City Manager Recommended Budget and Financial Plan

FY 2026-27

August 19, 2026

AGENDA

- Timeline & Current Situation
- Proposed Changes to the Recommended Budget
- Proposed Millage
- 5-Year Financial Plan through FY 2030-31

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 | Setting of the Tentative Millage and Budget
- August 5, 2026 | Commission Budget Workshop
- August 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

FY 2026-27 BUDGET IN BALANCE

FY 2026-27 Budget is Balanced

The FY 2026-27 Tentative Budget is balanced, with revenues and expenditures totaling $134,269,187 in the General Fund.

Key Points:

- No projected General Fund shortfall for FY 2026-27
- Budget reflects proposed changes from the City Manager's Recommended Budget
- Reduces the proposed millage to the roll back rate
- Preserves focus on long-term financial planning and future property tax reform impacts

PROPOSED CHANGES TO THE RECOMMENDED BUDGET

PROPOSED CHANGES TO THE RECOMMENDED BUDGET

GENERAL FUND

	2026-27	2026-27	$	%	
FUND & EXPENSE CATEGORY	CMREC	TENTATIVE	CHANGE	CHANGE	NOTE(S)
001 | GENERAL FUND	135,262,713	134,269,187	-993,526	-0.73%	- Millage Rate decreased from 7.3848 to 7.3189 ($443,526) - Moved items related to the Developer Agreement Fund
SALARIES & BENEFITS	60,207,235	60,044,398	-162,837	-0.27%	
OPERATING EXPENDITURES	54,167,540	54,171,193	3,653	0.01%	
CAPITAL OUTLAY	389,566	404,566	15,000	3.85%	
GRANTS & AIDS	292,863	292,863	0	0.00%	
TRANSFER OUT	20,205,509	19,356,167	-849,342	-4.20%	- Decreased contribution to the Renewal & Replacement Fund

PROPOSED CHANGES TO THE RECOMMENDED BUDGET – GENERAL FUND

		CMREC 2026-27	PROPOSED BUDGET 2026-27	% OF TOTAL PROPOSED BUDGET	$ CHANGE	% CHANGE
(1)	SALARIES & BENEFITS	44,524,038	44,361,201	33.04%	-162,837	-0.37%
(1)	POLICE & FIRE PENSION	11,044,621	11,044,621	8.23%	-	0.00%
(1)	HEALTH INSURANCE	4,638,576	4,638,576	3.45%	-	0.00%
	BROWARD SHERIFF'S OFFICE CONTRACT	21,895,294	22,267,573	16.58%	372,279	1.70%
	TAX INCREMENT FINANCING	18,176,172	18,019,888	13.42%	-156,284	-0.86%
	TRANSFER TO TRANSPORTATION FUND	1,785,361	1,936,019	1.44%	150,658	8.44%
	REPLACEMENT VEHICLES	1,527,990	1,527,990	1.14%	-	0.00%
	TRANSFER TO RENEWAL & REPLACEMENT FUND	2,861,365	1,861,365	1.39%	-1,000,000	-34.95%
	TRANSFER TO CAPITAL PROJECT FUND	11,073,514	11,073,514	8.25%	-	0.00%
	TRANSFER TO GENERAL LIABILITY FUND	3,149,092	3,149,092	2.35%	-	0.00%
	OTHER EXPENDITURES	14,586,690	14,389,348	10.72%	-197,342	-1.35%
	TOTAL	**135,262,713**	**134,269,187**	**100.00%**	**-993,526**	**-0.85%**

(1) Salaries & Benefits excludes health insurance and police and fire pensions – These line items are separated

