



City Manager's Recommended Budget and Financial Plan



FY 2025-26

June 18, 2025



AGENDA

- Current Situation
 - Citywide Budget
 - Workforce by Fund
 - General Fund Highlights
 - Major Cost Drivers, Increases/Decreases, and Investments
 - Millage
- 5-Year Financial Stabilization Plan through FY 2029-30
- Approved Strategies through FY 2029-30

FY 2025-26 BUDGET TIMELINE



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:

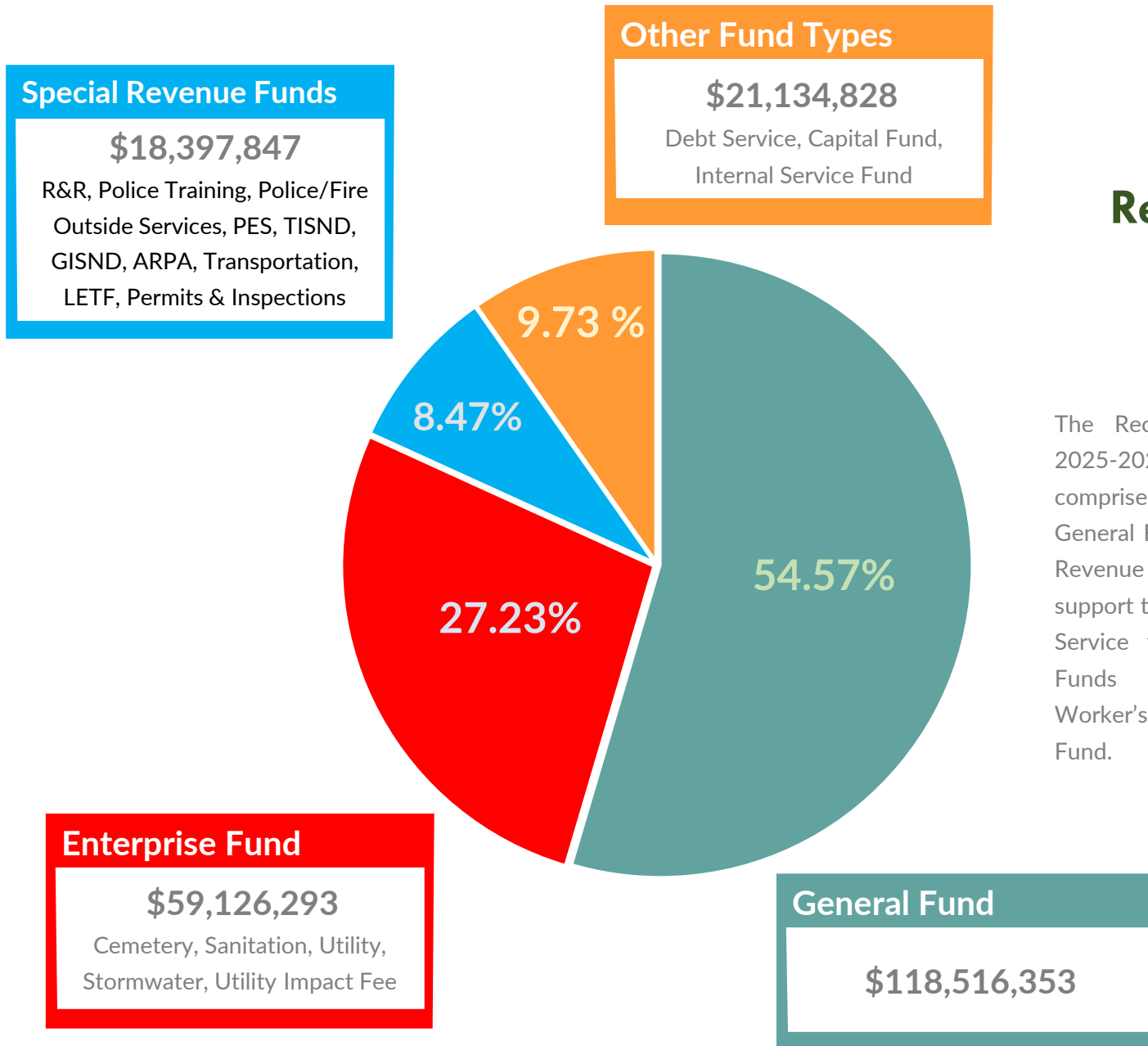
- Elimination of Property Taxes? - \$70M
- BSO Increases
- Chaves Lake – Potentially \$10M – waiting for final estimate mid-July
- Potential loss of federal dollars
- Inflationary Pressures – \$\$\$ millions in cost increases
- Pension Challenges – Potential cost increases
- Union Negotiations – Potential cost increases



CURRENT SITUATION

Total City Manager's Recommended Budget \$217.1 Million

The Recommended Budget for FY 2025-2026 is \$217.1 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 Comp.), and Capital Project Fund.



