Town of Southwest Ranches, FL

Fiscal Year 2026-2027: July 23, 2026, Council Meeting

Proposed Operating Millage	**3.9000 mills (Same as last year)**
Initial Fire Assessment	**Rate change increase**
Initial Solid Waste Assessment	**Rate change increase**

Budget Process Calendar Of Events

- Thursday, July 23, 2026 (**TONIGHT**):
  - ✓ Preliminary Millage and Initial Fire/Solid Waste Assessment Adoption
- Tuesday, August 11, 2026 (7 pm):
  - ❑ FY 2026-2027 Proposed Budget Workshop
- Saturday, August 22, 2026 – On or prior:
  - ❑ Final Fire & Solid Waste Assessment Advertised
- Monday, September 14, 2026 (6 pm):
  - ❑ Final Fire Protection and Solid Waste Special Assessment Adoption
  - ❑ First Public Hearing for Tentative Millage and Budget Adoption
- Saturday, Sept. 19 – Tuesday, Sept. 22, 2026 (1st & last date to advertise):
  - ❑ Final Budget Advertised
- Thursday, September 24, 2026 (6 pm):
  - ❑ Second Public Hearing for Final Millage and Budget Adoption

Proposed Rates & Fees Year-Over-Year Comparison

PROPOSED FY2026-2027:

- Operating Millage: 3.9000 mills
  (No change to total millage rate).
- Fire Assessment: $99.22 increase per residential dwelling unit or 12.9%; $0.1250 increase per sq. ft. for combined non-residential; and an increase of $13.27 per acre for Agricultural class. from FY25-26.
- Solid Waste: $66.69 increase in the residential waste collection rate and a $118.44 average increase per parcel lot size throughout all residential parcel lot sizes for bulk waste.

ADOPTED FY2025-2026:

- Operating Millage: 3.9000 mills
  (No change to total millage rate).
- Fire Assessment: $9.13 increase per residential dwelling unit or 1.2%; $0.1187 increase per sw. ft. for combined non-residential; and a decrease of $6.59 per acre for agricultural classification from FY24-25.
- Solid Waste: $6.10 increase in the residential collection rate and a $48.20 average increase per parcel lot size on bulk waste (overall ave. increase throughout all residential parcel lot sizes) from FY24-25.

Ad valorem (Property Tax) Introduction

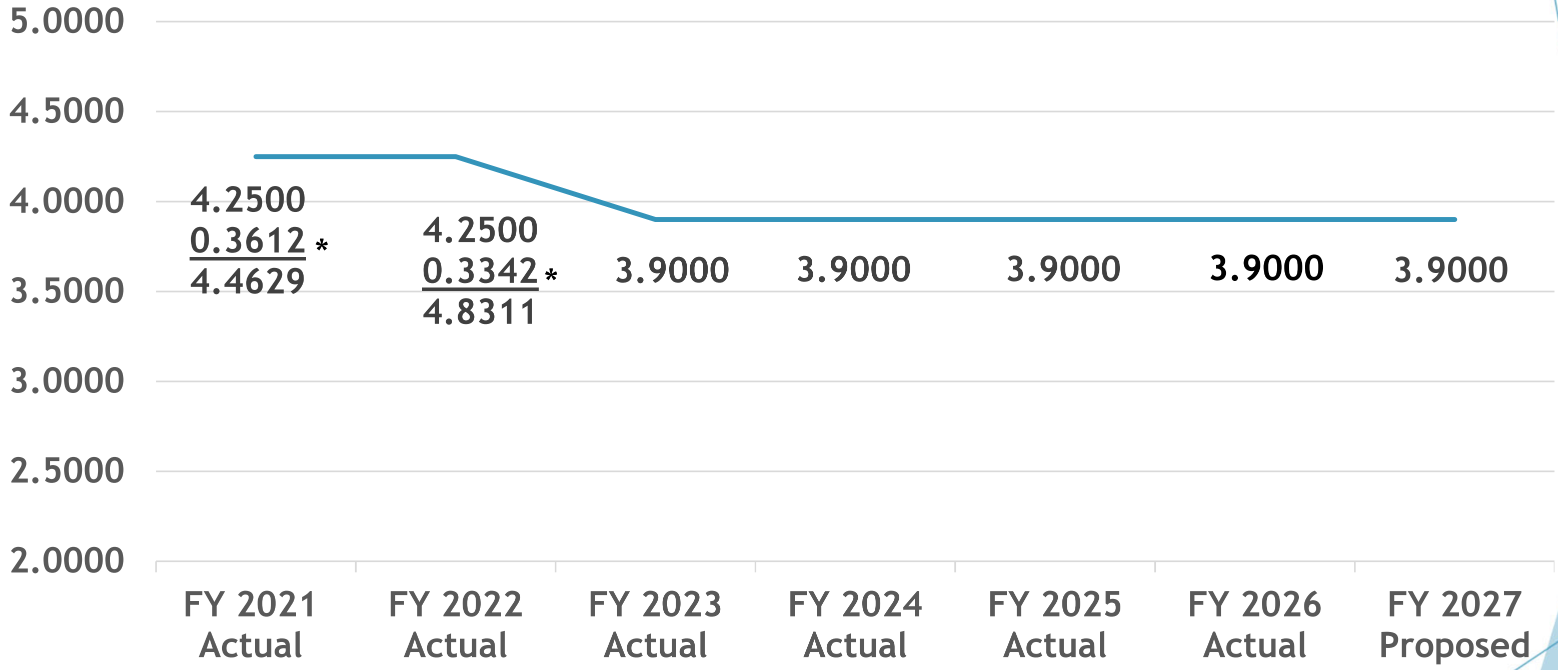
- Market Value is the price a property would sell for in the current real estate market.
- Assessed Market Value is the value determined by the Broward County Property Appraiser's office (BCPA). Ad valorem tax calculated using a formula.
- Ad valorem taxes are paid in arrears (at the end of the year) and are based on the calendar year from January 1 – December 31.