Hallandale Beach

PROPOSED CHANGES TO THE RECOMMENDED BUDGET

SPECIAL REVENUE FUNDS

	2026-27	2026-27	$	%	
FUND & EXPENSE CATEGORY	CMREC	TENTATIVE	CHANGE	CHANGE	NOTE(S)
102 | RENEWAL & REPLACEMENT FUND	4,343,230	3,743,225	-600,005	-13.81%	- Adjustment to Renewal & Replacement Schedule
103 | POLICE TRAINING FUND	59,150	59,150	0	0.00%	
104 | POLICE/FIRE OUTSIDE SERVICE FUND	2,164,093	2,164,093	0	0.00%	
110 | POLICE EQUITABLE SHARING FUND	306,000	306,000	0	0.00%	
120 | THREE ISLANDS DISTRICT	408,546	408,813	267	0.07%	- Taxable Value increased by $612,841
121 | GOLDEN ISLES DISTRICT	695,155	700,777	5,622	0.81%	- Taxable Value increased by $5,411,929
140 | TREE TRUST FUND	527	527	0	0.00%	
142 | CEMETERY FUND	819,956	894,956	75,000	9.15%	- Records & Asset Management
150 | GRANT FUND	672,517	672,517	0	0.00%	
160 | TRANSPORTATION FUND	7,079,192	7,229,850	150,658	2.13%	- Removed FEC Lease Payment - Increased Roadway Improvements
165 | LAW ENFORCEMENT TRUST FUND	89,250	89,250	0	0.00%	
170 | PERMIT & INSPECTION FUND	5,130,205	5,180,205	50,000	0.97%	- Marketing for Pilot Program

FY 2026-27 PERSONNEL UPDATES

To support the City's expanding infrastructure needs and ensure timely project execution, the FY 2026-27 budget incorporates strategic enhancements to our public works capacity. Funded by Utility funds.

Addition of 2 Utility Engineer/Design Professional Positions
Add two senior-level positions to provide in-house design and project management expertise for major utility capital improvements. These positions will reduce reliance on outside consultants, strengthen project oversight, and have the potential to save the City millions in design and professional service costs.

Enhanced Project Delivery
These additions will directly accelerate timelines for critical infrastructure updates, reducing dependency on external consultants.

Supporting Strategic Growth
Ensures the City has the internal technical expertise required to manage future major developments safely and efficiently.

PROPOSED CHANGES TO THE RECOMMENDED BUDGET

ENTERPRISE FUNDS

	2026-27	2026-27	$	%	
FUND & EXPENSE CATEGORY	CMREC	TENTATIVE	CHANGE	CHANGE	NOTE(S)
410 | SANITATION FUND	8,233,790	8,233,790	0	0.00%	
440 | STORMWATER FUND	7,734,654	7,734,654	0	0.00%	
490 | UTILITY FUND	48,142,000	48,142,000	0	0.00%	

PROPOSED CHANGES TO THE RECOMMENDED BUDGET

OTHER GOVERNMENTAL FUNDS

	2026-27	2026-27	$	%	
FUND & EXPENSE CATEGORY	CMREC	TENTATIVE	CHANGE	CHANGE	NOTE(S)
202 | DEBT SERVICE GENERAL OBLIGATION FUND	3,084,788	3,085,488	700	0.02%	
248 | DEBT SERVICE CAPITAL PROJECT FUND	2,290,788	2,290,788	0	0.00%	
302 | GO BOND FUND	50,894	50,894	0	0.00%	
347 | DEVELOPER AGREEMENT FUND	572,176	485,201	-86,975	-15.20%	
348 | CAPITAL PROJECT FUND	11,844,976	11,844,976	0	0.00%	
350 | SURTAX FUND	1,065	1,065	0	0.00%	
380 | THREE ISLANDS SPECIAL ASSESSMENT FUND	3,073	3,073	0	0.00%	
530 | FLEET SERVICE FUND	4,153,167	4,153,167	0	0.00%	
570 | GENERAL LIABILITY FUND	6,797,571	6,797,571	0	0.00%	
575 | WORKERS' COMPENSATION FUND	2,709,055	2,709,055	0	0.00%	