BUDGET – FISCAL YEAR 2025-26

Citywide



5.06%

**TOTAL RECOMMENDED
BUDGET**

\$217,175,321

Increases from the FY 2024-25 adopted budget are primarily due to increases in the General Fund, Utility Fund, and General Liability Fund

General Fund



4.71%

**TOTAL RECOMMENDED
BUDGET**

\$118,516,353

Increase from
FY 2024-25 adopted budget is
\$5,330,509



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

MAJOR GENERAL FUND COST DRIVERS FOR FY 2025-26

ITEMS	ADOPTED BUDGET 2024-25	PROPOSED BUDGET 2025-26	\$ DIFFERENCE	% Increase/ Decrease from FY 25 to FY 26
SALARIES & BENEFITS *	\$ 38,126,457	\$ 40,424,630	2,298,173	6.03%
TAX INCREMENT FINANCING	14,583,634	17,708,536	3,124,902	21.43%
TRANSFER TO TRANSPORTATION FUND	4,967,886	2,302,860	-2,665,026	-53.65%
BROWARD SHERIFF'S OFFICE CONTRACT*	18,250,343	20,239,343	1,989,000	10.90%
HEALTH INSURANCE *	4,133,099	4,153,607	20,508	0.50%
REPLACEMENT VEHICLES	2,138,773	2,288,050	149,277	6.98%
RENEWAL & REPLACEMENT	1,000,000	1,284,124	284,124	28.41%
POLICE & FIRE PENSION *	10,410,369	9,730,250	-680,119	-6.53%
CAPITAL PROJECTS	2,247,600	2,787,094	539,494	24.00%
GENERAL LIABILITY FUND	2,231,815	2,708,619	476,804	21.36%
OTHER EXPENDITURES	15,095,868	14,889,240	-206,628	-1.37%
TOTAL	\$ 113,185,844	\$ 118,516,353	\$ 5,330,509	4.71%

NOTES:

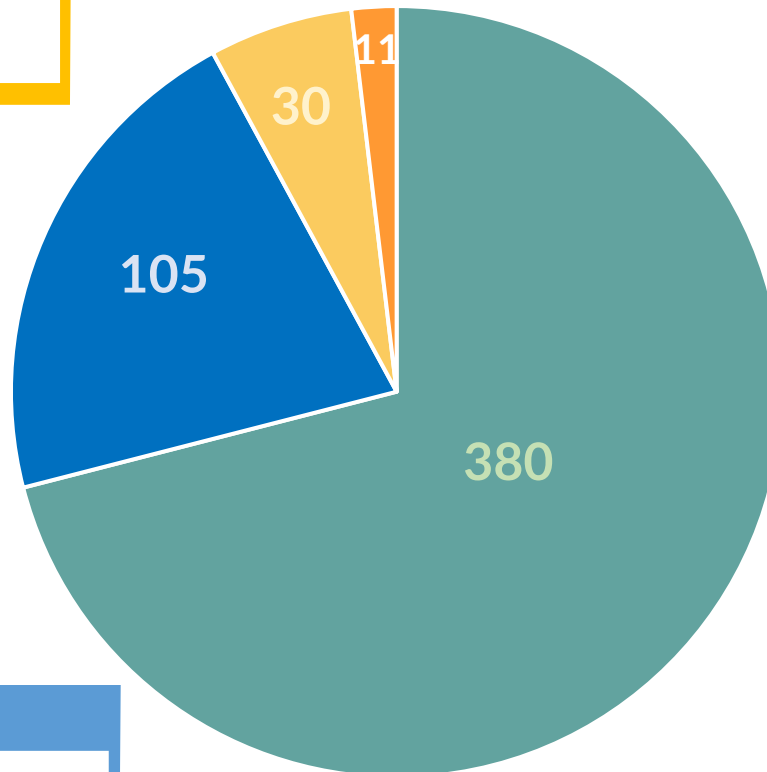
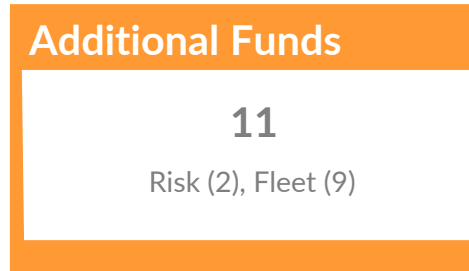
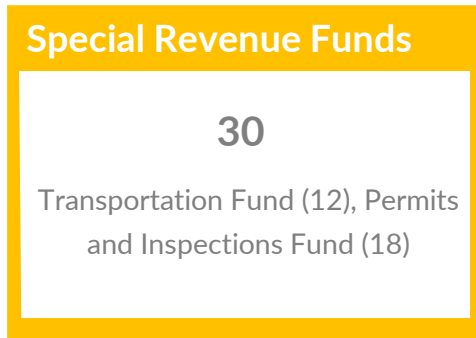
*SALARIES AND BENEFITS EXCLUDES HEALTH INSURANCE AND POLICE & FIRE PENSIONS,
THESE LINE ITEMS ARE SEPARATED ABOVE

