



July 11, 2017

Honorable Mayor and Members of the City Commission:



In accordance with the City of Fort Lauderdale Charter, the Code of Ordinances, and the laws of the State of Florida, it is my pleasure to present the City of Fort Lauderdale's Proposed Budget for Fiscal Year (FY) 2018 beginning October 1, 2017. A copy of the proposed budget is available for inspection in the City Clerk's Office. Additionally, a user-friendly electronic copy of the proposed budget can be found on the City's website, [www.fortlauderdale.gov/budget](http://www.fortlauderdale.gov/budget).

### **Budget Overview**

The FY 2018 total proposed operating budget for all funds is \$766,701,317 including balances and transfers. This is approximately \$17.4 million more than the FY 2017 Amended Budget of \$749,310,755 or a 2.3% increase. The increase is primarily due to one-time capital infrastructure projects included in the FY 2018 Proposed Budget which include \$8.8 million for City seawalls, \$3 million to fund a new Emergency Medical Services (Rescue Unit) Station and \$1.2 million for the General Fund's contribution towards the Aquatics Complex renovation.

The FY 2018 Proposed Budget allows the City to fund its commitments including a \$2 million increase in the City's required contribution to the Police and Fire Pension Fund, and a \$1.2 million increase to the General Employees' Retirement System due to State-mandated changes to the mortality tables; a \$2.8 million required payment to Broward County for beach nourishment; \$2.2 million for wage increases; \$2.4 million for employee health insurance costs; \$1.5 million for increased Police overtime; \$1.1 million for the City's match to leverage funding opportunities through grants; \$500,000 towards the renovation of the Parker Playhouse; and, an increased transfer of \$700,000 to the Community Redevelopment Agency (CRA) due to increased taxable values within the CRA area boundaries.

In addition to addressing the funding commitments outlined above, the proposed budget will allow for strategic new positions, infrastructure investment, and enhanced programming aligned with the priorities enumerated in the City's Vision, Strategic Plan, Neighbor Survey, and Commission Annual Action Plan. For example, I am recommending \$1.4 million for a nighttime economy team to support the high quality of life our neighbors enjoy at all hours of the day; \$1.4 million for new, centralized roadway maintenance and repair crew and an increase in funding of approximately \$500,000 or 70% for the City's road resurfacing capital investments to proactively address the maintenance of City streets. In addition, the FY 2018 proposed budget includes significant increases to address facility maintenance needs that were deferred during leaner years by increasing the capital commitment for priority projects such as Roof, and Heating, Ventilation and Air-conditioning replacements by 100% to \$2 million annually and adding an additional \$500,000 annually for operational maintenance needs for repairs less than \$50,000.

#### **Office of the City Manager**

100 North Andrews Avenue, Fort Lauderdale, Florida 33301  
Telephone (954) 828-5013, Fax (954) 828-5599

[www.fortlauderdale.gov](http://www.fortlauderdale.gov)

CAM# 17-0654  
Exhibit 1  
Page 1 of 23

The Budget Advisory Board shared its sentiments with you at your joint meeting on June 29<sup>th</sup>, “We believe that it is imperative that the City invest in the technological infrastructure that will better support public safety, streamline operations, improve service and response times for our citizens, improve efficiencies through automation, and allow the City to operate at an optimal and cost-effective level.” To this end, I’m recommending over \$1 million in new technology improvements in the FY 2018 budget to continue to modernize City services. Public safety enhancements are also prioritized, including funding for 20 new positions, additional overtime, and resources necessary to implement a body worn camera program for the Police Department.

The FY 2018 proposed General Fund Operating Budget, including balances and transfers, is \$361,172,208. This proposal maintains our current low millage rate of 4.1193 for the eleventh consecutive year and produces a structurally balanced budget for the fifth straight year. It also maintains the Fire Assessment Fee at the current annual rate of \$256 per single-family residential dwelling. The General Fund budget represents a 7.8% increase from the FY 2017 Amended Budget of \$335,069,781. It maximizes available resources to build, enhance, and sustain the future of our great City.

Our Fort Lauderdale community is a source of much pride and dignity. We continue to achieve successes that sustain our City as, “*The City You Never Want To Leave!*” A heightened sense of optimism and excitement permeates Fort Lauderdale as economic indicators confirm the City’s sound fiscal management, progressive economic development initiatives, and long-term investment strategies are paying off. Over the past year, taxable property values increased by 9.25%, with new construction valued at \$341 million, area tourism is estimated at 16 million visitors annually, and we are experiencing a continued low crime rate. In addition, Fort Lauderdale’s unemployment rate is 3.8%, which is the lowest in over seven years and significantly lower than the 4.5% rate of the State. Working together, we have built a better, stronger organization and a more vibrant community.

This success does not happen by chance – it is the direct result of innovation, strategic planning, hard work, and continuous process improvement. We have been diligent in our pursuit of excellence, which was evidenced by Standard and Poor’s (S&P) assignment of its AA+ rating to the City’s most recent 2016 water and sewer system revenue and revenue refunding bonds. At the same time, S&P affirmed its AA+ rating on the system’s outstanding revenue-secured bonds. In its evaluation, S&P noted “Very strong liquidity and reserve position...” and “Very strong financial management assessment.” High bond ratings enable the City to borrow and repay money at a much lower interest rate which translates into millions of dollars in savings for taxpayers. Our fiscal discipline and vigilance have been instrumental in building a strong financial foundation and positioning Fort Lauderdale for a bright future.

These successes also bring new challenges and higher expectations. As the urban hub of the tri-county area, the City of Fort Lauderdale serves a huge influx of commuting workers, tourists and business travelers. In addition to approximately 177,000 neighbors, the City provides police, fire-rescue, water, sanitation and other municipal services to a daytime population of 360,000, more than double our size. As our neighbors invest money into new commercial and residential buildings in the downtown core and along our beach, we must ensure that our infrastructure and service levels fulfill expectations.

Planning for a promising future began with the engagement of our neighbors to develop a long-term vision of what we want our community to be in 30 years. With this vision in mind, the City Commission adopted our Strategic Plan, *"Press Play Fort Lauderdale,"* to create a blueprint for the actions needed over the next five years to make our Vision a reality. These forward-looking plans have guided the City Commission's Annual Action Plan and have allowed staff to effectively prioritize projects each year. We have carefully crafted and focused our budget development to ensure that the City provides the outstanding services and community investment our neighbors deserve in the most effective and efficient manner possible.

