



CITY OF HALLANDALE BEACH, FLORIDA

Fire Services Special Assessment

FY 2026–27 Methodology Update & Rate Recommendation

Budget Workshop · June 10, 2026

PURPOSE

Why we're here today

- **The cost of fire service is rising sharply and will keep climbing.**

State law limits what other revenues can cover fire — much of the burden falls to the General Fund.

Property-tax reform now in special session puts that General Fund support at risk.

Capturing the increase now keeps the assessment in step with cost — deferring widens the gap.

Today's roadmap

The Service → The Cost → The Funding → The Assessment → The Recommendation

OUR RECOMMENDATION

Adopt the FY2027 maximum

\$394.15

per residential dwelling unit

+13.3% from the current \$347.98

Sets the ceiling at the level the fire-call study supports; the City may levy at or below it.



1

The Service

What the fire assessment pays for



■ THE SERVICE

Round-the-clock fire protection for every property

Delivered through the Broward Sheriff's Office (BSO) since 2020, the City operates three fire stations staffed 24/7. Every front-line responder is a dual-certified firefighter-paramedic.

Apparatus: Engines 7 & 60 · Quint 7 · Rescues 7, 60 & 90

Mutual aid: part of BSO's 22-station county system, with interlocal aid in both directions.

3 stations

Stations 7, 60 & 90 — staffed 24/7

~16 / shift

Firefighter-paramedics on duty

\$12.0 billion

Property value protected

83% residential
of the value the Department protects



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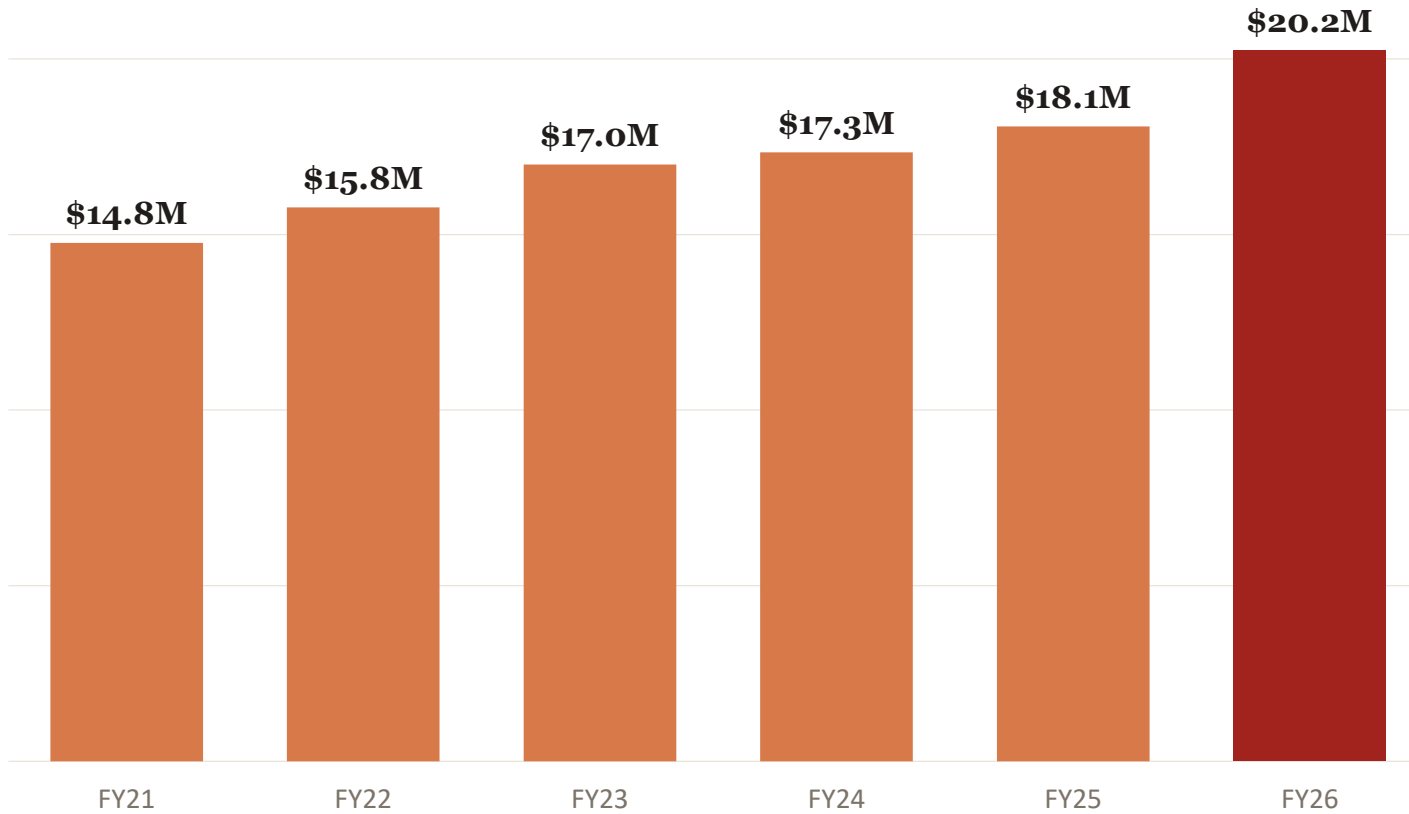
The Cost

