

---




**Joshua Watters, Budget Director**

100 W. Atlantic Boulevard  
Pompano Beach, FL 33060  
Phone: (954) 786-4065



---

**MEMORANDUM**

**DATE:** August 26, 2025  
**TO:** Mayor and City Commission  
**VIA:** Greg Harrison, City Manager   
**FROM:** Joshua Watters, Budget Director   
**THRU:** Brian Donovan, Assistant City Manager   
**SUBJECT:** Options to Decrease General Operating Millage Rate

---

At the July 22 City Commission meeting, staff was directed to identify options that would allow the City Commission to decrease the City's general operating millage rate by 0.5%, from 5.2443 to 5.2181. The millage rate decrease will result in a \$575,087 reduction in property tax revenue. To achieve a balanced budget, an equal amount in expenditure reductions or funding shifts must be identified.

Staff has developed the following actions for the Commission's consideration.

**Revenue Action**

**1. Reduce Estimated FY 2026 Ad Valorem Tax Revenue**

- Amount: -\$575,087
- *Reducing the general operating millage rate by 0.5% would reduce the estimated FY 2026 General Fund ad valorem revenues from \$115,576,861 to \$115,001,774.*

**Expenditure Actions**

**1. Recalculation of Northwest Community Redevelopment Agency (CRA) TIF**

- Amount: -\$47,209
- *Automatic reduction as a result of millage rate change.*

**2. Recalculation of East CRA TIF**

- Amount: -\$16,830
- *Automatic reduction as a result of millage rate change.*

**3. Shift General Fund Portion of Habitat Capital Project to Northwest CRA**

- Amount: -\$150,000
- *This capital project reimburses Habitat for Humanity up to \$300,000 for the design, permitting, and construction of utilities and roadway along NW 1<sup>st</sup> Street to service six single family homes. Funding for this project is split 50-50 between the General Fund and Utilities. The General Fund portion of the expenditure (\$150,000) is an eligible CRA expenditure and does not require modification of the Northwest CRA Plan. Funding is currently budgeted in the CRA's budget for renovations of the former Laundromax facility at 11 NE 1st Street, and will be reallocated to cover this cost.*

**4. Reduce Contingency – Non-Departmental Account Budget**

- Amount: -\$361,048
- *Funds were budgeted in this Non-Departmental Account because the July valuation received from the Broward County Property Appraiser was higher than the preliminary valuation provided in June. This action reduces the contingency funding.*

**Total Expenditure Actions: -\$575,087**

Approval of these actions in the City's budget, and the corresponding items in the CRA budget, will allow the Commission to adopt a reduced millage rate of 5.2181, consistent with the direction provided at the July 22 meeting.

In addition to the above identified options, I wanted to highlight for the Commission that the Northwest CRA has allocated \$4 million for site acquisition to support the future Braggs-Cristwell Northwest Broward Sheriff's Office (BSO) Substation. Without this CRA action, the City would need to identify alternative funding to acquire property for this capital project.

To comply with the State's Truth in Millage (TRIM) requirements, the City Commission will hold public hearings on September 15 and 22, 2025, to adopt the millage rates and the budgets for both the City and the Emergency Medical Services District. In accordance with TRIM requirements, the City has scheduled its newspaper advertisements for publication on September 19 – to meet that deadline staff must finalize advertising materials on September 16. To provide staff adequate time to prepare all required documents, resolutions, and presentations, and to ensure the City's continued compliance with TRIM advertising requirements, please advise the City Manager, copying me, of your position on the proposed options by Monday, September 8. This will allow the Budget Office to be fully prepared for the upcoming budget hearings.