PROPOSED CHANGES TO THE RECOMMENDED BUDGET - SUMMARY

FUND GROUP	CMREC	PROPOSED	CHANGE	% OF TOTAL
GENERAL FUND	135,262,713	134,269,187	-993,526	53.44%
SPECIAL REVENUE FUNDS	21,767,821	21,449,363	-318,458	8.54%
ENTERPRISE FUNDS	64,110,444	64,110,444	-	25.52%
OTHER FUNDS	31,507,553	31,421,278	-86,275	12.51%
TOTAL	**252,648,531**	**251,250,272**	**-1,398,259**	**100.00%**

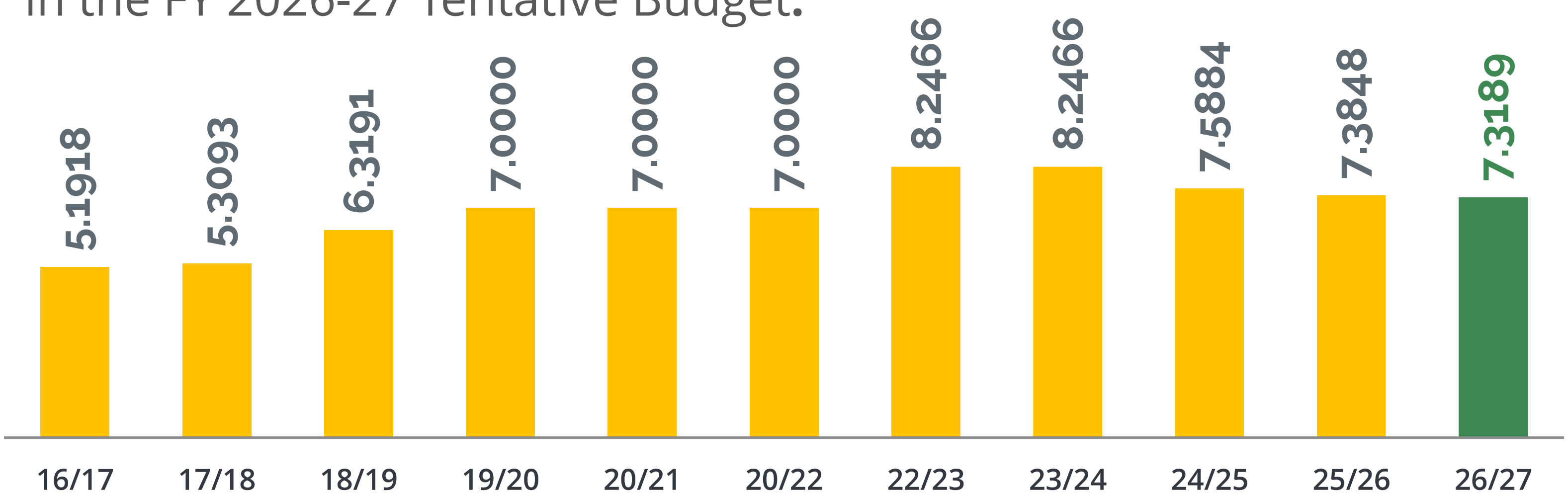
PROPOSED MILLAGE

MILLAGE

Millage Trend and Proposed Millage for FY 2026-27

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 **decrease** of 0.0660 mills and a **decrease** of 0.0053 mills for debt service in the FY 2026-27 Tentative Budget.