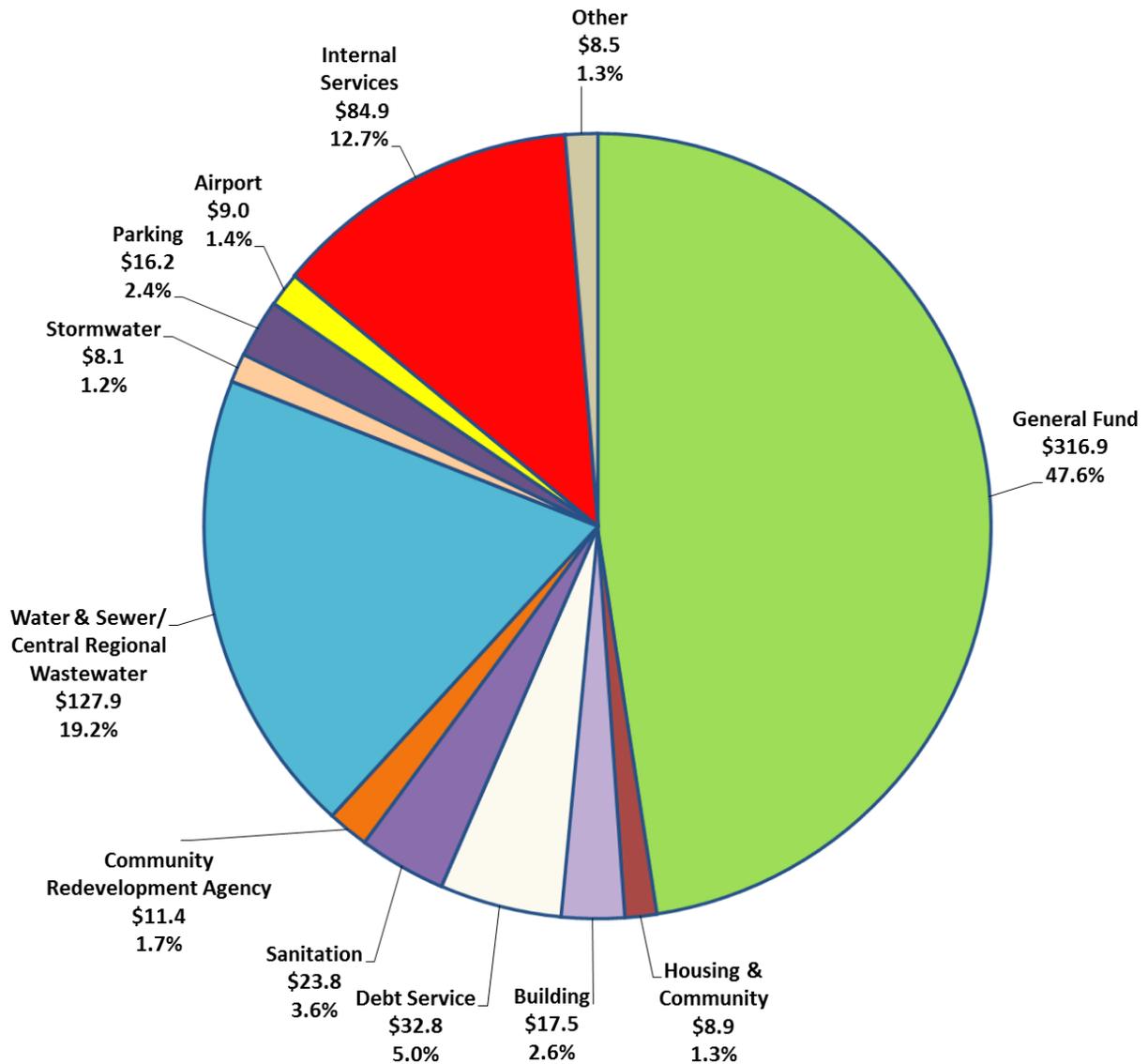
### **Budget Development Process**

The City's Proposed Budget is the product of a strategic budgeting process involving numerous individuals and groups working together as a team to create a cohesive plan to achieve the City's long-term goals and objectives for the next fiscal year. The Proposed Budget is more than a collection of spreadsheets detailing the City's revenues and expenditures. Neighbor and community leader engagement was integral to identifying opportunities and solutions to community challenges. Engagement with neighbors and community leaders occurred through various efforts including the Annual Neighbor Survey and the Commission's Annual Action Plan priority setting session.

In order to maintain service levels and to propose service enhancements, Community Builders in each department used their best professional judgment and community input to analyze the trends and market forces impacting revenues and expenses to establish funding proposals. The Revenue Estimating Conference Committee met in the spring to review revenue trends to make recommendations regarding General Fund revenue estimates. The dedicated members of our Budget Advisory Board (BAB) meet year-round to provide the City Commission with input regarding the neighbor's perspective for various budget related issues. Each department presented their budget and Community Investment Plan requests to the BAB to allow them to make recommendations to management and the City Commission concerning how funds should be prioritized for the upcoming fiscal year.

The collaboration of these diverse community stakeholders, along with the professional expertise of our Community Builders, ensures the Proposed Budget efficiently addresses the most pressing challenges faced by our community and continues to recognize our core mission, *"We Build Community."* The City regularly responds in a myriad of ways to ever-changing challenges faced by our community. The organization's effectiveness, flexibility and resiliency are testaments to the City Commission's vision and leadership. It is with a commitment to our neighbors, our businesses, our Community Builders, and the City's future that we will strive to do the very best we can with the resources and tools available to us. This Proposed Budget demonstrates the City's highest priorities to ensure that we live, work, and play in the best city possible, while remaining financially responsible.

## FY 2018 Proposed Operating Budget without Transfers - \$665.9 (All Funds - In Millions)



### Annual Neighbor Survey Results

In December 2012, the City of Fort Lauderdale conducted its first Annual Neighbor Survey to measure service performance; to benchmark service quality ratings; to assess community needs; to make long-range, short-term, or strategic plans; to demonstrate the receptivity of our government; to evaluate potential policies or community characteristics; and to use as a tool for evaluating our performance. We recently completed the fourth Annual Neighbor Survey, in December 2016.

In order to help to identify priorities, the Annual Neighbor Survey contains an analysis that examines the importance that neighbors placed on each City service and the level of satisfaction with each

service. By identifying services of high importance and low satisfaction, we can identify the actions that will have the most impact on overall satisfaction with City services. Based on this, the top three areas of recommended focus for the City from the survey include: 1) the overall flow of traffic; 2) the overall maintenance of streets, sidewalks and infrastructure; and 3) preparing for the future of the City.

The annual Neighbor Survey results are an important step in our Strategic Planning and Budgeting Cycle by informing the foundation for a strategic budget that reflects neighbor priorities. It typically takes an extended period of time to address the concerns and perceptions identified in surveys. Often, the issues are multifaceted and require significant resources and time to complete associated initiatives. Areas identified for improvement in the 2016 survey have been prioritized by the City Commission for focused resources and progress has been made in many of these areas already. To highlight our efforts, the City produces a quarterly progress report to transparently share accomplishments and challenges related to its initiatives and performance indicators in the Strategic Plan.