Where we've been — and where we're going



THE COST

The cost of fire service has climbed every year



BSO fire-rescue contract — annual cost (\$ millions)

+37%

Contract growth, FY21 → FY26

FY26 alone rose **+12%** — driven by the BSO salary study (the escalation cap was waived).

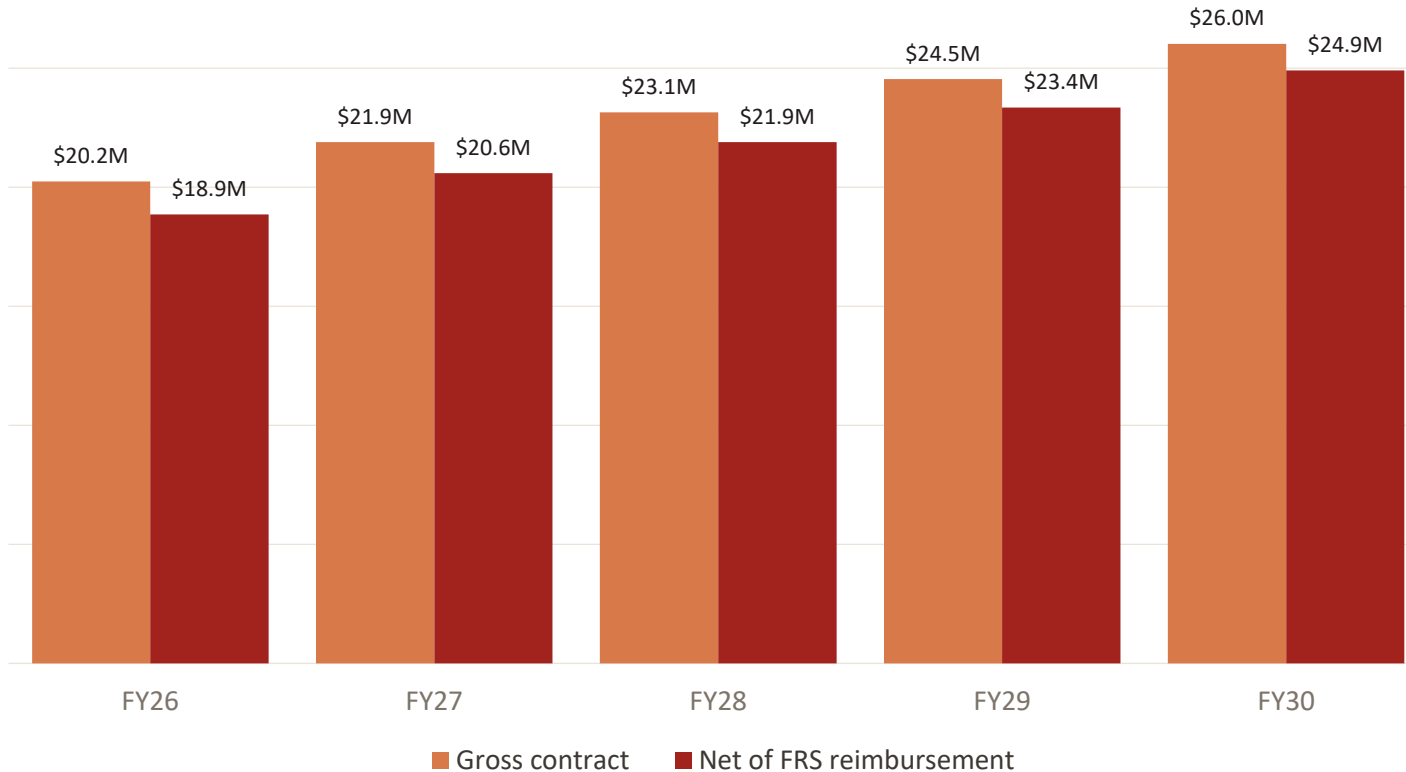
And the offset is shrinking.

