

**CITY OF OAKLAND PARK, FLORIDA
CITY COMMISSION AGENDA ITEM REPORT**

AGENDA ITEM NO. 26

MEETING DATE: 7/16/2025

PREPARED BY: Andrew Thompson, **DEPARTMENT HEAD APPROVAL:** FINANCIAL SERVICES
CGFO
Assistant City Manager

Rhea Rivera, CGFM
Director, Financial
Services

SUBJECT:

Adoption of FY 2026 Preliminary Operating & Debt Service Millage Rates and Establishment of Time, Date and Location for a Public Hearing and Adoption of the Tentative FY 2026 Operating and Debt Service Millage Rates to be held 6:30 p.m., September 8, 2025, in Commission Chambers at 3650 NE 12th Avenue, Oakland Park, Florida.

1. BACKGROUND/HISTORY

Issue Statement: The City must adopt preliminary FY 2026 operating debt and service millage rates to be provided to the County Property Appraiser by August 4, 2025.

Recommended Action: It is recommended that the Commission adopt a resolution adopting the following proposed preliminary millage rates:

- Operating Millage Rate: 5.6979 mills;
- Series 2020 G.O. Bond Debt Service Millage: 0.3311 mills;
- Series 2022 G.O. Bond Debt Service Millage: 0.1799 mills;

as well as establishing 6:30 p.m., Monday, September 8, 2025, in Commission Chambers at 3650 NE 12th Avenue, Oakland Park, Florida, as the time, date, and location for the first public hearings on the City's FY 2026 millage rates and annual operating budget. **Notice:** The City is relocating City Hall to 1100 Park Lane East, Oakland Park, Florida; however, as of this notice, the exact date of the move has not been determined. All public hearings and meetings referenced herein will take place at the current City Hall address unless otherwise publicly noticed in advance.

In accordance with Florida Statutes, the City must conduct certain public hearings and set a millage rate for the FY 2026 annual operating budget within a defined timeframe. To ultimately adopt a final millage rate and budget, the City must hold two (2) public hearings. The first, the "tentative" hearing, is advertised on the Notice of Proposed Property Taxes (TRIM Notice) that the County Property Appraiser mails. The City must notify the Property Appraiser of the proposed millage rate, as well as the day, time, and place of the City's public hearings on the tentative millage rate and the tentative budget by August 4, 2025.

2. CURRENT ACTIVITY

The 2025 property tax base, which forms the basis of the FY 2026's property tax revenue, has increased by 8.91% in the past year to about \$6.28 billion currently.

Since adopting a peak operating millage rate of 6.3995 in FY 2014, the City reduced millage for five consecutive years, achieving a rate of 5.9985 mills in FY 2019. Oakland Park was one of only four cities in Broward County that consecutively reduced millage over that period. The millage rate was increased to 6.0880 mills for FY 2020 due to growing operating costs. In response to the COVID-19 pandemic and the economic burden it placed on taxpayers, the City's FY 2021 operating millage rate was reduced to 5.8910 mills, the largest single millage rate reduction in over a decade. Since then, the operating millage continues to decrease every year bringing it down to 5.7243 mills in FY 2025.

For FY 2026, the proposed operating millage rate is 5.6979 mills, a decrease of 0.0264 mills from FY 2025. This is the City's lowest operating millage rate in fifteen years and the eleventh reduction in the past twelve years. The recommended millage rate is expected to generate about \$34.0 million in property tax revenue to fund the general operations of the City.

Under the State's TRIM statute, the City will be required to advertise a 7.13% increase over the rolled-back rate of 5.3187 mills. With the current property base increase, the proposed rate would generate about \$2.3 million more in revenue than the rolled-back rate at an approximately 95% rate of collection.