Formula to determine a property's ad valorem tax:

$$\text{Tax} = \frac{\text{Assessed Market Value}}{1{,}000} \times \text{Millage Rate}$$

Property XX = ($500,000/1,000) X 3.9000 = $1,950 ad valorem tax (SWR)

Southwest Ranches Historic & Proposed Total Millage Rates



* Additional millage for TSDOR projects

How is the same Town Millage Proposed?

1. Current economic environment: Gross Domestic Product (GDP) growth for 2026 is estimated at 2.3% which continued at a similar pace as 2025 (2.1%). The outlook for 2027 is 3% (Vanguard Economic Outlook);
   - Unemployment rate for 2026 was projected at 3.9 however, it reached 4.2 in June 2026 (Bureau of statistics). It since has been revised to 4.6%.
     - The outlook for 2027 is 4.4% Unemployment.
   - Economists previously projected 2 or 3 cuts from the Fed in 2026 however, that outlook has changed to 1 cut. For 2027, Bank of America predicts the first rate cut to occur the 2nd half of the year.
   - There is the uncertainty of the property taxes amendment:
     1. Florida voters will decide on November 3, 2026, to increase the homestead exemption. It requires 60% of the votes
     - From $50K to $150K in FY2028 and to $250K in FY2029.
2. Growth in the Town's assessed valuation of 11.60%. Last year growth rate was 13.25%.

Program Modifications (PM) Funded (5 in total):

- Townhall Flooring Replacement ($150,000 – Millage 0.0513)
- Townhall AC Replacement ($14,000 – Millage 0.0048)
- Townhall Chambers Acoustic Wall Panels ($10,000 – Millage 0.0034)

Fire Assessment PMs

- Volunteer Fire (SCBA) Equipment Replacement ($46,428 – No Millage impact)
- Volunteer Fire Bunker Gear Replacement ($26,960 – No Millage Impact)

Seven (7) Capital Improvement Projects Funded Include:

- General Fund (GF) Projects:
  - Fire Wells Replacement & Installation - $70,000 (No Millage Impact)
  - Emergency Operating Center construction - $900,000 (Grant – No Millage Impact)
- Capital Projects Fund:
  - Equestrian Park Playground Rehabilitation - $56,250 (Millage Impact)
  - SW Meadows Sanctuary Park – Native Planting - $85,059 (Millage Impact)
- Transportation Projects:
  - Drainage Improvement Projects: Non-Surtax - $443,825 (Millage Impact)
  - Dykes Road Turn Lane – $1,108,128 ($912,165 Grant / $195,963 Millage Impact)

Seven (7) Capital Improvement Projects Funded - continue:

- <u>Transportation Projects - Continue:</u>
  - Transportation Surface & Drainage Ongoing Rehabilitation (TSDR) including Surtax – 1,590,000 ($500,000 Grant / $1,090,000 Millage Impact)

Millage Rate Impact

Operating Millage:

- Town Administration is recommending maintaining the same millage rate of 3.9000 as last year (3.9000 FY26).

- On every $500,000 of taxable value, this rate represents a combined $160 dollar increase from "current year rollback rate" of 3.5809 mills.

- However, eligible "Save our Homes" exemption property owners change in net taxable value will not exceed 3%.