The FRS pension reimbursement that reduces the City's net cost is declining ~5%/yr as legacy members retire.



■ THE COST

Projected to reach \$26 million by FY2030



What's driving it

- **Health insurance**
+31% in FY27 (~9%/yr)
- **OPEB**
+22.6% in FY27 (~8%/yr)
- **FRS Special Risk pension**
35.19% rate, compounding
- **Only non-benefit items**
capped at 5% — and waived in FY27

+\$5.8M more per year by FY2030 — even under the 5% cap.

BSO fire-rescue contract — 5-year projection (\$ millions). FY26–27 per BSO letters; FY28–30 at the 5% cap.



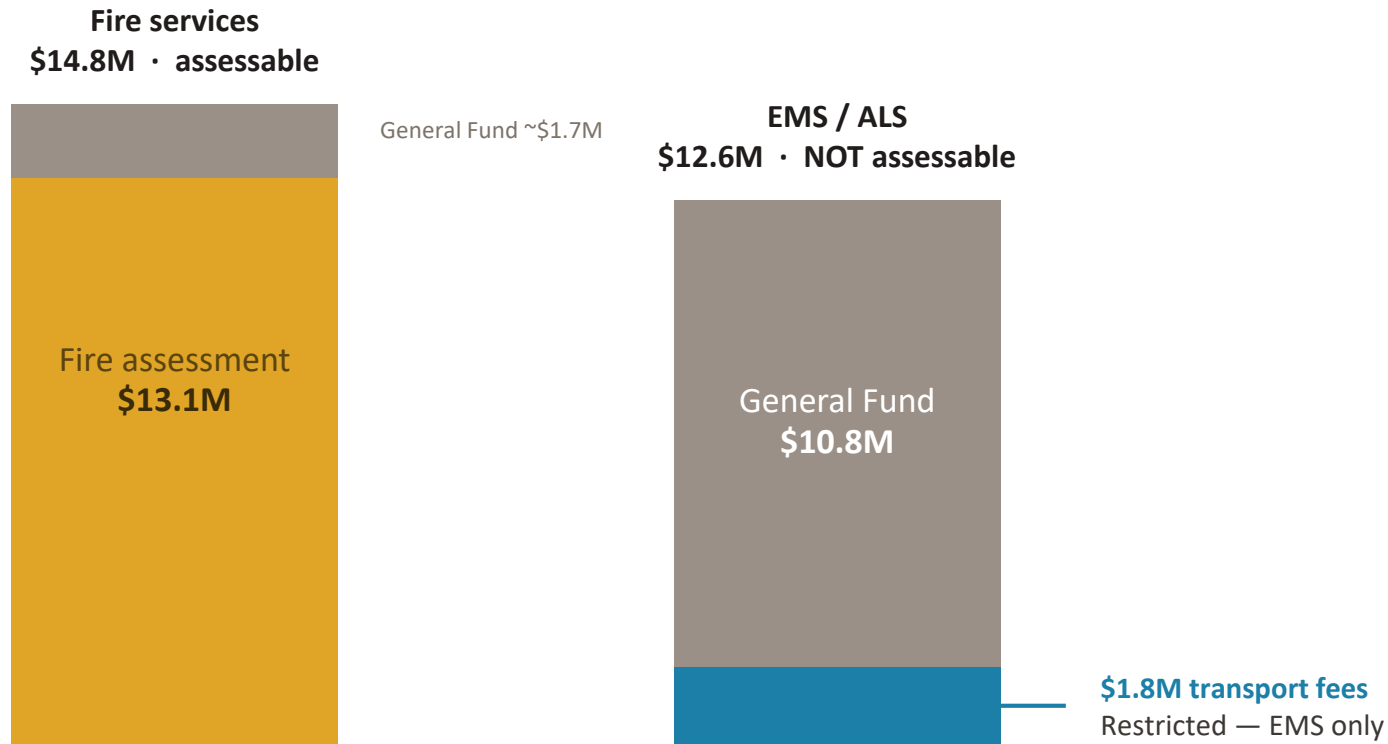
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The Funding Picture