### **How the Proposed Budget Implements the City's Strategic Plan**

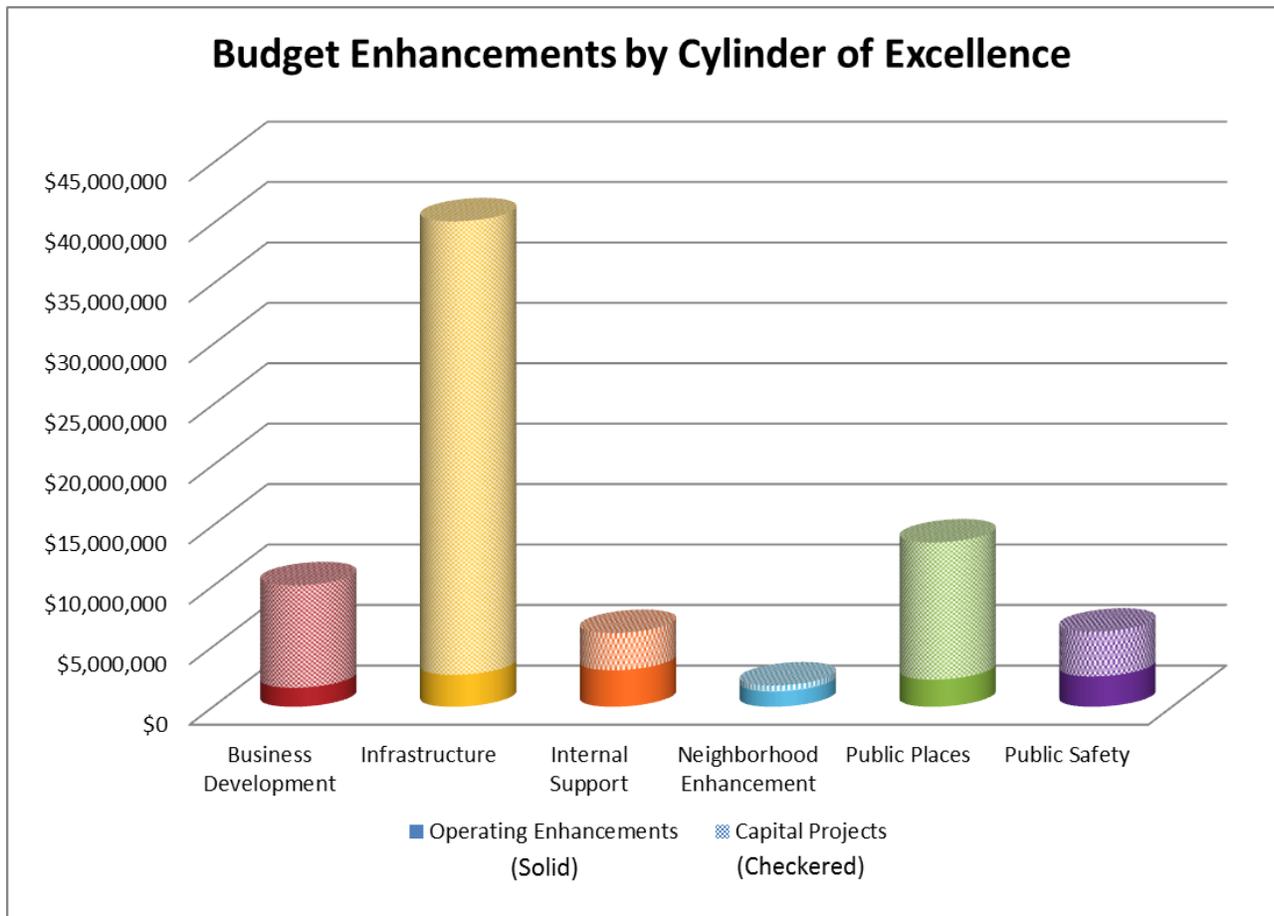
The annual operating budget is our opportunity to prioritize City resources. Funding is allocated in alignment with the Vision, Strategic Plan, and Commission Annual Action Plan. While we may not be able to fund all priorities in the upcoming fiscal year, we can make strategic investments in our future. Leveraging community partnerships and seizing grant opportunities will help to stretch our dollars and maximize results. The budget process also integrates the strategic alignment of departments. Each department identifies major initiatives and performance targets; helping decision makers allocate resources for specific service level results. The five-year Community Investment Plan (CIP) includes ongoing projects, new projects, and projects in progress that require additional funding. The CIP also includes a plan for future projects based on expected revenues, bond issuance, and other financing mechanisms. CIP projects are carefully assessed and prioritized by objective criteria and weighting established by the City Commission to ensure the most pressing needs of the community are addressed. Additionally, CIP projects support the Cylinders of Excellence and the 2035 Community Vision.

**City of Fort Lauderdale Vision Statements**

The City Commission adopted the City's Strategic plan in September 2013. This year was our fifth budget process that allowed staff to look to the Strategic Plan for priorities and guidance. The Cylinders of Excellence are integrated into daily operations and are now the focus of the City. In an effort to emphasize the importance of this focus, I am presenting recommended operating budget enhancements and community investment plan projects based upon their alignment with the six Cylinders of Excellence of the Strategic Plan.

 <p><b>WE ARE CONNECTED.</b> We move seamlessly and easily through a safe transportation system where the pedestrian is first.</p>	 <p><b>WE ARE HERE.</b> We are an urban center and a vacationland in the heart of South Florida.</p>
 <p><b>WE ARE READY.</b> We are a resilient and safe coastal community.</p>	 <p><b>WE ARE PROSPEROUS.</b> We are a subtropical City, an urban laboratory for education and business.</p>
 <p><b>WE ARE COMMUNITY.</b> We are a neighborhood of neighborhoods.</p>	 <p><b>WE ARE UNITED.</b> We are a strong and vibrant kaleidoscope of multi-generational cultures, ethnicities, and community partners.</p>

The FY 2018 proposed operating budget and community investment plan includes over \$77.8 million in funding enhancements and new or reprioritized projects, including 61 new positions that are presented by Cylinder of Excellence. Each project and funding enhancement recommendation was made in an effort to enhance the City’s capacity to meet the needs of the Community in each Cylinder. Many projects and enhancements have co-benefits to other cylinders in addition to the primary cylinder where they are listed.



## BUSINESS DEVELOPMENT

Fort Lauderdale is home to a **thriving local economy, tourism industry, and boating and marine industry, attracting regional and global markets.** It is the coastal epicenter of South Florida connecting Miami-Dade to Palm Beach and west Broward to Port Everglades and Fort Lauderdale-Hollywood International Airport. Strategic alliances with businesses, associations, and schools contribute to local talent supply. Investments in transportation and mobility, infrastructure, public places, education, and public safety have exponential impacts on businesses and economic development.

In support of the Business Development Cylinder of Excellence, the FY 2018 CIP includes \$8.5 million in new funding for capital projects. The operating budget includes \$1.6 million in enhancements. The CIP and operating budget enhancements for this cylinder include:

- Automated vehicle gate operators, access control improvements, and runway improvements for Fort Lauderdale Executive Airport (FXE) - \$1 million
- Business development and incentive program for the Central City Area of the Community Redevelopment Agency - \$100,000
- Consulting services for Uptown Urban Village and South Andrews Regional Activity Center areas - \$50,000
- Emergency Alert System, Lightning Detection System, and software upgrades for FXE - \$375,000
- FXE taxiway improvements, aviation service facility expansion, and drainage improvements - \$5.5 million
- Beach nourishment - \$2.8 million
- Land Asset Management System - \$183,000



## INFRASTRUCTURE

---

Infrastructure directly impacts our community every day. Quality infrastructure leads to neighborhood enhancement, active and safe public places, and business development. The country as a whole is facing a critical dilemma with aging infrastructure and shrinking government budgets. In many areas of America, the roads, drinking water and wastewater systems are simply out dated. This trend directly applies to Fort Lauderdale as one of the oldest cities in Broward County, and is exacerbated by an additional challenge - sea level rise. **Strategic community investments** are important now and for future generations. The City must also build a **sustainable and resilient infrastructure**. This means smart investments in our community infrastructure for long-term economic and environmental viability and quality of life. This includes maintaining and updating our roads, bridges, water, wastewater systems, and drainage systems that plan for sea level rise projections. In support of the Infrastructure Cylinder of Excellence, the FY 2018 CIP includes \$37.5 million in new funding for capital projects. The operating budget includes \$2.6 million in enhancements, including 13 new positions. Highlights of the CIP and operating budget enhancements follows below:

- Establishment of a Roadway Maintenance and Repair Program - \$1.5 million
  - Five Utility Service Workers
  - One Construction Manager
  - One Maintenance Chief
- Enhanced Safety and Traffic Calming implementation: pedestrian and bicycle counting devices, design and construction of traffic calming projects, and pilot of dynamic crash prediction software - \$620,000
- Expansion of backflow compliance program - \$72,000
  - Environmental Inspector
- Traffic Volume and Flow Improvements - \$450,000
  - Engineering Technician
  - Two Planners

- Planning Assistant
- Project Manager
- Structural and electrical improvements at City Park Garage and Park Administration Building - \$730,000
- Utility coordination with Florida Department of Transportation - \$750,000
- Continued implementation of the Downtown Walkability Plan - \$500,000
- Environmental and sustainability management system - \$600,000
- Central Region Wastewater System Capital Projects - \$8 million
- Riverland Road “Complete Streets” improvements - \$750,000
- Seawall repairs, replacements, and restorations - \$8.8 million
- Commercial Boulevard high-mast lighting system - \$150,000
- SE/SW 6<sup>th</sup> Street corridor safety improvements - \$300,000
- NE 15 Avenue corridor safety improvements - \$500,000
- Priority Water and Sewer Capital Projects - \$11 million
- Stormwater infrastructure improvements - \$2 million
- Road maintenance and resurfacing - \$1.2 million
- Marine facilities maintenance - \$600,000



## NEIGHBORHOOD ENHANCEMENT

---

Fort Lauderdale is a community of communities with more than 60 unique and charming neighborhoods, a beautiful beach and a vibrant business and entertainment center. It has both historic charm and modern urban amenities. The City of Fort Lauderdale is proud of its active and engaged community of neighbors and businesses, with 62 recognized civic and homeowners associations and 49 commission advisory boards. The City Commission relies heavily on their participation in the public policy process that enhances the quality of life for our communities. The work and services in this area are aligned to **help our neighborhoods be healthy, strong and stable**. With the goal of being an **inclusive community made up of distinct, complementary and diverse neighborhoods**, the City Commission is also committed to ensuring that no one neighborhood is left behind. This requires both effective code enforcement and investments in community aesthetics and features.

The FY 2018 CIP includes \$500,000 in new funding for the Neighborhood Enhancement Cylinder and the Business Community Investment program. The operating budget includes \$1.2 million in enhancements, including the addition of eight (8) positions. Highlights of the CIP and operating budget enhancements follows below:

- Expansion of Code Compliance and Vacation Rental Program - \$350,000
  - Three Clerk positions
  - One Service Clerk position
  - Two Administrative Aide positions
- Urban Design and Planning Division revenue intake staffing - \$60,000
  - One Service Clerk
- Six (6) Vehicles for Urban Design and Planning and Code Compliance Division - \$200,000
- Updates of City’s citation ordinance and building and application fees - \$60,000
- Construction Review Specialist for inspection of housing units - \$70,000

- Neighborhood & Business Community Investment Program - \$500,000
- Enhanced inspection and plans review services - \$500,000
- Archeological consulting services - \$40,000



## PUBLIC PLACES

Great cities worldwide have great **public places**, from a small passive parks, to grand open gathering forums, to pleasant pathways. Our public places **create a sense of place, reflective of our tropical, urban lifestyle**. This is where our community comes together to enjoy simple activities such as listening to music or shopping at a farmer’s market, or to celebrate large-scale events. These places are where both public and private recreational programming can be held for all ages, and directly influence community health and activity levels. The City of Fort Lauderdale strives to be a City with **safe, clean, and interconnected** Public Places. This cylinder of excellence overlaps with Infrastructure by focusing on easy accessibility to parks and public places, through increasing connectivity through mass transit, greenways and blueways. The City also strives to leverage private developments to ensure thoughtful and positive benefits to the public realm.

The FY 2018 CIP includes \$11.3 million in new funding for parks and other public places. The operating budget includes \$2.3 million in enhancements, including the addition of 13 positions. Below is a summary of the CIP and operating budget enhancements for the Public Places Cylinder of Excellence:

- Creation of a Nighttime Economy program, including the addition of 11 positions, 9 vehicles, and related equipment - \$1.4 million
  - One Assistant to the City Manager
  - One Police Sergeant
  - One Parks Foreman
  - Three Police Officers
  - One Fire Inspector
  - One Senior Code Compliance Officer
  - One Public Safety Aide
  - Two Municipal Maintenance Workers
- “Future Technology Coders Camp” program to expand access to computer science, particularly for underserved minorities and young girls - \$50,000
- Construction audits for the Las Olas Boulevard Corridor Improvement Project and the Aquatic Center Renovation Project - \$230,000
- Funding for “Light Up Sistrunk”, “Panthers in the Park”, and maintenance of Huizenga Plaza - \$300,000
- Increased funding for Sun Trolley and Riverwalk Water Trolley - \$130,000
- Mills Pond Park boat ramp replacement and restrooms - \$600,000
- City-wide playground replacements - \$600,000
- Aquatics complex renovations - \$8.6 million
- Field conversion at Holiday Park - \$800,000
- Public Wi-Fi access at City parks - \$70,000
- Riverwalk park improvements - \$200,000
- Parker Playhouse renovation - \$500,000

- Enhanced CRA branding - \$150,000



## PUBLIC SAFETY

---

One of the most important and essential roles of government is public safety. We must be a **safer city for all neighbors, including our daily commuters, visitors, and tourists**. The City is committed to **saving life and property** through rapid, effective, and specialized response. Spanning advanced medical programs, such as, fire and accident response, and ocean and fire rescue are a constant presence and service. The City must also be **well-prepared for and responsive to all hazards** to reduce the risk to neighbors and critical assets from hazards storms, flooding and fire. Moving forward, climate change concerns and risks must be integrated into emergency management planning.

The FY 2018 CIP includes \$3.7 million in new funding for public safety related capital projects. The operating budget includes \$2.5 million in enhancements, including the addition of 17 positions in support of the Public Safety Cylinder of Excellence. Highlights of the CIP and operating budget enhancements include:

- Update of specialized equipment for the Fire-Rescue Department - \$260,000
- Enhanced employee wellness program for the Fire-Rescue Department - \$400,000
- Enhancements to unit availability and response times for the Fire-Rescue Department, including the addition of 10 positions - \$800,000
  - 10 Firefighter/Paramedic positions
- Implementation of a body-worn camera program for the Police Department, including the addition of 3 positions - \$180,000
  - Two Clerk positions
  - One Administrative Assistant position
- Maximizing the Use of Sworn Police Officers by adding 4 non-sworn positions - \$500,000
  - One Administrative Assistant position
  - Two Police Aide positions
  - One Senior Technology Support Analyst
- Creation of an Animal Care and Replacement program for the Police Department - \$160,000
- Enhanced training programs for the Police Department - \$260,000
- New Emergency Medical Station - \$3 million
- Police marine patrol vessels - \$700,000



## INTERNAL SUPPORT

---

The City's mission is to build community. The Cylinders of Excellence are **how we build community**. None of this would be possible without the Internal Support platform to motivate and support our internal workforce community to deliver best-in-class municipal services. **An innovative, neighbor-centric, and well-trained workforce** needs fundamental tools, such as phones, internet, facilities and

equipment. It also needs programs in place such as employee safety and wellness, training, strategic performance management and process improvement; this is how we keep up with progressive communication and service delivery mechanisms desired by our neighbors. In order to be smarter, faster, and cheaper, we must **manage our resources wisely and sustainably** through sound fiscal management, integrating sustainability into daily operations and planning, and procurement of goods for the best value.