POSITIONS



- Positions Added During 2024-25 Budget Amendments (6):
 - Transportation Director (1)
 - ICMA Fellows (Internship) Program (1)
 - Police Officers (4)*
- FY 2025-26 Recommended Budget added the following positions:
 - Code Compliance Specialist (1)
- These additions take the position count from 519 to 526

*Creation of an additional zone in the SW section of the city



Workforce by Fund 526 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 HIGHLIGHTS



FY 2025 Revenues Compared to FY 2026

The General Fund has a combined gain in revenues in the amount of \$5,330,509 in comparison to the FY 2024-25 Adopted Budget – largest revenue increase is in Property Taxes.

Expenditure Increase

General Fund expenditures increased by \$5,330,509 or 4.71% 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 16.6% 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

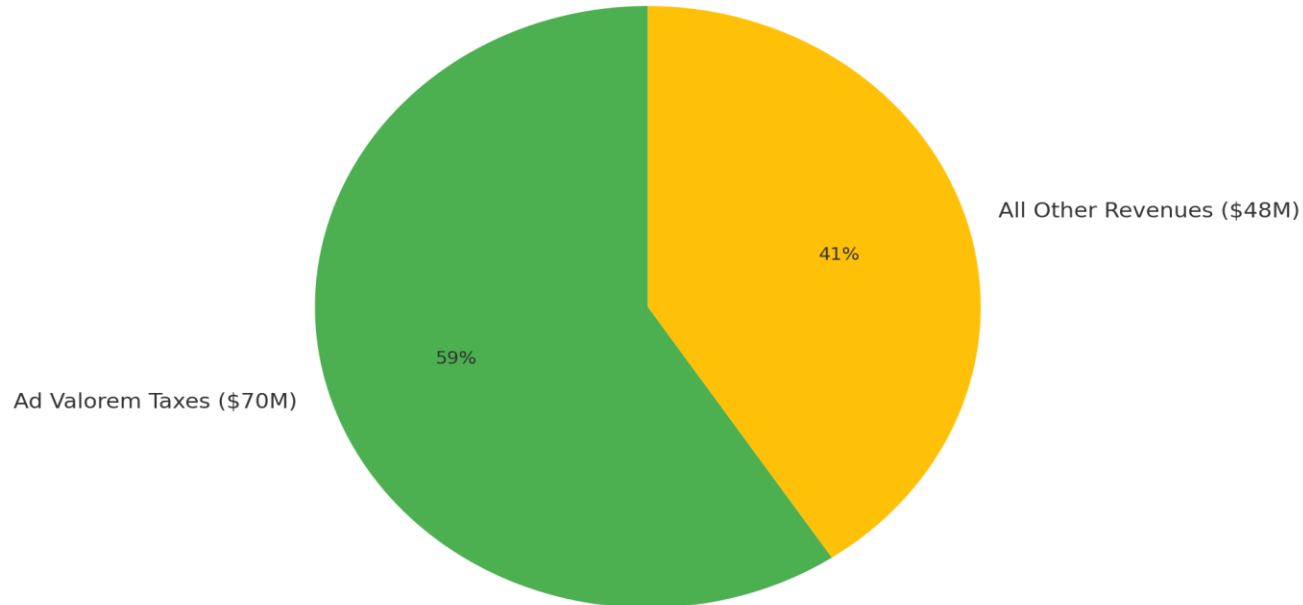
TIF / CRA

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

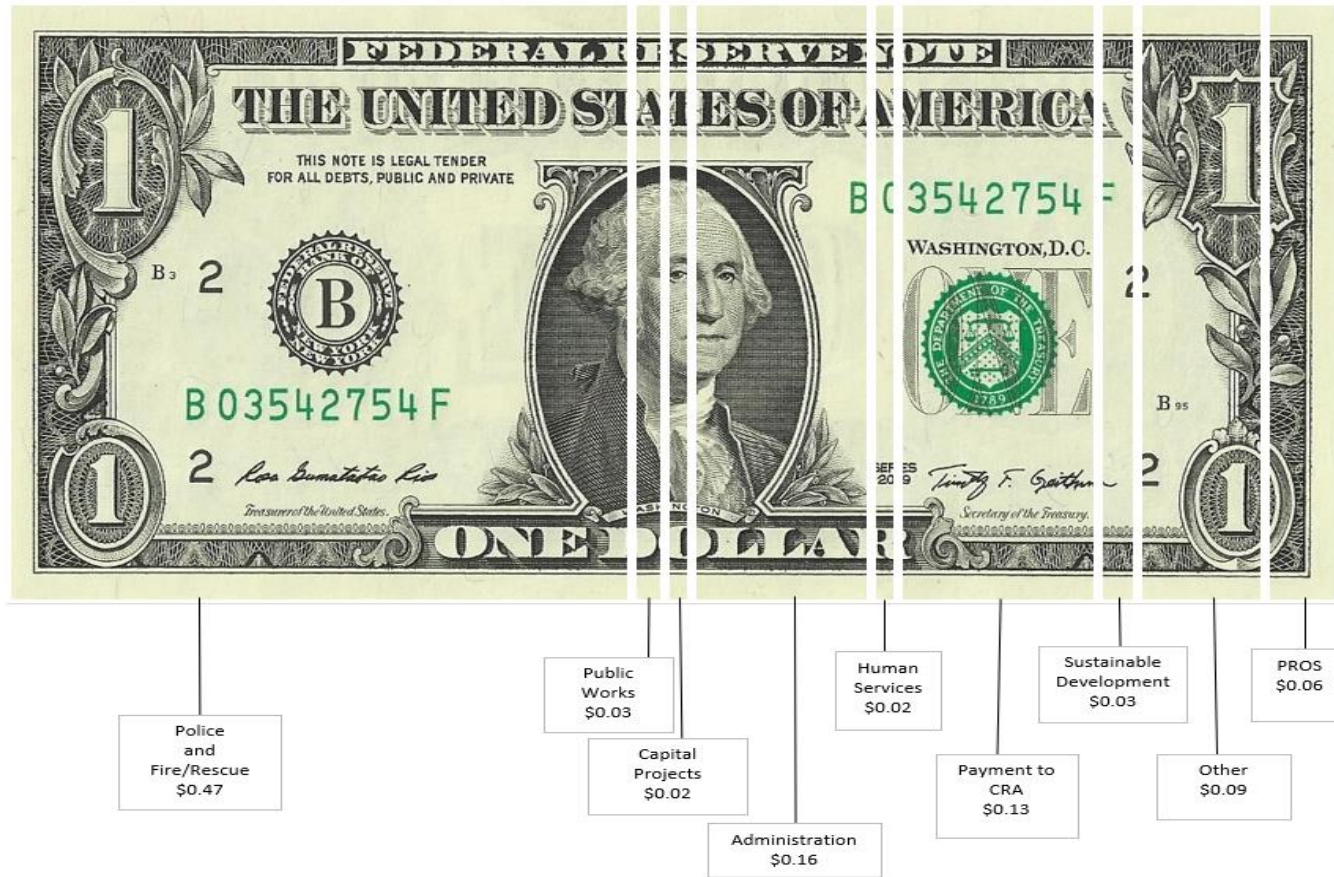
AD VALOREM TAXES

- 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 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.”