What covers fire — and what the law won't let us use



What covers what — and what's restricted



How to read it

- Fire special assessment**
\$13.1M now · up to \$14.2M at max
- General Fund (property tax)**
~\$1.7M fire · ~\$10.8M EMS
- EMS / ALS transport fees**
~\$1.8M — restricted to EMS

Why it matters: the assessment is the only large revenue that can fund fire. Transport billing is walled off to EMS by law (*North Lauderdale v. SMM*).

+ ~\$0.5M fire-prevention fees (inspections, plan review, hazmat) — fee-for-service; offsets the General Fund, not the assessment.



The gap — and why timing matters

Even at the maximum, the assessment can't recover the share allocated to exempt parcels — government, religious and non-profit — roughly **\$1.1 million** that always falls to the General Fund. Meanwhile the assessment's 5% escalation lags the ~6%/yr BSO cost curve, so the gap widens each year it isn't closed.

The same General Fund is now exposed to property-tax reform.

A constitutional amendment to cut or eliminate non-school homestead property taxes is in special session, with a possible November 2026 ballot measure. Property tax is the City's largest General Fund source.

THE CASE FOR ACTING NOW

- 1 Costs are rising faster than the assessment escalates**
Deferring shifts more cost onto property tax.
- 2 A fire assessment is non-ad valorem**
Charged per unit and per square foot — not on value, so it is insulated from property-tax reform.
- 3 Capturing increases early keeps pace**
Small annual steps are easier than a large catch-up later.

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The Fire Assessment

How it works, what it costs, and the ask



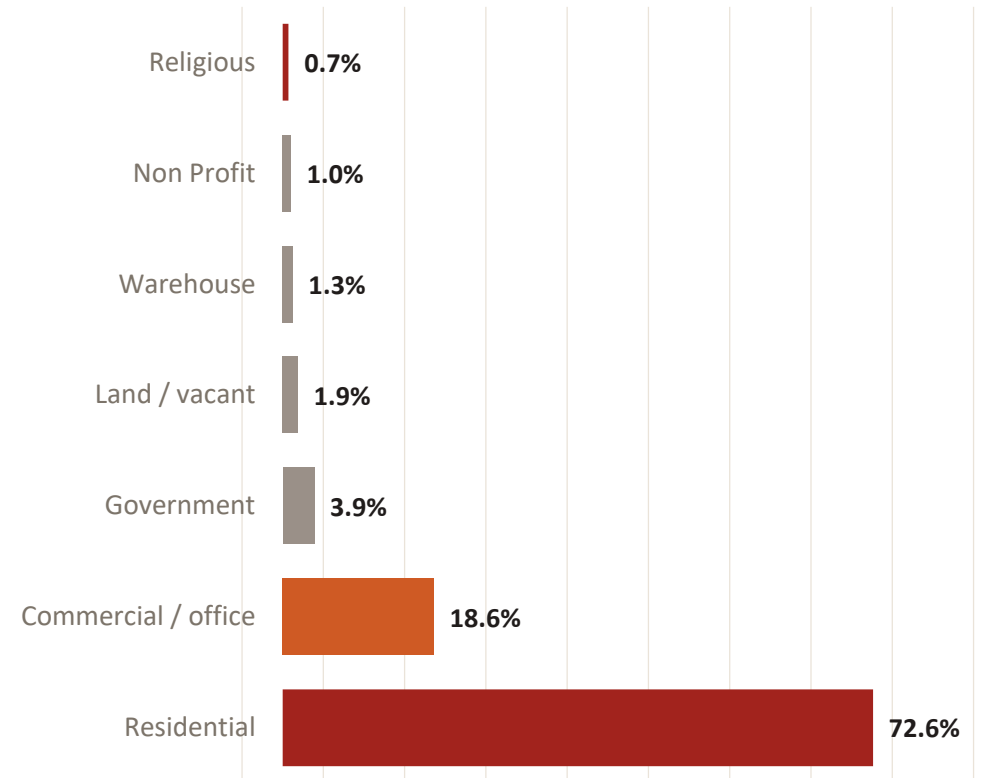
Built on fire-call demand by property type

Florida law requires two things: assessed property must receive a **special benefit**, and cost must be **fairly apportioned**. Seven years of fire-call data (2019–2025) distribute cost across property classes by their share of calls.