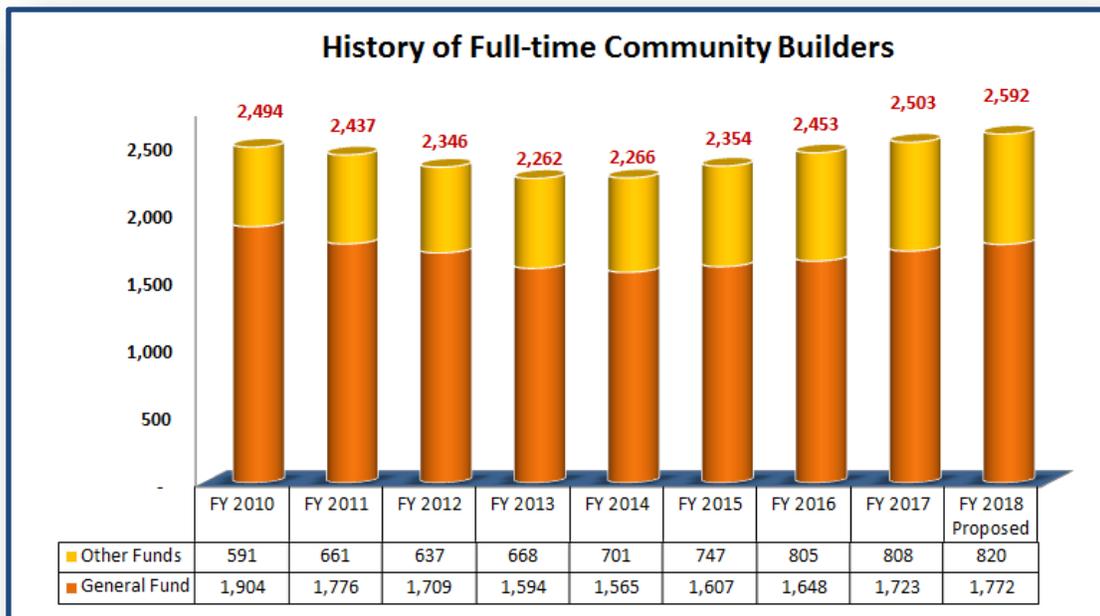
The FY 2018 CIP includes \$3 million in new funding for the Internal Support Cylinder of Excellence. The operating budget includes \$3 million in enhancements, including the addition of 10 positions. A summary of the CIP and operating budget enhancements follows below:

- Supervisory Senior Customer Service Representative for Finance Department to increase efficiency in Utility Billing and Collections Division - \$60,000
- Security services for the Department of Sustainable Development facility - \$160,000
- Improved Operational Communications Capabilities - \$260,000
- New Assistant City Attorney position - \$140,000
- Improvement of neighbor and staff safety through additional technology support staff, including addition of two positions - \$200,000
  - One Technical Support Coordinator
  - One Communications Technician
- Enhanced data analytics and accounting management for the Fire-Rescue Department, including the addition of one position - \$70,000
  - One Analyst
- Increased efficiency in production of financial reports and accounting standards including the addition of one position - \$90,000
- Mobile utility solution and additional Security Analyst for Information Technology Services - \$300,000
  - One Information Technology Security Analyst
- Public Information Specialist dedicated to providing the public with updates on road projects, effective routes for travel, and promotion of safe behaviors - \$90,000
- Automotive and Equipment Engineer for Sustainability Division to support improved asset management - \$80,000
- Improving Information Technology (IT) support services for projects - \$90,000
  - One Technology Strategist
- Renovations and improvements at the City's Central Fuel Station - \$270,000
- Development of a new cloud solution intranet for collaboration - \$350,000
- Renovation of Law Library and purchase of office equipment - \$140,000
- Enhanced Training for Structural Innovation Division staff - \$60,000
- Replacement of Police Department IT equipment - \$250,000
- War Memorial Auditorium Renovations, Phase II - \$800,000
- Priority citywide facility repairs - \$2.5 million

The enhancements and position additions reflect the increased demands being placed on Community Builders and the high quality services desired by our neighbors. Attracting and retaining a talented and diverse workforce of Community Builders is essential to achieving the goals and vision we all have for our City. We must also ensure that our staffing levels are sufficient to achieve the plans that we have set forth. As presented above, I am recommending an increase in staffing to further the work of our Vision and Strategic Plan. These positions include: 13 positions needed to maintain and improve

the City’s **Infrastructure**, 8 positions for continued **Neighborhood Enhancement**, 13 positions for neighbor programs and maintaining our beautiful **Public Places**, 17 positions to increase our **Public Safety** efforts, and 10 positions in **Internal Support** to ensure efficient delivery of services.

The net effect of the proposed position additions and changes proposed for FY 2018 is an increase to the position complement of 62.4 full-time equivalent positions or a 2.3% increase over last year’s amended budget of 2,685.4 full-time equivalent positions. The total General Fund personnel complement for FY 2018 is proposed at 1,772 full-time employees, which does not include part-time and seasonal (temporary) employees. Seasonal positions supplement staffing for temporary periods such as summer camps or special events, but are not considered regular employees. The General Fund Proposed personnel complement of 1,772 remains lower than the FY 2010 level of 1,904 full-time employees, and includes the addition of 25 police officers and 30 paramedic/firefighters since FY 2010.



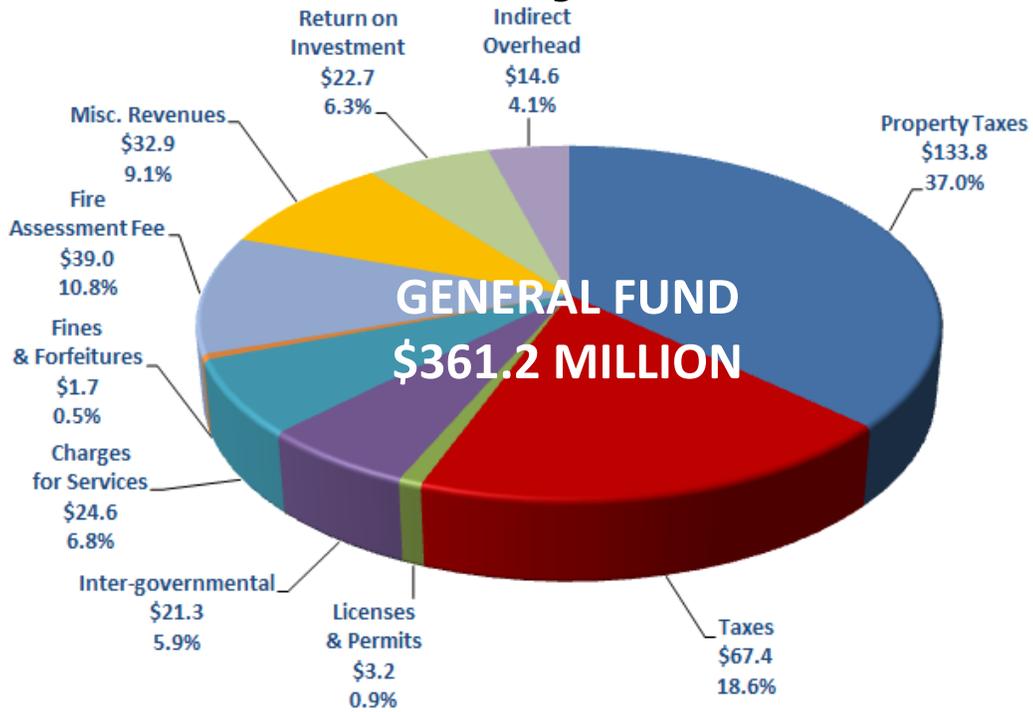
The Proposed Budget for personnel also includes required retirement contributions and debt service for the Pension Obligation Bonds. The General Employees Retirement System (GERS) plan was closed in 2009 and replaced with a defined contribution 401(a) plan for all new general employees. The history of pension contributions is shown in the table below.

