exemption



Applies to local government and special district taxes only — school taxes excluded

3 Other Changes



Expanded exemption limited to residents established before Jan. 1, 2027



New Florida residents may wait up to 5 years for the full exemption



Non-homestead assessment cap reduced from 10% to 5%

Property Tax Reform Proposal

Why it matters to local governments

If approved, the proposal would reduce one of the City's most flexible revenue sources and restrict how the remaining ad valorem revenues may be used.

Remaining property taxes could only be used for core services



Public safety



Infrastructure



Stormwater & flood control



Debt service



Retirement obligations



Government operations

Why this matters to the City



Less flexible revenue to support current services



Greater pressure on fees, assessments, and other revenue sources



Potential delays to capital projects, repairs, and renewal & replacement



Funding pressure on senior, youth, and community programs



Potential financial impact to the City over 4 years: **approximately \$32M**



Resident savings today could mean reduced services, delayed improvements, or added pressure on other revenue sources tomorrow.

RECOMMENDED 5-YEAR STABILIZATION PLAN

Purpose of the 5-Year Stabilization Plan

- Preserve core services
- Maintain reserves
- Prepare for recurring revenue loss
- Evaluate recurring reductions and alternative revenues
- Align future spending with long-term revenue capacity

**RECOMMENDED 5-YEAR FINANCIAL STABILIZATION PLAN
GENERAL FUND / PROPERTY TAX REFORM**

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	PROPOSED	PROJECTION	PROJECTION	PROJECTION	PROJECTION
Revenue (Income)	\$ 109,140,248	\$ 100,104,484	\$ 116,156,741	\$ 99,815,142	\$ 104,084,351	\$ 100,291,542	\$ 99,934,944
Expenses	\$ (119,299,188)	\$ (117,459,099)	\$ (135,262,713)	\$ (122,355,767)	\$ (133,089,129)	\$ (132,140,300)	\$ (137,741,915)
Tax Increment Financing (HBCRA Payment)	\$ -	\$ -	\$ (18,176,172)	\$ -	\$ -	\$ -	\$ -
Economic Development Department	\$ -	\$ -	\$ -	\$ (6,000,000)	\$ (6,000,000)	\$ (6,000,000)	\$ (6,000,000)
Budget Surplus/Shortfall	\$ (10,158,941)	\$ (17,354,615)	\$ (37,282,144)	\$ (28,540,625)	\$ (35,004,778)	\$ (37,848,758)	\$ (43,806,971)
APPROVED STABILIZATION STRATEGIES							
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 (\$394.15)	\$ 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
Ending Budget Surplus/Shortfall after Recommended Strategies	\$ 8,360,774	\$ -	\$ (18,176,172)	\$ (9,334,653)	\$ (15,698,806)	\$ (18,442,786)	\$ (24,300,999)
BUDGET PROJECTIONS AFTER STRATEGIES							
Year over Year Expenditure Change		-1.5%	15.2%	-9.5%	8.8%	-0.7%	4.2%
Revenue (Income)	\$ 127,659,963	\$ 117,459,099	\$ 135,262,713	\$ 119,021,114	\$ 123,390,323	\$ 119,697,514	\$ 119,440,916
Expenses	\$ (119,299,188)	\$ (117,459,099)	\$ (135,262,713)	\$ (122,355,767)	\$ (133,089,129)	\$ (132,140,300)	\$ (137,741,915)
Budget Surplus/Shortfall	\$ 8,360,774	\$ -	\$ -	\$ (3,334,653)	\$ (9,698,806)	\$ (12,442,786)	\$ (18,300,999)
RESERVES							
Beginning Balance	\$ 34,578,090	\$ 41,804,641	\$ 42,013,396	\$ 45,513,396	\$ 42,178,744	\$ 32,479,938	\$ 20,037,152
Encumbrances & Other Items	\$ (1,134,223)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Three Islands Promissory Note	\$ -	\$ -	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -
Chaves Lake (Projected Estimate)	\$ -	\$ -	\$ -	\$ -	\$ (5,500,000)	\$ -	\$ -
Budget Surplus/Shortfall after Implementation of Strategies	\$ 8,360,774	\$ -	\$ -	\$ (3,334,653)	\$ (9,698,806)	\$ (12,442,786)	\$ (18,300,999)
Ending Reserves Balance	\$ 41,804,641	\$ 41,804,641	\$ 45,513,396	\$ 42,178,744	\$ 32,479,938	\$ 20,037,152	\$ 1,736,153
Fund Balance - Less than minimum reserves shown in red	35.0%	35.6%	33.6%	34.5%	24.4%	15.2%	1.3%

Recommended 5-Year Plan

Key Assumptions

General Fund Forecast



Revenue Assumptions

- 2% annual ad valorem growth
- Future major developments included
- Other revenues based on recent trends



Expenditure Assumptions

- Health insurance: 10.2%
- Non-police bargaining: 5.5%
- Police bargaining: 8%
- Police & fire pensions: 5%
- BSO: 8% in FY27, 5% thereafter



Policy / Structural Assumptions

- HBCRA sunsets in FY 2026–27
- New department programmed at \$6M beginning FY 2027–28
- Property tax reform impacts phased into forecast

Closing Considerations

- Communicate clearly with residents and Commission
- Identify financial strategies
- Evaluate operational impacts
- Protect core services
- Continue monitoring legislative updates

FY 2026-27 Next Steps

-  June 22, 2026 | Budget Workshop & Setting of the Tentative Millage and Budget
-  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

Questions