PROTECTING WHAT WE HAVE BUILT



Maintaining Momentum

- Significant progress has been achieved with critical initiatives underway
- No room for complacency
- Avoid squandering progress – we must stay the course

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

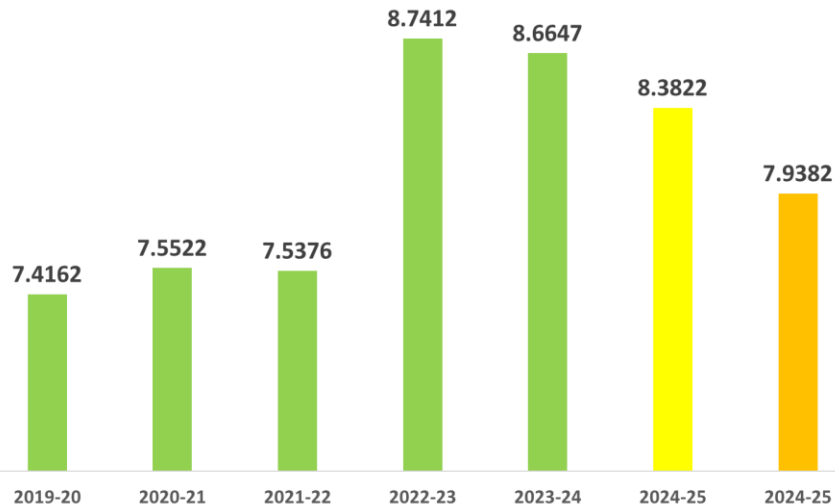
Three Islands millage is 0.6600 and **remains the same as prior year**

Based on the Assessed Taxable Value of \$500,000 for a Single-Family Home in the district, this equates to \$330 in property taxes.

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 7.5884 mills, an increase last year, and 0.3498 mills for debts service in the City Manager Recommended FY 2025-26 Budget. **Please note that as of the date of this presentation, proposed millages for other municipalities for FY 2025-26 are not available yet.**