### History of Citywide Retirement Expense

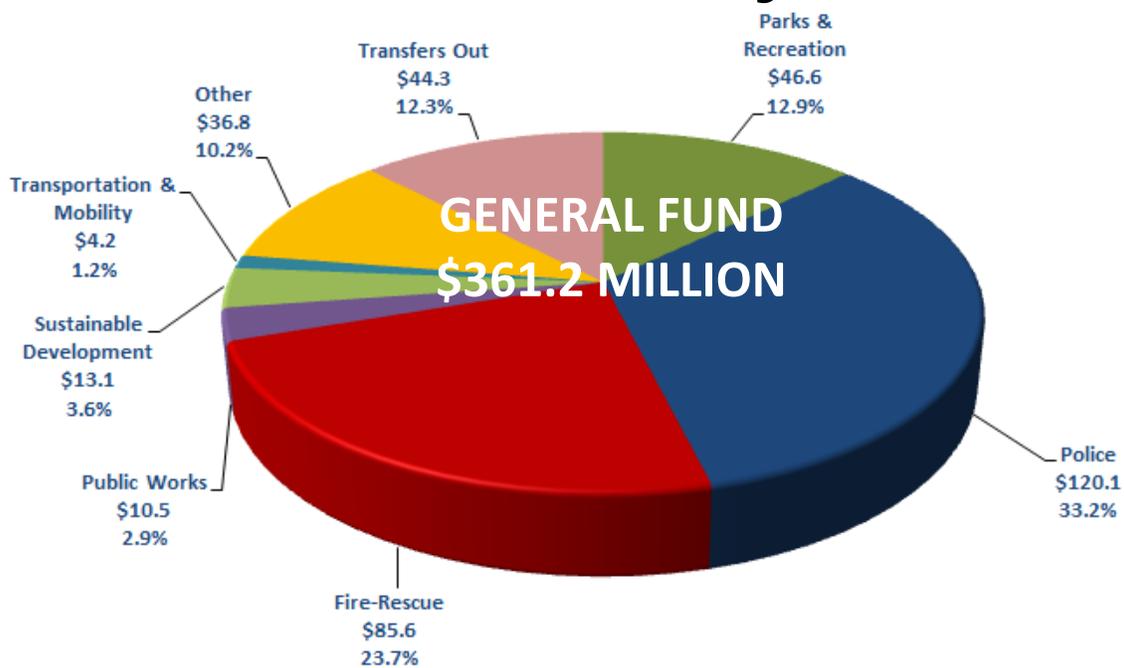
	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Amended	FY 2018 Proposed
General Employee Retirement System Annual Contribution	\$ 19,351,946	\$ 21,498,801	\$ 22,358,550	\$ 13,562,595	\$ 15,061,353	\$ 15,501,180	\$ 14,393,012	\$ 14,595,648	\$ 10,459,835
Police & Fire Annual Contribution	25,752,119	30,664,176	30,928,447	15,075,469	15,388,327	15,599,916	13,867,934	17,400,791	19,328,568
Debt Service for Pension Obligation Bonds	-	-	-	27,399,827	26,453,846	26,361,882	26,358,764	26,325,548	26,359,124
401(a) Defined Contribution Plan	995,757	1,007,210	1,210,445	1,600,100	1,984,272	2,583,362	3,118,307	4,155,804	4,426,613
<b>Total City Retirement Contributions</b>	<b>\$ 46,099,822</b>	<b>\$ 53,170,187</b>	<b>\$ 54,497,442</b>	<b>\$ 57,637,991</b>	<b>\$ 58,887,798</b>	<b>\$ 60,046,340</b>	<b>\$ 57,738,017</b>	<b>\$ 62,477,791</b>	<b>\$ 60,573,930</b>