RECOMMENDED 5-YEAR FINANCIAL PLAN

RECOMMENDED 5-YEAR PLAN – GENERAL FUND ASSUMPTIONS

- Property Tax Reform Assumptions
    - $150,000 homestead exemption FY 2027-28
    - $250,000 homestead exemption FY 2028-29 and future
    - Reduction in commercial property cap from 10% to 5%

- A 2% increase is budgeted for Ad Valorem revenue for FY 2027-28 and subsequent years also includes Future Major Developments, FY 2026-27 has a 2.53% increase based on BCPA

- Increase in Fire Assessment rate starting FY 2026-27 estimated revenue increase approx. $800k

- New school zone enforcement program expected to generate $400k in revenue starting in FY 2026-27

- All other revenue assumptions for FY 2026-27 and subsequent years are based on recent trends

RECOMMENDED 5-YEAR PLAN – GENERAL FUND ASSUMPTIONS

- 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 2026-27 and subsequent years which is comprised of the following:
  - 3% COLA
  - 2.5% Merit for subsequent years

- An 8% increase is budgeted for Police Bargaining employees for FY 2026-27 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 2026-27 through FY 2030-31
- A 10.2% increase is budgeted for Health Insurance for FY 2026-27 and subsequent years.
- Increases are budgeted per the consideration proposal with the Broward Sheriff's Office for FY 2026-27 and 5% subsequent years.

