**MINUTES**

**TOWN OF HILLSBORO BEACH**
**FISCAL YEAR 2026-2027 BUDGET WORKSHOP**

**TUESDAY** | **JULY 29, 2026** | **10:00 A.M.**

## I. CALL TO ORDER

The workshop was called to order at 10:00 A.M.

## II. ROLL CALL

Roll was called with the Commission members and staff present as listed below.

**Town Commission**:
Mayor Dawn Miller (via Zoom)
Commissioner Vinnie Andreano
Commissioner Jane Reiser
Vice Mayor David A. Ravanesi
Commissioner Heather Berman

As Mayor Miller was present via communications technology, Vice Mayor Ravanesi presided over the workshop.

The Pledge of Allegiance was recited.

**Town Staff**:
Town Manager William "Mac" Serda, ICMA-CM
Sherry D. Henderson, Town Clerk, CMC
Rob O'Neill, Police Chief

## III. FISCAL YEAR 2026-2027 BUDGET

### A. Proposed FY27 Budget Presentation
Stephen Bloom, Finance Director, Inframark

Finance Director Stephen Bloom presented Hillsboro Beach's proposed fiscal year (FY) 2026-2027 budget, reviewing the Commission's calendar for the remainder of the budget process. The first public budget hearing is scheduled for Thursday, September 3, 2026 at 5:01 p.m., followed by the second and final hearing on Wednesday, September 16, 2026 at 5:01 p.m.

Mr. Bloom emphasized that the preliminary millage rate established at today's meeting may be lowered during later budget hearings, but may not be increased. The preliminary rate will be included in the Truth in Millage (TRIM) notice sent to all property owners.

Assumptions used to develop the FY 2027 budget include:

- $200,000 contingency in the Town's General Fund
- $10,000 contingency in the Water Fund
- Overall General Fund budget decrease of just under $1.18 million, primarily due to the year-over-year difference in beach projects
- $45,000 budget increase in the Water Fund based on a 4% consumer price index (CPI)
- Use of roughly $389,000 from the General Fund and $235,000 from the Water Fund to fund projects
- The Water Fund will need a loan of approximately $1.6 million for the storage reservoir project
- The Town expects to pay off the 2025 beach bridge loan by the end of 2026, using cash reserves
- No new Staff positions are included in the budget

Mr. Bloom advised that the proposed millage rate is 3.50, which is the same rate as in FY 2026 and other recent years. This rate represents a 5.21% increase over the rolled back rate of 3.3266. The rolled back rate is the millage rate that would be required to bring in the same property tax revenue in FY 2027 as in FY 2026.

Most of the increases in the General Fund and Water Fund are driven by payroll and benefits. Step increases are estimated at a total of $78,000, while cost-of-living adjustments (COLA) are approximately $127,000. These estimates are inclusive of wages, benefits, and Florida Retirement System (FRS) contributions. Annual increases for insurance premiums are estimated, as rates are not currently available. The estimate for health and life insurance as well as workers' compensation is an 18% increase.

Increases are also expected in outsourced contracts, including:

- Fire Rescue: $163,000 increase, or 15%
- Solid waste: 4% increase (amount not yet specified)
- Finance/Inframark: 3% increase

Estimated premium increases are approximately 22% or $43,000 for general liability, auto, and property insurance.

Major capital projects budgeted in FY 2027 include:

- Underground utility project: $2.25 million
- Completion of Florida Department of Environmental Protection (FDEP) vulnerability study: $325,000
- Replacement of two Town vehicles, including one Police Department vehicle
- Replacement of two boat engines
- Work on the Police Department roof
- Beach management expenses: $200,000

Water Fund capital projects include items carried over from FY 2026, including:

- Storage reservoir
- Fencing
- Maintenance
- New truck: $100,000
- Building maintenance: $40,000

Mr. Bloom referred to a breakdown of total property tax revenues in FY 2027 as compared to FY 2026, which reflects a 6.81% year-over-year increase. Of the 6.81%, 5.21% or roughly $104 million is the result of enhanced market value; the remaining 1.60% or $32 million comes from new additions. Changes that have occurred since January 1, 2026 will be reflected in the FY 2027 budget; any changes on or after January 1, 2027 will apply to the FY 2028 budget cycle.

Mr. Bloom advised that the value of new construction is needed to cover consumer price index (CPI) increases and the cost of contracts. This is one reason the preliminary millage rate is proposed at 3.50 and not lowered further despite the addition of new revenue. The Town's revenue is barely sufficient to cover the costs of payroll, contractual, and other expenses without new initiatives.