Fiscal Year 2027 Millage Maximums and Related Information (Based on Certified Assessment Information)					
Millage Name	**Votes Required**	**Maximum Millage**	**Total Resulting Net Revenues**	**Net Revenue Change (from prior year adopted rate funding level)**	**FY 2027 levy increase per $500,000 of taxable value***
Current Year Roll-Back Rate	3	3.5809	$10,463,049	($932,379)	$0
FY 2026-2027 Proposed Rate	4	3.9000	$11,395,429	$1,066,709	$160 *
Adjusted Current Year Roll-Back Rate	3	3.8302	$11,191,480	($203,949)	$125
Maximum Majority Vote	3	4.0030	$11,696,386	$300,956	$211
Maximum Super Majority Rate	4	4.4033	$12,866,024	$1,470,595	$411
Unanimous Vote of the Governing Body is required if Millage rate is over 4.4100 and UP TO 10.0000	5	10.0000	$29,219,050	$17,823,620	$3,210

Note: * Property owners without a change in net taxable value will receive a real cash reduction of 13.95% in their Town of Southwest Ranches portion of their tax bill due to the increase in taxable value. It is important to note that FY2027 eligible "Save our Homes" exemption property owneres change in net taxable value will not exceed 3%.

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INITIAL FIRE ASSESSMENT

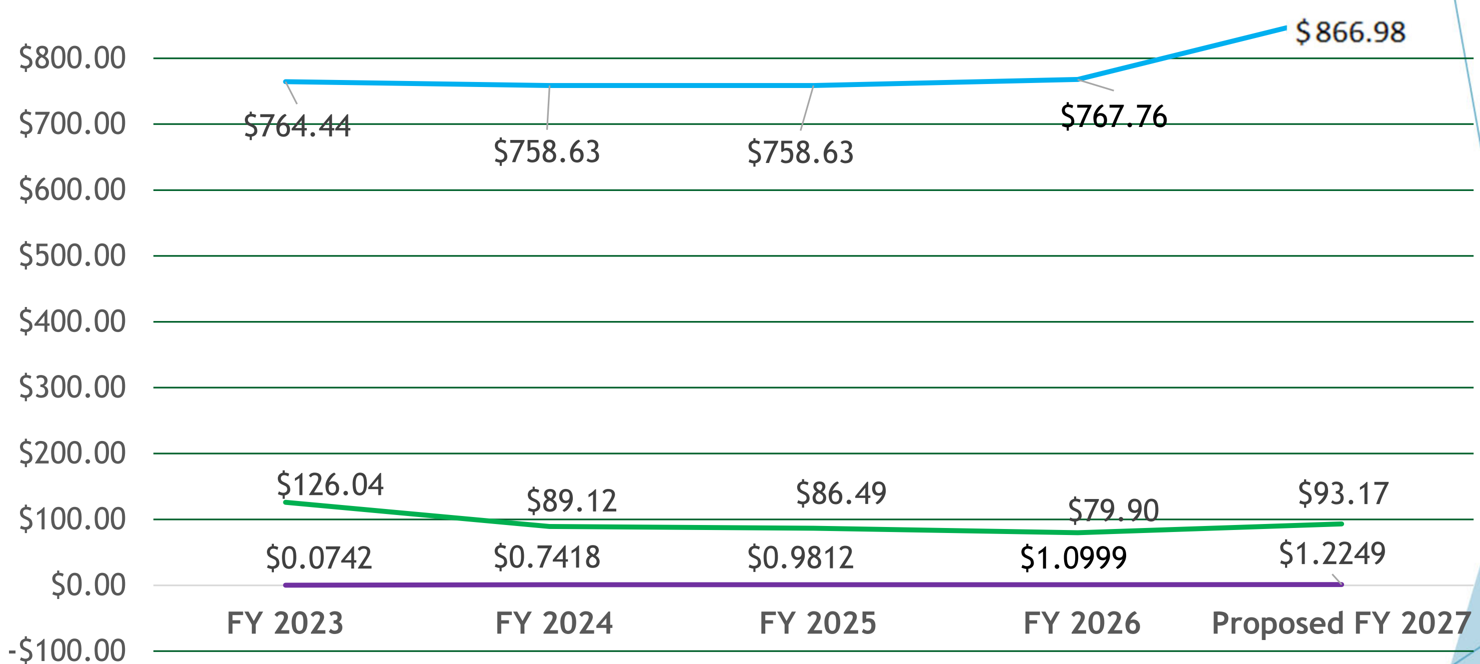
- This assessment is permitted by Florida Statute Chapters 166.021 and 166.041 and is adopted by Town Ordinance 2001-09 which requires that the annual rate be established each year.

- Resolution 2020-045 adopted a fire assessment methodology impacting all categories due to allocable fire protection costs from the most recent 5-years rolling average of response data.