RECOMMENDED 5-YEAR PLAN GENERAL FUND FY 2025-FY 2031

GENERAL FUND FINANCIAL 5-YEAR PLAN PROPERTY TAX REFORM

MILLAGE RATE	7.5884	7.3848	7.3189	7.3189	7.3189	7.3189	7.3189
	FY25	FY26	FY27	FY28	FY29	FY30	FY31
	ACTUAL	ADOPTED	PROPOSED	PROJECTION	PROJECTION	PROJECTION	PROJECTION
Major Revenues							
*Property Taxes (Before Discounts)	$ 63,795,186	$ 68,629,653	$ 68,957,081	$ 66,214,554	$ 66,490,031	$ 69,952,906	$ 72,390,862
Fire Assessments (Before Discounts)	$ 12,195,807	$ 12,815,588	$ 13,669,657	$ 13,669,657	$ 13,669,657	$ 13,669,657	$ 13,669,657
Charges for Services	$ 11,689,699	$ 11,688,666	$ 11,298,558	$ 9,247,370	$ 9,247,370	$ 9,247,370	$ 9,247,370
Intergovernmental	$ 6,759,205	$ 6,834,625	$ 6,728,121	$ 6,728,121	$ 6,728,121	$ 6,728,121	$ 6,728,121
Utility & Franchise Taxes	$ 12,256,926	$ 12,078,658	$ 12,789,293	$ 12,789,293	$ 12,789,293	$ 12,789,293	$ 12,789,293
Appropriation from Fund Balance - Chaves Lake	$ -	$ -	$ 4,500,000	$ -	$ 5,500,000	$ -	$ -
Contribution from HBCRA - Chaves Lake (one-time)	$ -	$ -	$ 6,000,000	$ -	$ -	$ -	$ -
Other Revenues	$ 20,963,139	$ 5,411,909	$ 10,326,477	$ 6,102,239	$ 6,188,465	$ 6,115,321	$ 6,093,423
Revenue (Income)	**$ 127,659,963**	**$ 117,459,099**	**$ 134,269,187**	**$ 114,751,234**	**$ 120,612,937**	**$ 118,502,668**	**$ 120,918,726**
Major Expenditures							
Salaries & Benefits	$ 36,111,116	$ 39,650,264	$ 43,061,818	$ 45,552,007	$ 48,202,606	$ 51,024,374	$ 54,028,815
Police & Fire Pension	$ 10,637,483	$ 10,825,081	$ 11,044,621	$ 11,596,855	$ 12,176,699	$ 12,785,536	$ 13,424,815
Health Insurance	$ 3,971,843	$ 4,139,804	$ 4,638,576	$ 5,111,726	$ 5,633,138	$ 6,207,734	$ 6,840,939
Broward Sheriff's Office Contract	$ 18,083,556	$ 20,239,343	$ 22,267,573	$ 23,139,306	$ 24,536,661	$ 26,024,327	$ 27,325,543
Tax Increment Financing - HBCRA Payment	$ 14,571,822	$ 17,270,429	$ 18,019,888	$ -	$ -	$ -	$ -
Transfer to Renewal & Replacement Fund	$ 1,000,000	$ 1,284,124	$ 1,861,365	$ 2,688,162	$ 2,688,162	$ 2,688,162	$ 2,688,162
Transfer to Transportation Fund	$ 5,459,554	$ 2,645,359	$ 1,936,019	$ 5,478,634	$ 5,478,634	$ 5,478,634	$ 5,478,634
Transfer to Capital Project Fund	$ 3,326,228	$ 1,137,240	$ 11,073,514	$ 1,343,500	$ 6,843,500	$ 320,000	$ 320,000
Transfer to General Liability Fund	$ 2,358,197	$ 2,703,798	$ 3,149,092	$ 3,149,092	$ 3,149,092	$ 3,149,092	$ 3,149,092
Other Expenditures	$ 23,779,389	$ 17,563,657	$ 17,216,721	$ 16,423,542	$ 16,508,664	$ 16,591,515	$ 16,616,121
Expenses	**$ 119,299,188**	**$ 117,459,099**	**$ 134,269,187**	**$ 114,482,824**	**$ 125,217,156**	**$ 124,269,374**	**$ 129,872,121**
Budget Surplus/Shortfall	**$ 8,360,774**	**$ -**	**$ -**	**$ 268,410**	**$ (4,604,219)**	**$ (5,766,706)**	**$ (8,953,395)**
RESERVES							
Beginning Unassigned Fund Balance	$ 35,712,313	$ 41,804,641	$ 45,304,641	$ 45,304,641	$ 45,573,051	$ 40,968,832	$ 35,202,126
Encumbrances & Other Items	$ (2,268,446)	$ -	$ -	$ -	$ -	$ -	$ -
Three Islands Promissory Note	$ -	$ 3,500,000	$ -	$ -	$ -	$ -	$ -
Budget Surplus/Shortfall after Implementation of Strategies	$ 8,360,774	$ -	$ -	$ 268,410	$ (4,604,219)	$ (5,766,706)	$ (8,953,395)
Ending Unassigned Fund Balance	**$ 41,804,641**	**$ 45,304,641**	**$ 45,304,641**	**$ 45,573,051**	**$ 40,968,832**	**$ 35,202,126**	**$ 26,248,731**
Fund Balance - Less than minimum reserves shown in red	35.0%	38.6%	33.7%	39.8%	32.7%	28.3%	20.2%
***FUTURE FINANCIAL FACTORS**							
Property Taxes - $150,000 Homestead Exemption Impact	$ -	$ -	$ -	$ (4,748,092)	$ -	$ -	$ -
Property Taxes - $250,000 Homestead Exemption Impact	$ -	$ -	$ -	$ -	$ (7,382,106)	$ (7,382,106)	$ (7,382,106)
Property Taxes - 5% Limit on Non-Homestead Properties	$ -	$ -	$ -	$ (1,427,879)	$ (1,427,879)	$ (1,427,879)	$ (1,427,879)
New Development - Property Tax Revenue	$ -	$ -	$ -	$ 1,228,334	$ 2,283,176	$ 1,898,519	$ 862,897
Total Future Financial Factors	**$ -**	**$ -**	**$ -**	**$ (4,947,637)**	**$ (6,526,809)**	**$ (6,911,466)**	**$ (7,947,088)**

Fire Assessment Revenue includes an increase to the residential rate
Salaries and Benefits excludes Police & Fire Pension and Health Insurance
*These items are already included in the Property Tax Revenue (Before Discounts) Line

Hallandale Beach

NEXT STEPS

PENDING ACTIONS

SEP

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First Public Hearing

Set Tentative Millage and Budget

SEP

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Final Public Hearing

Adoption of the FY 2026-27 Budget

QUESTIONS