CITY OF COOPER CITY

CITY COMMISSION BUDGET WORKSHOP - FOLLOWED BY THE REGULAR CITY COMMISSION MEETING [AT SUCH TIME AS THE BUDGET DISCUSSION ADJOURNS]

Tuesday, July 21, 2026 at 5:00 PM
City Hall Auditorium | 9090 SW 50th Place

MINUTES

PLEDGE OF ALLEGIANCE/CALL TO ORDER

Mayor James Curran called the Budget Workshop to order at 5:01 P.M. The Pledge of Allegiance was recited.

ROLL CALL

Present were Mayor James Curran, Commissioner Ryan Shrouder, Commissioner Jeremy Katzman, Commissioner Lisa Mallozzi, and Commissioner Jason Smith.

Mayor Curran asked the City Manager if there were any changes or emergency matters to add to the agenda. The City Manager confirmed there were none.

TOPICS FOR DISCUSSION

1. FY 2026-2027 Proposed Budget

The City Manager noted that the proposed budget is a fluid, work-in-progress document, and that a final budget would be prepared by mid-August for final Commission approval in September. He further noted that the millage rate to be set that evening would represent the maximum rate that could be adopted at the September hearings.

CFO Williams presented the FY 2026-2027 budget. The proposed millage rate for the coming fiscal year is 5.835 mills, representing a 0.010-mill reduction from the prior year and the eighth consecutive year of reduction. The total reduction amounts to $47,582, and estimated ad valorem property tax revenue to be collected is approximately $27.8 million.

Commissioners discussed the 2019 adopted millage rate as a historical reference point. The discussion included the possibility of incremental rate increases over multiple budget cycles rather than a single large adjustment, particularly in light of the potential homestead exemption ballot measure. The City Manager cautioned that, given the anticipated stress on the general fund if the property tax reduction passes, incremental subsidies from the general fund may not be sustainable.

Water and Sewer Rates
Staff projected a 3.5% increase in water and sewer rates based on the applicable consumer price index. The increase did not include future debt-service requirements for major utility capital projects. The Commission discussed phasing future increases to reduce the impact on customers.

The City Manager stated that there are no debt service payments in the FY 2026–27 budget year. The first payment is not expected until FY 2027–28 and will be tied to the State Revolving Fund (SRF) loan for the headworks project. The estimated annual debt service payment on the SRF loan is about $600,000.

Building Division

Staff reported an approximately 60% decline in Building Division revenue over the preceding two years, while permit volume remained skewed toward a larger share of smaller projects. The City Manager explained that under HB 803, building permit fees can no longer be based on project valuation but must now be based on actual cost. The City's costs have historically exceeded revenues in this area.

The City Manager noted that an RFP is being finalized to engage a consultant to study building permits, impact fees, fire assessments, and stormwater utility rates over the summer. These studies are not required to be completed in sync with the September budget calendar and could be implemented as early as October, November, or December. The Commission also discussed the need to resolve implementation issues with the permitting software and to reevaluate the division's operations and staffing under the new statutory requirements.

Stormwater Utility

Staff anticipated raising the residential stormwater rate from $6.43 to $11.25 per month to support the stormwater master plan, street sweeping, and drainage-system cleaning. The rate had not been adjusted in several years. The Commission discussed phasing the increase, comparing Cooper City's rate with neighboring jurisdictions, and clearly communicating the services funded by the charge. Staff advised that additional project-related adjustments could be considered after the stormwater master plan is completed.

Fund Structure and Projected Surpluses

Staff proposed incorporating the Parking Lot Fund into the General Fund and transferring General Fund support to the Road and Bridge Fund only as expenditures were incurred. The General Fund was projected to end the current year with an approximately $2.4 million surplus, including about $800,000 in personnel savings and $400,000 in BSO vacancy credits. The Water and Sewer Fund was projected to generate an approximately $2.1 million surplus, including about $1.6 million in additional revenue from the replacement water meters. Staff stated that these savings would help fund future capital projects and reduce borrowing needs.

Utility Billing

Commissioner Mallozzi relayed residents' concerns that water bills appeared unchanged from month to month. Staff explained that usage brackets can lead to similar charges and agreed to review the concerns and provide public information on how water bills are calculated. The Commission also requested reports identifying zero readings and repeated identical usage.