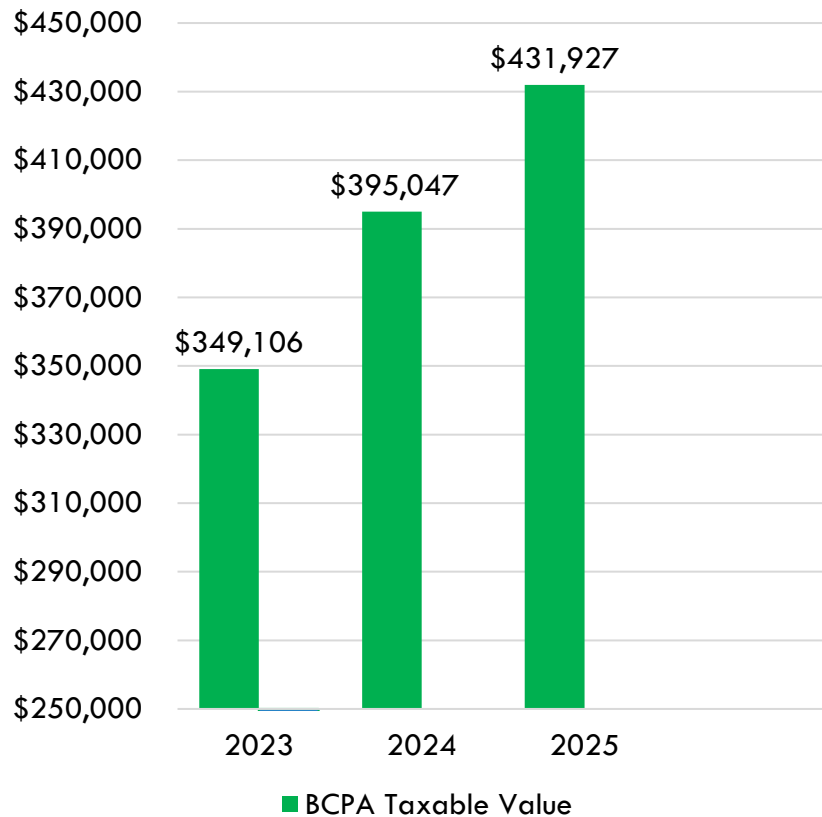


MUNICIPALITY	OPERATING	DEBT	TOTAL	RANK
LAUDERHILL	7.9998	1.1712	9.1710	1
LAUDERDALE LAKES	8.6000	0.4910	9.0910	2
PEMBROKE PARK	8.5000	-	8.5000	3
WEST PARK	8.2000	-	8.2000	4
HOLLYWOOD	7.4479	0.5653	8.0132	5
HALLANDALE BEACH (Current)	7.5884	0.3824	7.9708	6
HALLANDALE BEACH (Proposed)	7.5884	0.3498	7.9382	6
MARGATE	7.1171	0.4496	7.5667	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	14
SEA RANCH LAKES	6.5000	-	6.5000	11
LAZY LAKE	6.5000	-	6.5000	12
SUNRISE	6.0543	0.3188	6.3731	15
OAKLAND PARK	5.7243	0.5534	6.2777	13
CORAL SPRINGS	6.0232	0.1778	6.2010	17
DEERFIELD BEACH	6.0018	0.1833	6.1851	16
DANIA BEACH	5.9998	0.0985	6.0983	18
PLANTATION	5.8000	0.2980	6.0980	19
WILTON MANORS	6.4196	0.1782	6.5978	20
PEMBROKE PINES	5.6690	0.3208	5.9898	21
COOPER CITY	5.8550	-	5.8550	22
DAVIE	5.6250	0.1868	5.8118	23
POMPANO BEACH	5.2443	0.4849	5.7292	24
FORT LAUDERDALE	4.1193	0.2545	4.3738	25
PARKLAND	4.2979	-	4.2979	26
LIGHTHOUSE POINT	4.1329	0.2689	4.4018	27
LAUDERDALE-BY-THE-SEA	3.9235	-	3.9235	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

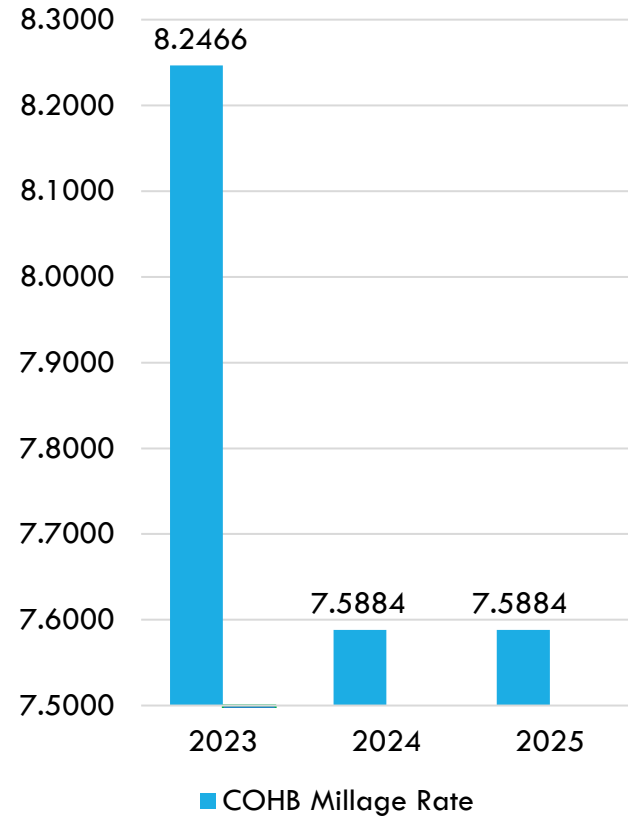
TOP 10 TAXABLE VALUE GROWTH (%) IN BROWARD COUNTY

<u>MUNICIPALITY</u>	<u>TAXABLE VALUE</u>	<u>% GROWTH</u>	<u>RANK</u>
DANIA BEACH	7,866,044,613	12.90%	1
SOUTHWEST RANCHES	2,754,204,404	11.87%	2
LAUDERHILL	4,877,198,718	11.20%	3
WEST PARK	1,155,805,142	10.98%	4
PEMBROKE PARK	1,298,308,878	10.38%	5
HALLANDALE BEACH	9,271,955,669	10.00%	6
POMPANO BEACH	22,993,749,009	9.41%	7
OAKLAND PARK	6,269,710,677	8.72%	8
LIGHTHOUSE POINT	4,090,120,949	8.26%	9
SEA RANCH LAKES	392,169,780	8.21%	10