Fire Assessment continues

- The proposed Resolution tonight will continue with established fire protection methodology combining (blending) the Commercial, Institutional, Warehouse & Industrial categories.
- Twenty-seven (27) homesteaded properties owned by total and permanent service - connected disabled U.S. veterans are proposed tonight to Town Council. The Town impact from adopting this 100% tax exemption is <u>$23,408</u> and is absorbed within the General Fund.
- Per Florida Statute 170.01(4), the Town may not levy the fire assessment on lands classified as agricultural lands without a dwelling or farm building under FS 193.461. The General Fund millage impact pertaining to this tax exemption is approximately <u>$102,130 (1,096 acres)</u>.

Fire Assessment Residential and Acreage Category Rates Four-Year History and Proposed FY2027



Blue = Residential rate per unit
Green = Ag. Classification rate per acre
Purple = Combined Non- Res. rate per sq. ft.

Call Distribution per Methodology Report

Fire Calls by Fire Class

Fire Call Categorization	Corresponding BCPA Fire Class Code	Number of Fire Calls, 2016-2024	Percent of Total
Commercial	C	100	10.63%
Institutional	I	195	20.72%
Acreage	A	39	4.14%
Residential	R	593	63.02%
Warehouse/Industrical	W	9	0.96%
Government- Exempt	X	5	0.53%
		941	100.00%

Fire Assessment Impact(s)

- Residential: $99.22 increase (per dwelling unit). The proposed rate increase is primarily due to the Town of Davie public safety escalation rate increase. Town Council approved last year a subsidy of $250,000 to reduce the impact on the residents. This rate does not include a subsidy.
- Acreage: $13.27 increase (per acre)

<u>COMBINED/BLENDED Methodology (a/k/a “Combined Non-Residential”):</u>

- Commercial / Institutional / Warehouse/Industrial: $0.1250 increase (per square foot Bldg. area). Town Council approved last year a subsidy of $250,000 to reduce the impact on the residents. This rate does not include a subsidy.

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INITIAL SOLID WASTE ASSESSMENT

Solid Waste (Garbage) Assessment

- Permitted by Florida Statute Chapters 197.3632.
- Annual rate establishment is required by Town Ordinance 2002-08.
- The FY 2026-2027 total proposed solid waste assessment expenses have been estimated at $3,927,320. This amount represents an increase of $513,039 when compared to last year adopted budget (FY2025-2026 $3,414,281). Taking into consideration last year's subsidy of $250,000 and comparing it to FY26 normalized amount ($3,664,281), the net year-over-year increase is $263,039 or 7%.
- Residencial increase per unit is $66.69 (FY27 $627.36 vs. FY26 $560.67)
- Solid Waste: $118.44 average increase per parcel lot size (bulk waste overall average increase) (FY27 $841.07 vs. FY26 $722.63).

Solid Waste (Garbage) Assessment

- The only residential parcels proposed to be 50% exempt to Town Council tonight are twenty-seven (27) homesteaded properties owned by total and permanent service-connected disabled U.S. veterans. The Town impact resulting from this tax exemption is $19,824 (SW Res. $8,469; BW Res. $11,355 estimated). This amount is absorbed within the General Fund.
- Initial resolution is also needed tonight for the assessment to comply with Florida Statutes and use for Truth In Millage (TRIM) notices distributed by the Broward County Property Appraiser's office (BCPA).

Proposed Solid Waste Rates for FY2026-2027 (with changes from Adopted FY2025/2026)

Based On Consultant Study								
Track	Assessment Sq. Ft Lot Range	Number of Units in Range	Solid Waste Cost Per Unit	Number of Units in Range (Bulk)	Bulk Waste Cost Per Unit	Total Proposed Rates FY 26/27	Total Adopted Rates FY 25/26	Difference: Increase (Decrease)
A	0 - 41,200	437	$ 627.36	400	$ 553.68	$ 1,181.04	$ 1,073.55	$ 107.49
B	41,201 - 46,999	444	$ 627.36	455	$ 653.94	$ 1,281.30	$ 1,077.19	$ 204.11
C	47,000 - 62,999	406	$ 627.36	406	$ 834.34	$ 1,461.70	$ 1,275.15	$ 186.55
D	63,000 - 95,999	442	$ 627.36	456	$ 875.86	$ 1,503.22	$ 1,282.52	$ 220.70
E	96,000 - 106,999	433	$ 627.36	445	$ 1,005.83	$ 1,633.19	$ 1,394.65	$ 238.54
F	107,000 - >107,000	431	$ 627.36	431	$ 1,122.77	$ 1,750.13	$ 1,596.75	$ 153.38

Rate Setting Recap:

It is our recommendation that the Town Council adopt the resolutions presented tonight setting the rate maximums (not to exceed) as provided.