Vice Mayor Ravanesi observed that roughly 85% of the revenue needed by the Town is generated through property taxes, with the remaining 15% coming from revenue sharing. Mr. Bloom added that the Town's investment portfolio brings in approximately $250,000. Additional sources of revenue include franchise fees and local option or state taxes, although these percentages are very small.

Mr. Bloom further clarified that the Town's Fire Rescue contract is calculated with the estimation that this contract will increase by 15% year over year. He reiterated that this is another issue over which the Town has very little control aside from negotiations.

Commissioner Berman asked if the budget increases annually by an average rate. Mr. Bloom replied that the average increase is between 3% and 5%. Insurance increases are often in double digits at 10% to 14%. Remaining costs are often 2% to 3%, based on CPI.

Mr. Serda also emphasized the role of the CPI in driving the Town's budget, as it affects Police union contracts as well as several external factors.

Mr. Bloom stated that the revenue in next year's General Fund is expected to increase by 5%, while expenditure will increase by 7%. It was clarified that these increases include estimated contractual and insurance costs which may come in lower than anticipated.

Mayor Miller addressed the Fire Rescue contract, asking if any numbers are currently available from Deerfield Beach. Mr. Serda estimated that the increase is tentatively estimated at 6%. If the contract is finalized at this rate, the Town would see a savings of $96,000 in the FY 2027 budget.

It was also asked why workers' compensation is expected to increase significantly in FY 2027. Mr. Bloom replied that there was no increase to this line item in FY 2026; the FY 2027 budget prepares for a potential increase due to open claims from the last two fiscal years.

Mr. Bloom reviewed the items discussed thus far on a year-over-year basis, noting that net property taxes are anticipated at approximately $435,000. Interest income was calculated conservatively. Miscellaneous revenue is typically a function of reimbursements the Town receives.

Payroll costs are greater than the increases in outsourced contracts. Aside from payroll, most Department budgets remain essentially the same on a year-over-year basis. The Town's regular $250,000 contribution to its contingency fund was lowered to $200,000 in the FY 2027 budget in recognition of the tightness of the budget. If costs come in favorably for contracts and other needs, the contribution can be adjusted back to the full $250,000.

Special Revenue funds include:

- Community bus: this service is funded by both gas tax and grant funds, and includes additional funds that can be used toward parking lot and other projects related to roads and transportation
- Marine Patrol: this service is also funded with a grant and reimbursed at 100%, with a 2% increase year-over-year
- Building permits: in FY 2026, roughly $900,000 in these fees were anticipated, with FY 2027 fees estimated at just over $1 million
- Permitting fund remains healthy with nearly $900,000
- Planning and zoning/Code Compliance: this fund requires transfer in, as it documents land development updates, the flood insurance program, Comprehensive Plan updates, and general administrative duties; some of this funding comes from Code violations, while the rest comes from the General Fund

- Special revenue funds are required to be used for their specific purposes

Mr. Bloom moved on to the capital program for FY 2027, noting that beach expenses are between cycles and primarily include planning for the FY 2028 beach project in addition to standard monitoring and compliance. Of the $200,000 budgeted, the Town may expect to receive a reimbursement of $87,000.

Additional projects include the underground utility project, which will be funded by a contribution the Town has already received. The FDEP vulnerability assessment also includes matching grant funds. The remaining items, including Police vehicles, boat engines, roofs, and HVAC replacements, will be funded through the General Fund.

Mr. Bloom addressed the Water Fund, noting the 4% increase according to CPI. He explained that the Water Fund includes two revolving state loans, one for the water plant and one for the water main improvement project. The latter is funded through monthly surcharges which are reflected on residents' water bills, while the only revenue source for water plant debt service is normal water billing. The Town is required to maintain a certain amount of water revenue for compliance with this loan, which affects rates. No increases are planned for the surcharge over the remaining life of the loan.

Mr. Bloom addressed potential property tax reform, which will appear for referendum on the November 2026 ballot. If this Florida Constitutional amendment passes, the first year will see a homestead exemption increase of $150,000, which will increase to $250,000 in the second year. The bill also stipulates that a way of fully eliminating property taxes on homesteaded properties must also be examined. The existing increase that can be applied to non-homesteaded properties, which are currently capped at 10%, will be reduced to 5%.

Based on the Town's current tax rolls, there are 761 homesteaded parcels in Hillsboro Beach. 84% of revenue from property taxes goes toward public safety, including Fire, EMS, and Police expenses. The Town's lost revenue in the first year, should the amendment pass on referendum, is estimated at $355,000, which would increase to roughly $600,000 in the second year.

Mr. Serda noted that the Commissioners' backup materials include additional information on the total number of properties in the Town, including non-homesteaded properties.