BCPA TAXABLE VALUE & CITY MILLAGE-OPERATING



Average Taxable Value for a Single-Family Home increased from \$395,047 to \$431,927 or 9.33% from 2024



Proposed Operating Millage Unchanged at 7.5884

5-YEAR FINANCIAL PLAN

RECOMMENDED FINANCIAL STRATEGY THROUGH FY2029/30 – 7.5884 MILLS

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)	\$ 97,216,966	\$ 95,664,426	\$ 101,326,238	\$ 104,012,078	\$ 106,666,522	\$ 111,191,241	\$ 115,978,905
Expenses	\$ (113,725,478)	\$ (111,085,950)	\$ (118,516,353)	\$ (119,902,280)	\$ (115,705,580)	\$ (119,794,369)	\$ (123,502,835)
Budget Surplus/Shortfall	\$ (16,508,512)	\$ (15,421,524)	\$ (17,190,115)	\$ (15,890,202)	\$ (9,039,058)	\$ (8,603,128)	\$ (7,523,930)

APPROVED STABILIZATION STRATEGIES

Federal American Rescue Plan Act Assistance	\$ 5,382,780	0	0	0	0	0	0
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)	\$ 9,296,128	\$ 12,531,464	\$ 12,815,588	\$ 12,815,588	\$ 12,815,588	\$ 12,815,588	\$ 12,815,588
Payment in Lieu of Franchise Fee - Water & Wastewater	\$ 1,806,845	\$ 2,069,466	\$ 2,324,527	\$ 2,324,527	\$ 2,324,527	\$ 2,324,527	\$ 2,324,527
Solid Waste Franchise Fees	\$ 1,500,000	0	0	0	0	0	0
Total Offset to Shortfalls	\$ 19,798,834	\$ 17,034,001	\$ 17,190,115	\$ 17,190,115	\$ 17,190,115	\$ 17,190,115	\$ 17,190,115
Ending Budget Surplus/Shortfall after Recommended Strategies	\$ 3,290,322	\$ 1,612,477	0	\$ 1,299,913	\$ 8,151,057	\$ 8,586,987	\$ 9,666,185

BUDGET PROJECTIONS AFTER STRATEGIES

Year over Year Expenditure Change		-2.3%	4.8%	1.2%	-3.5%	3.5%	3.1%
Revenue (Income)	\$ 117,015,800	\$ 112,698,427	\$ 118,516,353	\$ 121,202,193	\$ 123,856,637	\$ 128,381,356	\$ 133,169,020
Expenses	\$ (113,725,478)	\$ (111,085,950)	\$ (118,516,353)	\$ (119,902,280)	\$ (115,705,580)	\$ (119,794,369)	\$ (123,502,835)
Budget Surplus/Shortfall	\$ 3,290,322	\$ 1,612,477	0	\$ 1,299,913	\$ 8,151,057	\$ 8,586,987	\$ 9,666,185

RESERVES

Beginning Balance	\$ 31,084,139	\$ 34,578,090	\$ 26,990,567	\$ 30,490,567	\$ 31,790,480	\$ 39,941,537	\$ 48,528,524
Encumbrances & Other Items	\$ 203,629	\$ 4,300,000	0	0	0	0	0
Three Islands Promissory Note	0	\$ (3,500,000)	3,500,000	0	0	0	0
Chaves Lake	0	\$ (10,000,000)	0	0	0	0	0
Budget Surplus/Shortfall after Implementation of Strategies	\$ 3,290,322	\$ 1,612,477	-	\$ 1,299,913	\$ 8,151,057	\$ 8,586,987	\$ 9,666,185
Ending Reserves Balance	\$ 34,578,090	\$ 26,990,567	\$ 30,490,567	\$ 31,790,480	\$ 39,941,537	\$ 48,528,524	\$ 58,194,709

Fund Balance - Less than minimum reserves shown in red	30.4%	24.3%	25.7%	26.5%	34.5%	40.5%	47.1%
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RECOMMENDED 5-YEAR PLAN – GENERAL FUND ASSUMPTIONS



- A 6% increase is budgeted for Ad Valorem revenue for FY2027/28, also includes Future Major Developments, FY 2025-26 has a 10% increase based on BCPA
- All other revenue assumptions for FY 2026/27 and subsequent years are based on recent trends
- A 5.5% increase is budgeted for Non-Police Bargaining employees for FY 2025/26 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 2025/26 and subsequent years which is comprised of the following:
 - 3% COLA
 - 5% Merit for subsequent years

RECOMMENDED 5-YEAR PLAN – GENERAL FUND ASSUMPTIONS



- A 5% increase is budgeted for Police & Fire Pensions for FY 2025/26 through FY 2029/30
- A 7% increase is budgeted for Health Insurance for FY 2025/26 and subsequent years.
- A 5% increase is budgeted for the contract with the Broward Sheriff's Office for FY 2025/26 and subsequent years.