Staffing

Discussion occurred regarding the proposed half-FTE allocation to Community Development in light of the approximately 60% decline in Building Division revenue. Staff advised that departmental staffing would be reevaluated before final budget adoption.

Contingency and Public Safety

The proposed nondepartmental contingency totaled approximately $798,293, comprising a base contingency of $448,500 and an additional placeholder for potential reductions in property-tax revenue. The Commission discussed the prior practice of maintaining a separate public-safety contingency for enhanced patrols, equipment, and other unanticipated police and fire needs. By consensus, the Commission directed staff to retain a separately identified public-safety contingency in the proposed budget, with the amount to be determined as the budget was finalized.

BSO Contract Assumptions

The budget assumed payment of the requested police and fire compensation increases retroactive to October 1, 2025, along with the proposed increases for FY 2026–2027. Staff estimated increases of approximately 9.2% for police and 5.3% for fire. The City Manager stated that the budget used the highest anticipated contractual exposure; any reduction in the final obligation could create savings and affect the following year’s fire assessment.

Employee Health Insurance

The proposed budget included a 20% placeholder for health insurance costs. Staff reported that Florida Blue’s preliminary renewal increase was about 12.4%, and that other coverage options would be solicited and compared. The City Manager stated that the higher placeholder would remain until the Commission selected a plan. The Commission also suggested exploring a contract term to move future renewals away from the annual budget deadline.

Capital Outlay and Fund Balances

Departmental capital outlays included a $180,000 generator for the main Public Works yard, $200,000 for fuel-island improvements, and $66,000 for a replacement root pruner. Staff projected an FY 2026–2027 ending General Fund balance of about $24.9 million. The City Manager stated that available balances were intended to support the Parks Master Plan, Police Station rehabilitation, local matches for the Fire Station and Emergency Operations Center, potential future City Hall improvements, and major utility projects.

Major Capital Projects

Staff reviewed the following principal projects:

- Fire Station: approximately $20 million, with $13 million anticipated from the fire assessment and $7 million from grants.
- Police Station improvements: approximately $6 million, including $3.6 million from the PFAS settlement and $2.4 million from the General Fund balance.
- Stirling Road Water Main improvements: approximately $5.3 million for design and construction.
- Utility electrical improvements: approximately $10.3 million awarded through the Resilient Florida Program, with additional funding to be sought.

- Headworks project: approximately $1.092 million in federal funding awarded, pending completion of the funding process.

Fuel Island

The Commission questioned whether the proposed fuel-island improvements were the City's responsibility under the BSO agreement, which assigns maintenance of certain aboveground fueling-system components to BSO. Staff agreed to confirm contractual responsibility and to assess the condition of the existing equipment before proceeding.

Grant Funding

In response to a Commission inquiry, staff estimated that approximately $15 million to $20 million in grant funding had been secured or identified for the projects under discussion. The Commission commended staff for the City's improved grant-development efforts.

Potential Property-Tax Changes

Staff presented projections on the potential impact of the homestead exemption ballot measure:

- FY 2027–28: projected revenue reduction of $5 million
- FY 2028–29: projected revenue reduction of $9.5 million

Staff advised that service reductions, expenditure cuts, and increased user fees could be required to address the projected revenue loss. The City Manager committed to presenting a $5 million plan and a $9 million plan to the Commission at the second August meeting. Commissioner Smith requested that the marketing and branding team be engaged to communicate these potential changes to residents well in advance of the August meeting.

Employee Compensation

Extensive discussion occurred regarding employee compensation for the upcoming budget year. The budget currently includes a 2.9% COLA and a merit increase of up to 3% (with an average merit payout of approximately 2.4–2.5%). Commissioner Shrouder expressed concern about automatic COLA increases, given the potential for significant budget cuts if the property tax measure passes. The City Manager noted the option to delay COLA until January.

CFO Williams suggested capping merit at 2% per department, with allocations at the department level. The discussion also covered pay compression, market rate considerations, and the Florida Retirement System (FRS) as a factor in employee retention. No final decision was reached; the City Manager was directed to present a compensation plan at the next budget meeting.

ADJOURNMENT

The Budget Workshop concluded at approximately 6:34 P.M. The Commission recessed briefly before convening the regular City Commission meeting.

The minutes of the Commission Budget Workshop held on July 21, 2026, were approved at the regular Commission meeting held on August 11, 2026.

____

Mayor James Curran

____

City Clerk Tedra Allen