Commissioner Berman requested additional information on the Town's investment earnings. Mr. Bloom replied that this is approximately $270,000 to $280,000. Mr. Serda clarified that the $600,000 shortfall predicted in year two should the referendum pass, takes this investment income into account.

**B. Town Commission Budget Discussion**

Mr. Bloom presented items that represent further budget options, beginning with special assessments and service fees for solid waste charges. This would mean removing those charges from the General Fund and instead establishing an assessment or a separate bill. This would remove roughly $470,000 from what is currently funded through property taxes. Additional options include beach and Fire assessments, which do not fall under guidelines for property taxes. Removing these expenses from the General Fund would allow the Town to use its remaining property tax revenue toward other Town Departments.

Mr. Bloom continued that another option is a higher non-homestead millage rate to bridge the funding gap that could be caused by property tax reform. He pointed out that the Town already maintains a very efficient budget, with little room for cuts. The bill proposing property tax reform also stipulates that public safety services must remain at the same level.

Mr. Bloom advised that two potential five-year scenarios were prepared for the Town. The first scenario does not include the Rosewood project, but maintains the Town's current taxable values, if these continue to grow at the same rate as in recent years. The scenario reflects removal of solid waste expenses from the General Fund and conversion of this expense to a direct bill or assessment. It does not include any beach assessments or other new initiatives or projects.

It was also noted that in addition to the property tax reform referendum, additional transparency measures will be required beginning in FY 2027, including a requirement for a special Commission meeting to discuss how the budget might be trimmed by 10%.

Mr. Bloom addressed the second scenario, in which the Rosewood project comes online in FY 2029. Mr. Serda noted that current plans for this project include securing a Certificate of Occupancy (CO) in calendar year 2027, which meant it would come online in FY 2028. The importance of this project to the Town's finances was strongly emphasized.

Mr. Bloom continued that this scenario also includes the steps addressed in the first scenario, including solid waste conversion. The result would be a smaller gap to be bridged in FY 2028; beginning in FY 2029, the Town's outlook would be significantly improved. The scenario estimates the cost per unit for the Rosewood project's 98 units, as well as a 30% reduction for potential homesteading of units. This project will return approximately $1.1 million in taxes to the Town beginning in FY 2029.

Mayor Miller asked what the figures for the proposed solid waste direct billing assessment would mean for residents in practical terms. Mr. Serda explained that the price per container would need to be calculated rather than a price per resident. Costs would vary by parcel. Mayor Miller requested that this information be estimated and brought back in the future to show residents what could happen if property tax reform is passed and a shortfall ensues.

Commissioner Berman asked if Mr. Serda has discussed potential property tax reform with other Town Managers in the area. Mr. Serda confirmed this, noting that no Broward municipalities are deferring COLAs at this time. This was why he had included COLAs in the budget, although he had previously had concerns regarding this expense.

Mr. Serda continued that while municipalities are preparing for the potential results of property tax reform in its first two years, no good solution has been identified for the possibility of zero ad valorem taxes for homesteaded properties in the future.

## IV. DISCUSSION

A. **Discussion of the Town's Preliminary Millage Rate for the Town's General Operating Budget for Fiscal Year 2027 beginning October 1, 2026 and Ending September 30, 2027**

Mr. Serda stated that Commission consensus is required to establish the Town's preliminary millage rate at today's meeting. The proposed rate is 3.50. The Town is required to transmit this information to the Broward County Property Appraiser's Office.

Commissioner Reiser commented that today's meeting highlights the importance of ensuring the public is informed about proposed property tax reform and the results it would have on the Town. Commissioner Berman recommended taking more opportunities to engage with residents on this and other topics.

There was Commission consensus to maintain the current millage rate of 3.50.

B. **Discussion of the Time and Date of the Public Hearing to Adopt the FY27 Tentative Millage Rate**

The next budget hearing is scheduled for September 3, 2026 at 5:01 p.m.

## V. PUBLIC COMMENTS

At this time Vice Mayor Ravanesi opened the public hearing.

Irene Kirdahy, former Mayor of Hillsboro Beach, recognized the work of Mr. Bloom and Mr. Serda in preparing for today's budget workshop.

With no other individuals wishing to speak at this time, Vice Mayor Ravanesi closed the public hearing.

## VI. ADJOURNMENT

**Motion** made by Commissioner Andreano, seconded by Commissioner Reiser, to adjourn. In a voice vote, the **motion** passed unanimously (5-0).

The meeting was adjourned at 11:17 a.m.

ADOPTED THIS 18 DAY OF September, 2026.

By: ______________________________
Dawn Miller, Mayor

TOWN OF HILLSBORO BEACH FLORIDA

ATTEST:

______________________________
Sherry D. Henderson, CMC Town Clerk

9/1/2026

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