**APPROVED/RECOMMENDED
STRATEGIES
THROUGH FY2028/29**

FIRE ASSESSMENT RATES



- In April 2024, the City engaged a company for an updated fire assessment study. The FY 2024-25 budget increased the fire assessment to \$347.98 per residential unit, an \$82.92 rise from FY2023-24, shifting financial burden from the operating millage and funding a new fire engine and rescue vehicle.
- The FY 2025-26 Recommended Budget is predicated on a flat fire assessment rate

PAYMENT IN LIEU OF FRANCHISE FEE – WATER & WASTEWATER UTILITY



- Target transfer of \$1.5 million based on 6% of the proposed water and wastewater sales revenue budget of approximately \$25 million as a PILOFF (Payment-in-Lieu of Franchise Fee) was approved for FY2022-23.
- The recommended FY2025-26 budget incorporates a \$2.3 million targeted transfer which is 6% of the proposed FY2025-26 water and wastewater sales revenue.

SOLID WASTE FRANCHISE FEES



- A 22% franchise fee, which is in line with the private hauler franchise fee, would generate approximately \$1.3 Million in revenues for FY 2022-23
- To reach a target of \$1.5 Million, an additional 3% was necessary. This strategy was included as part of the adoption of the FY 2022-23 budget and continued in FY 2023-24
- A study was initiated during the current budget cycle and the findings will be available later in the budget process
- Solid Waste Franchise Fee paused until study completion

CERTIFICATE OF USE



- A Certificate of Use assures that a proposed business is permitted within the zoning district that the business is located.
- Verifies that the structure was built for the proposed type of business, that there is adequate parking for the business occupancy and use, and that there are no egregious outstanding code violations.
- Confirms that the commercial operation within the structure is compliant with the City's regulations and verifies that the use is permitted at the proposed location.

CITYWIDE PARKING MANAGEMENT PROGRAM



- In January 2022 the Citywide Parking Management Program was approved by the City Commission. Since inception, the Program has successfully **generated gross revenues of approximately \$4.1 million through FY 2023-24.**
- Enhancements were adopted in May 2023 for fee and parking pass revisions and the introduction of non-destructive immobilization devices “boots”
- It is projected that the Citywide Parking Management Program will generate approximately \$9 million during FY 2025-26 through FY 2029-30

PROJECTED GENERAL FUND BALANCE RESERVES THROUGH FY2029/30



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
RESERVES							
Beginning Balance	\$ 31,084,139	\$ 34,578,090	\$ 26,990,567	\$ 30,490,567	\$ 31,790,480	\$ 39,941,537	\$ 48,528,524
Encumbrances & Other Items	\$ 203,629	\$ 4,300,000	0	0	0	0	0
Three Islands Promissory Note	0	\$ (3,500,000)	3,500,000	0	0	0	0
Chaves Lake	0	\$ (10,000,000)	0	0	0	0	0
Budget Surplus/Shortfall after Implementation of Strategies	\$ 3,290,322	\$ 1,612,477	-	\$ 1,299,913	\$ 8,151,057	\$ 8,586,987	\$ 9,666,185
Ending Reserves Balance	\$ 34,578,090	\$ 26,990,567	\$ 30,490,567	\$ 31,790,480	\$ 39,941,537	\$ 48,528,524	\$ 58,194,709
Fund Balance - Less than minimum reserves shown in red	30.4%	24.3%	25.7%	26.5%	34.5%	40.5%	47.1%

Reserves stay above the 16% minimum through FY2029/30

Staff will continue to maintain, enhance, and/or propose new strategies to generate additional revenue, and to control expenditures as much as possible,

FISCAL STABILITY – NOW AND IN THE FUTURE



5-Year
Budget Plan

Maintain
Healthy
Reserves

Prioritize
Spending

Debt
Management

Long-Term
Planning

Effect of
Property Tax
Reform

QUESTIONS