In 2018, over two-thirds of Oakland Park's voters approved the issuance of \$40 million in General Obligation (G.O.) bonds to rebuild and enhance the City's Fire-Rescue and community facilities. In May 2020, the City was assigned an investment grade AA credit rating by Standard and Poor's and in June 2020, the first tranche of bonds (Series 2020) was sold at the low effective interest rate of 2.26%, securing \$26 million of the approved \$40 million. In late 2021, it became clear that large increases in the interest rates could be expected - to avoid higher interest costs, the City moved quickly to sell the remaining bonds and secure lower interest rates. In February 2022, the remaining \$14 million of the approved \$40 million G.O. bonds were subsequently sold at the effective interest rate of 2.59% (Series 2022). These proceeds will be utilized to fund Oakland Park's **Building Our Second Century** program facility efforts. These G.O. bond proceeds are financed over a 20-year period. The City is required to pay the bonds' debt service costs by levying the voter-approved debt service millage. The G.O. bond debt service to be paid next fiscal year is approximately \$3.05 million, which will require a debt service millage rate of 0.3311 mills for the 2020 Series and a debt service millage rate of 0.1799 mills for the 2022 Series. The Commission is asked to adopt a specific rate for each specific series. **The combined debt service millage rate is 0.5110 for both 2020 & 2022 G.O. Bond Series. This rate is a decrease of 7.7% compared to FY 2025.**

The proposed tax value of the millage rates will appear on the TRIM notices to be mailed in August as separate lines, one for operating and another for debt service.

3. FINANCIAL IMPACT

The recommended operating millage rate is 5.6979 mills, and the total debt millage rate is 0.5110 mills. The operating millage will generate about \$34.0 million in revenues, while the total recommended debt service millage of 0.5110 will generate about \$3.05 million equivalent to the debt service of the G.O Bonds due in FY 26. The revenues generated from the operating and debt service millage presume an approximately 95% collection rate.

Florida's "Save Our Homes" law limits the growth of taxable value for homesteaded properties. As provided in Section 193.155(1), F.S., beginning in 1995, or the year after the property receives homestead exemption, an annual increase in assessment shall not exceed the lower of the following: Three percent of the assessed value of the property for the prior year; or the percentage change in the Consumer Price Index (CPI) for all urban consumers, U.S. city average, all items 1967 = 100 or successor reports* for the preceding calendar year as initially reported by the U.S. Department of Labor, Bureau of Labor Statistics.

For 2025, the CPI change reported by the Florida Department of Revenue is 2.9%. As such, the maximum growth in taxable value a homestead residence can experience is 2.9%. About 60% of all Oakland Park residential properties are homesteaded and will only be experiencing a 2.9% increase in taxable value.

With the maximum taxable value increase of 2.9% and the proposed operating millage rate of 5.6979, the median, homesteaded single-family home from last year would experience an \$80.05 or 7.13% increase in City property tax for operations, or equivalent to \$6.67 a month.

With the combined debt service millage of 0.5110, the estimated cost to a homesteaded single-family home would be \$107.87. This represents a decrease of \$4.88 (-4.33%) from last year. All \$40 million of the general obligation bonds approved by voters have been sold. The annual cost of \$107.87 to the median, homesteaded, single-family home is the equivalent of \$8.99 a month. This is well below the \$10.00 a month estimated cost that was shared during public educational outreach in 2018.

With the proposed operating and debt service millage rates, the net impact to the median single-family home would be a \$2.64 monthly increase or 2.5% over FY 2025.

4. RECOMMENDATION

It is recommended that the City Commission adopt a resolution approving the following proposed preliminary millage rates:

- Operating Millage Rate: 5.6979 mills;
- Series 2020 G.O. Bond Debt Service Millage: 0.3311 mills;
- Series 2022 G.O. Bond Debt Service Millage: 0.1799 mills;

as well as establishing 6:30 p.m., Monday, September 8, 2025, in Commission Chambers at 3650 NE 12th Avenue, Oakland Park, Florida, as the time, date, and location for the first public hearings on the City's FY 2026 millage rates and annual

operating budget.

ATTACHMENTS:

-

[Resolution](#)