How each parcel is charged

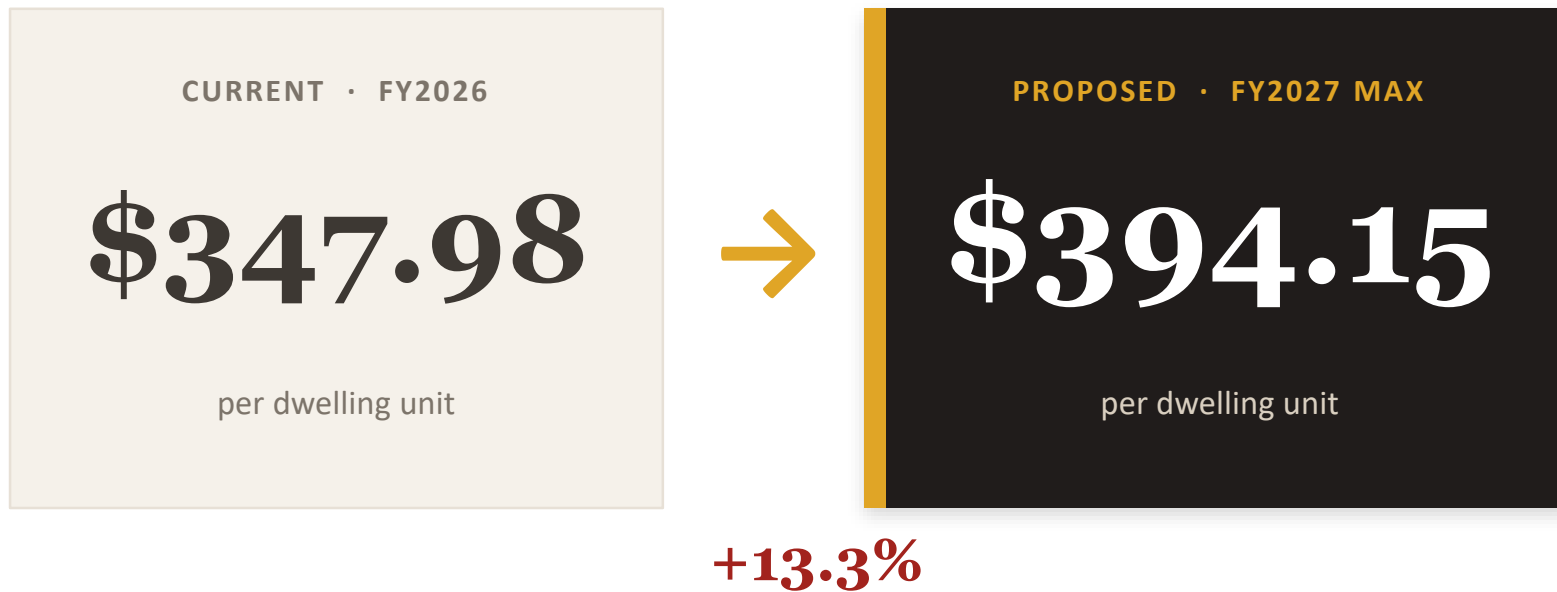
Residential — a flat rate per dwelling unit (demand follows the unit, not its value or size).

Commercial / industrial — a rate per 100 sq ft (larger buildings demand more firefighting resources).



Share of fire calls by property type (2019–2025)