*Note: The City issued Pension Obligation Bonds in 2012*

# Where the Money Comes From



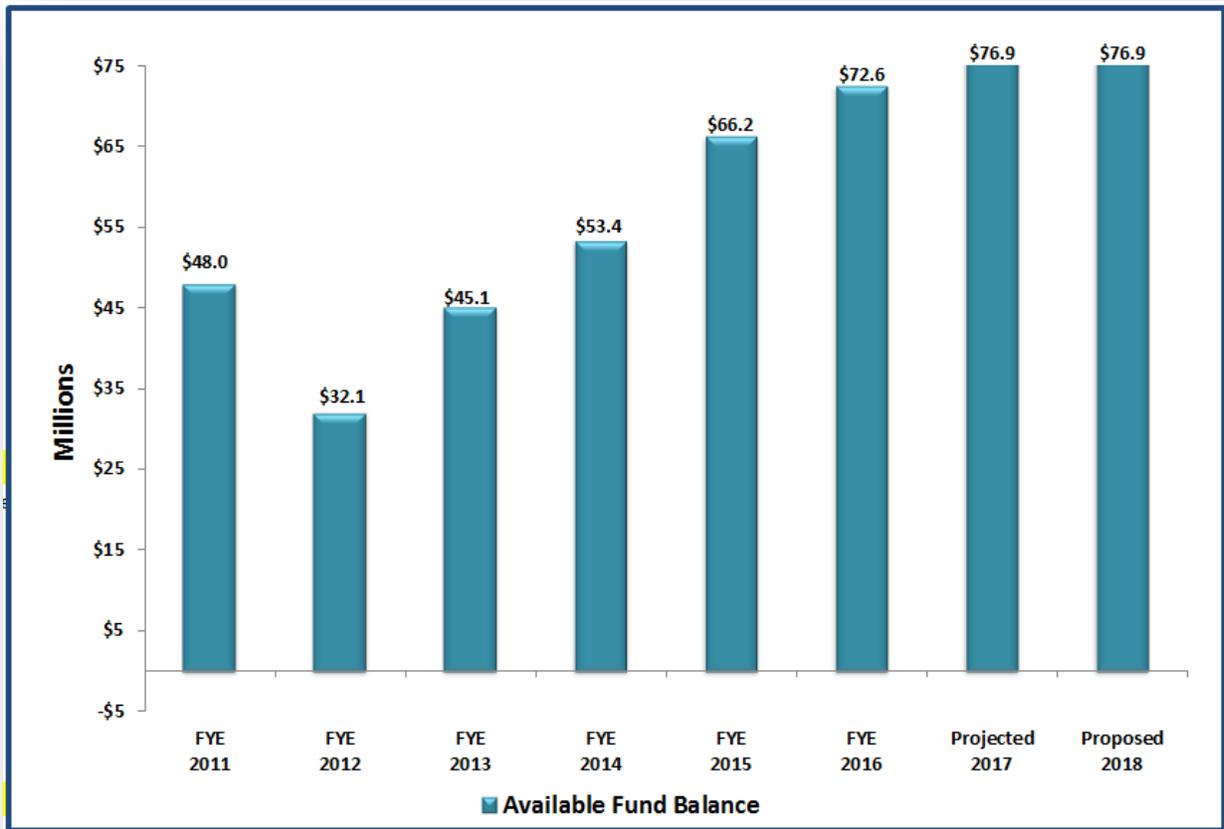
# Where the Money Goes



### General Fund - Fund Balance

The fund balance in the General Fund provides a measure of the financial resources available for future spending or appropriation. These funds should be adequate to support potential unanticipated costs, like natural disasters and emergency repairs to City infrastructure. The City Commission’s fund balance policy requires a minimum available fund balance for the General Fund of two months or 16.7% of the General Fund Budget including necessary transfers. Since the policy is a percentage of the budget, as the budget increases, the required level of fund balance also increases. The FY 2018 estimated fund balance exceeds our policy requirement by \$23.2 million with a total available fund balance of \$76.9 million or 23.9% of the General Fund budget as shown in the following chart.

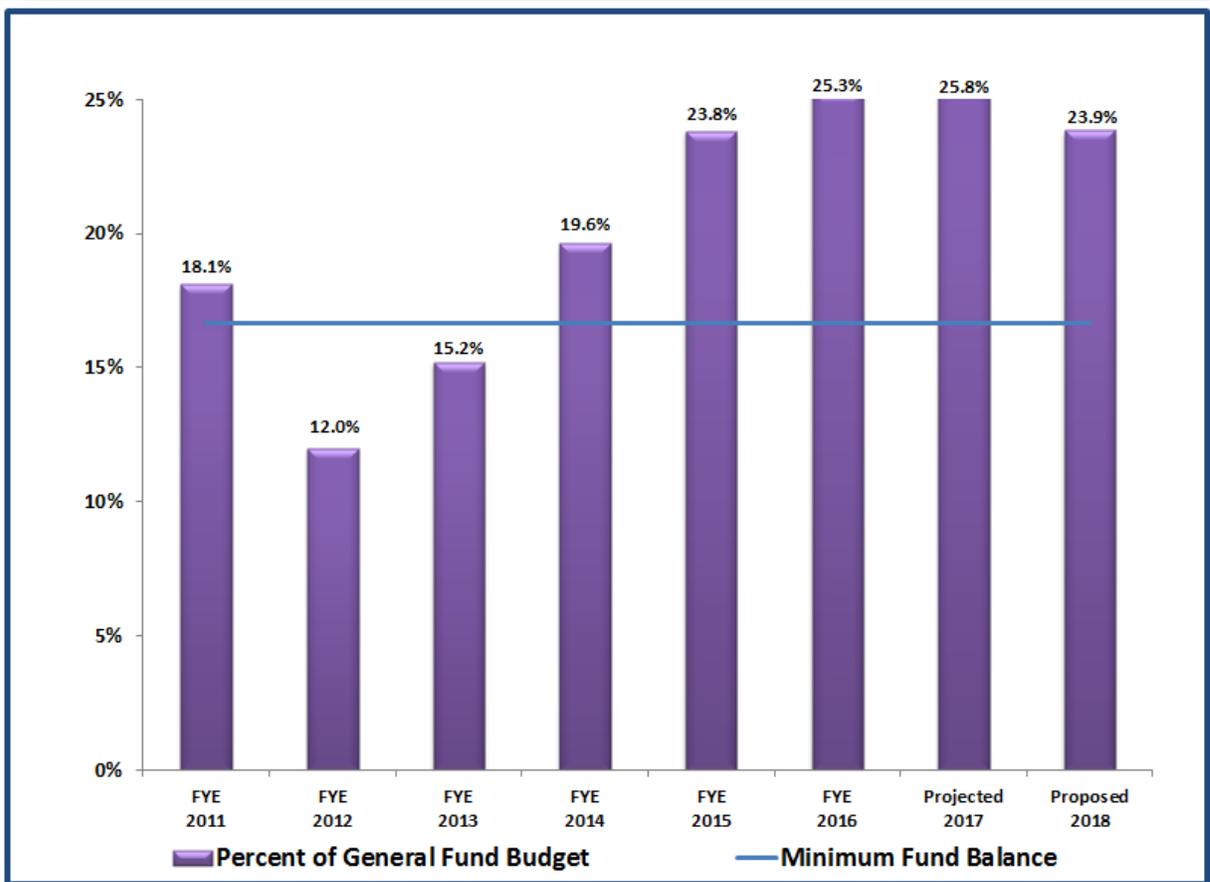
### General Fund – Fund Balance in Dollars



Maintaining a healthy fund balance is an indicator of the fiscal health of the government. We continue to monitor and assess the fund balance to ensure that the level of available funds is commensurate with the level of risk associated with our diverse City and our revenue and expenditure variability.

### General Fund – Fund Balance

#### As a Percent of the Operating Budget



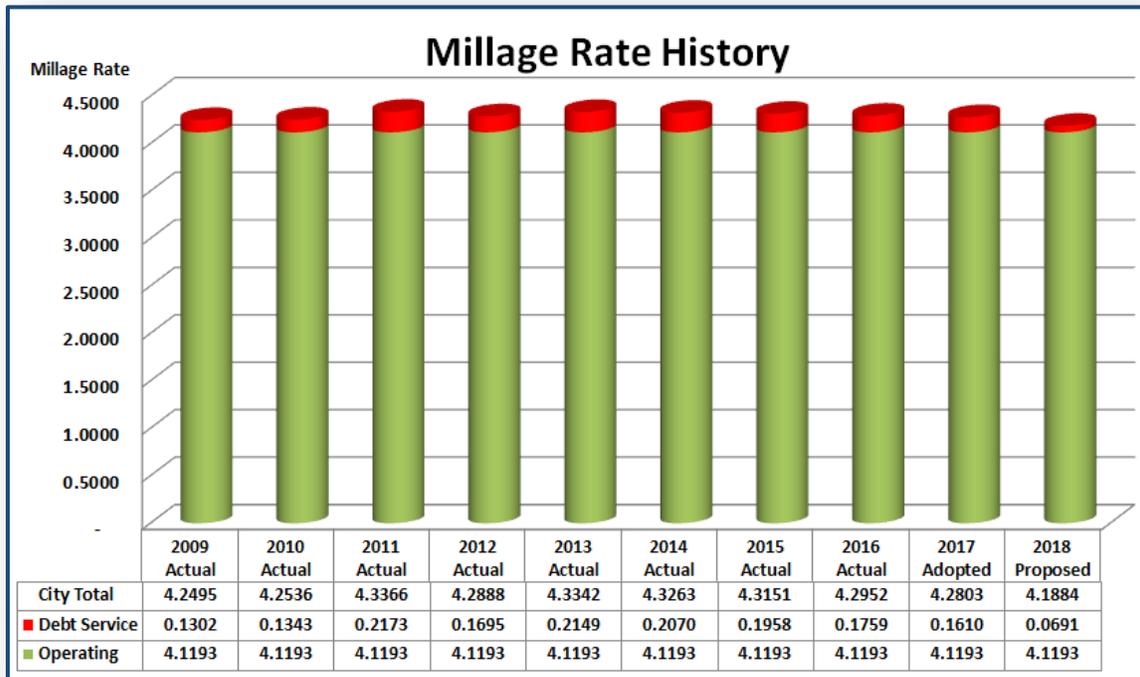
### Property Taxes

The City of Fort Lauderdale’s total taxable assessed valuation as of the July 1<sup>st</sup> estimate is \$33.8 billion, an increase of \$2.9 billion, or 9.25%, from the prior year final valuation. The net new construction assessed during the last year totaled \$341 million. This increase in the taxable value is expected to generate approximately \$10.6 million in additional revenue for the City of Fort Lauderdale in FY 2018. Revenue from ad valorem taxes is projected at \$133.8 million, which represents approximately 37% of the total General Fund revenue. The chart below presents the taxable values and net new construction for the last ten years.