The recommendation: residential rate



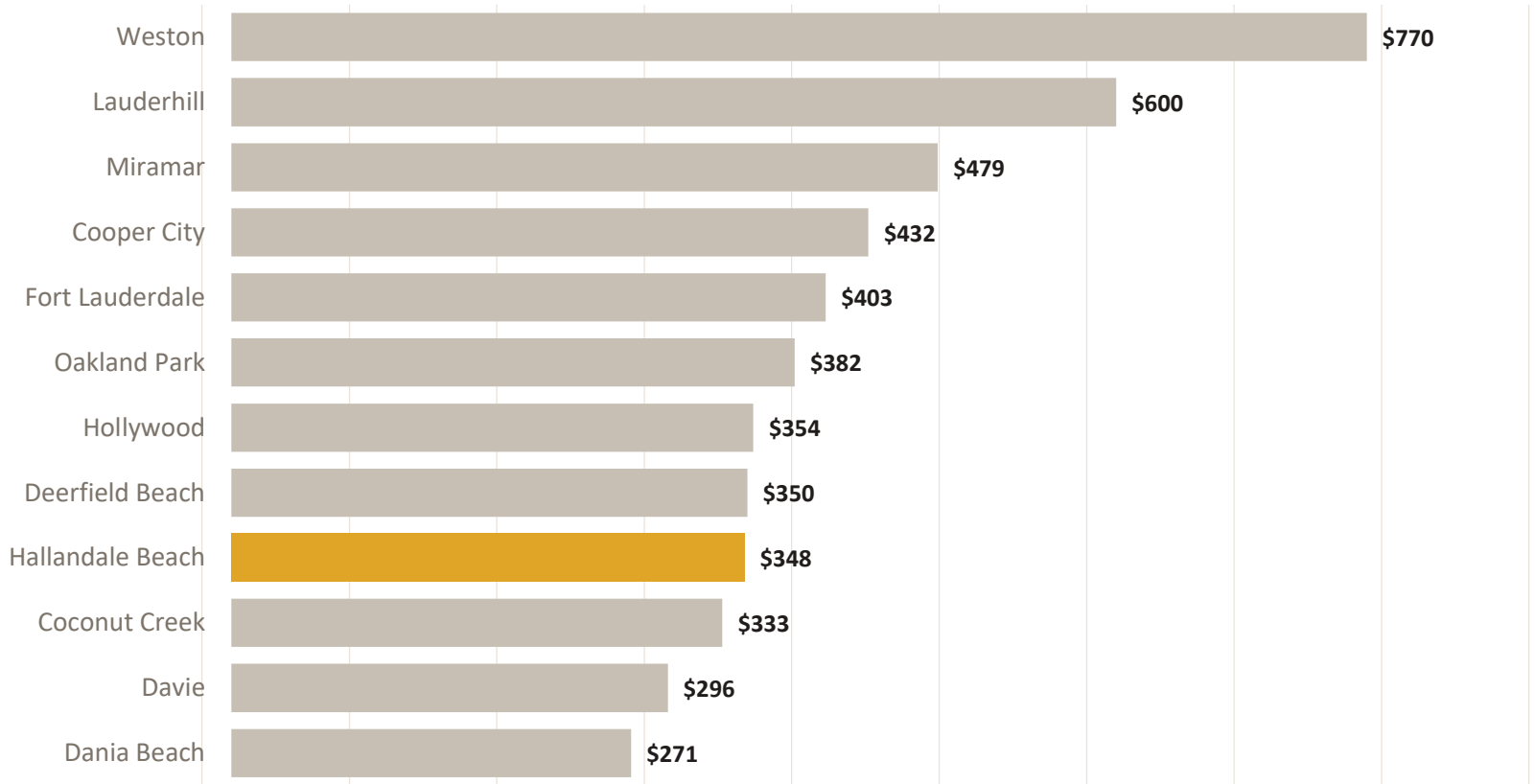
What the increase does

- Keeps fire funding aligned with the BSO cost curve
- Reduces reliance on the General Fund as property-tax reform looms
- Helps fund future replacement of City fire assets

Commercial, warehouse and other classes are set by the same study; residential carries ~73% of calls and most of the cost.

■ THE FIRE ASSESSMENT

Even at the maximum, near the county average



Today

\$347.98

15th of 26 — below average

Proposed

\$394.15

≈ the county average (\$392)

Adopted FY2026 residential fire-assessment rates, selected Broward cities (\$/dwelling unit)



What it would take in property tax

If fire service were funded through property tax instead of the assessment, it would take roughly:

≈ **1.5 mills**

of operating property tax — to raise the same revenue.

Illustrative — the exact equivalent varies with the certified FY2027 taxable value and is being finalized.

THE DIFFERENCE THAT MATTERS

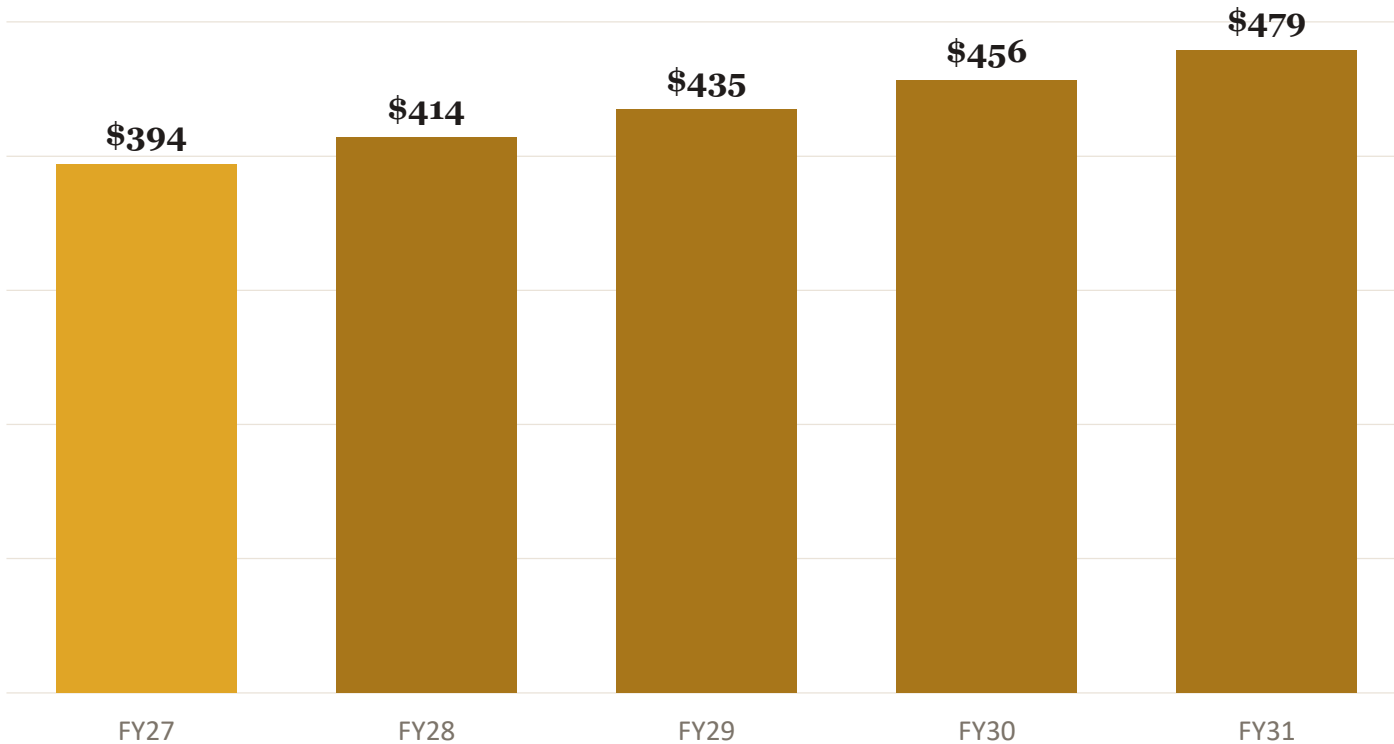
Property tax

Exposed to the reform now in special session.

The fire assessment

Non-ad valorem — charged per unit and per square foot, not on value. It is not affected by property-tax reform and provides stable, predictable funding.

The maximum keeps pace with cost through FY2031



Maximum residential rate by year (\$/dwelling unit) — the ceiling the study supports.

\$479.09

FY2031 maximum residential rate

Adopting the maximum each year keeps the assessment in step with the rising BSO contract.

One caution: the maximum escalates at 5%, but BSO is projected to grow ~6%/yr — so even the ceiling modestly trails the true cost.

■ RECOMMENDATION

Adopt the FY2027 maximum and plan for the trajectory

Set the FY2027 residential rate to the maximum

\$394.15

per dwelling unit (+13.3%)

NEXT STEPS

- 1 June 22nd** — Confirm the FY27 maximum rate for the assessment roll
- 2 August** — Mailed & published notice (F.S. 197.3632)
- 3 September 14th Public hearing** — Receive comment; adopt the final assessment resolution
- 4 Adopt with FY27 budget** — Certify the roll for collection on the November tax bill





Hallandale Beach

Questions & Discussion

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