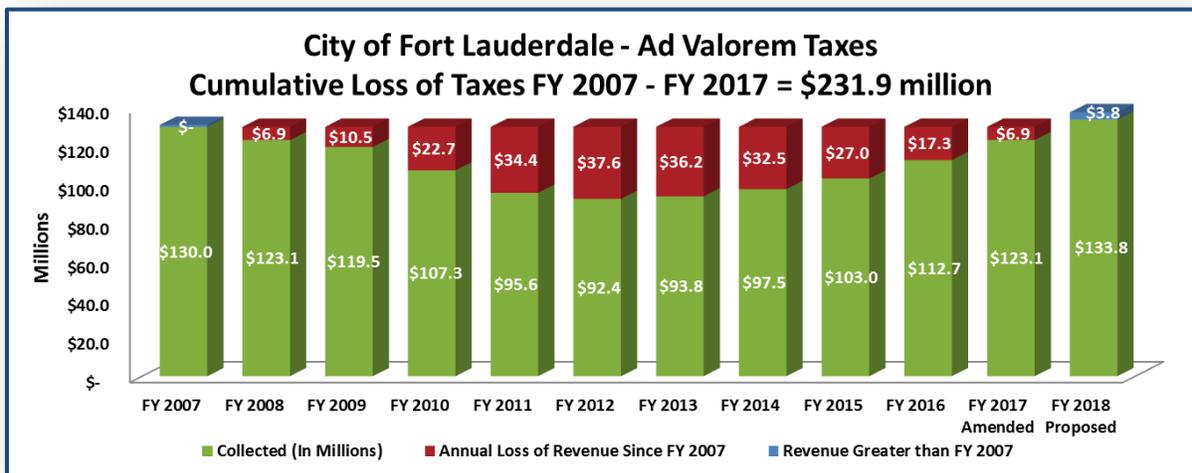
#### Taxable Value & Millage Comparison

Calendar Tax Year	Net New Construction	Final Gross Taxable Value	Increase/Decrease from Prior Year	Operating Millage Rate
2017-July 1st	\$ 340,929,480	\$ 33,831,910,534	9.25%	4.1193
2016-Final	\$ 455,847,640	\$ 30,966,306,786	9.20%	4.1193
2015-Final	\$ 329,982,320	\$ 28,357,575,422	9.09%	4.1193
2014-Final	\$ 105,754,281	\$ 25,994,723,014	5.88%	4.1193
2013-Final	\$ 57,905,666	\$ 24,551,642,014	3.98%	4.1193
2012-Final	\$ 202,371,590	\$ 23,612,223,398	1.10%	4.1193
2011-Final	\$ 97,950,210	\$ 23,354,708,424	-4.26%	4.1193
2010 Final	\$ 494,110,613	\$ 24,393,809,310	-11.04%	4.1193
2009 Final	\$ 271,277,218	\$ 27,422,141,727	-9.73%	4.1193
2008 Final	\$ 625,354,578	\$ 30,378,384,604	-2.96%	4.1193

The FY 2018 Proposed Budget includes an operating millage rate of 4.1193 per \$1,000 of taxable value. The proposed aggregate millage rate (operating and debt service) is 4.1884, which represents a 2.2% decrease from the prior year rate of 4.2803. The debt service millage adjusts annually based on the property valuation and debt service requirement. In addition, the City made its final payment on the outstanding 2011B Series General Obligation Bond in FY 2017 resulting in a lower debt service payment for our neighbors for FY 2018.



As shown below, holding the City’s millage rate steady at 4.1193, even when the City’s taxable property values decreased, resulted in a loss of approximately \$232 million from 2007 to 2017. Property tax revenue has finally recovered in FY 2018 to the levels of over ten years ago.



## FY 2018 Funding Highlights

### Water & Sewer Fund

The City supplies water and sewer services on a regional basis for approximately 250,000 residents of central Broward County. Areas serviced by the City's water treatment and distribution system include Fort Lauderdale, Port Everglades, Sea Ranch Lakes, Lauderdale-by-the-Sea, Oakland Park, Wilton Manors, and portions of Davie, Tamarac, and unincorporated Broward County.

The FY 2018 Water & Sewer Fund proposed expenditures are \$120.9 million, which is \$3.3 million more than the FY 2017 Amended Budget. Based on the existing rate ordinance, a 5% rate increase for both water and sewer will become effective October 1, 2017. The impact of the approved rate increase on a residential neighbor using 5,000 gallons of water per month amounts to a \$3.02 monthly increase, as illustrated below:

**Water and Sewer Charges**  
**Effect of Monthly Increase on Neighbors**  
 (Based on Average Usage of 5,000 gallons/month)

5/8 Inch Meter	Old Rate	Proposed Rate	\$ Change	% Change
<b>Water Charge</b>	\$22.46	\$23.59	\$1.13	5%
<b>Sewer Charge</b>	\$37.63	\$39.52	\$1.89	5%
Total	\$60.09	\$63.11	\$3.02	5%

### Central Regional Wastewater System Fund

The Central Regional Wastewater System Fund proposed expenditures are \$26.7 million which is \$1.0 million less than the FY 2017 Amended Budget. The large customer wastewater rate will increase from \$1.85 to \$1.86 per 1,000 gallons.

### Sanitation Fund

The Sanitation Fund supports a full complement of modern solid waste services by providing household garbage, recycling, yard waste, and bulk trash collection. The fund also supports household hazardous waste collection events, canal cleaning, lot cleaning and rights-of-way maintenance, public trash receptacles, and street sweeping services. The City's Clean Team is funded through the Sanitation Fund, working to preserve the unique beauty of our City streets and high-traffic areas. The Sanitation Fund proposed expenditures are \$23.8 million, which is \$2.2 million less than the FY 2017 Amended Budget.

FY 2018 proposed Sanitation revenues include an increase in the General Fund transfer to fully transfer all sanitation related franchise fees. Effective October 1, 2017, residential rates are recommended to increase by 3%. The impact of the approved rate increase on a neighbor is illustrated below:

### Effect of Increase on Base Monthly Sanitation Rates

Old Rate	Proposed Rate	\$ Change	% Change
\$30.69	\$31.61	\$0.92	3%

### Self-Insured Health Benefits Fund

The City managed self-insured health programs are funded through insurance charges to employees and retirees along with a City contribution on behalf of employees. The Self-Insured Health Benefits Fund proposed expenditures are \$31.2 million, which is \$4.8 million more than the FY 2017 Amended Budget. In 2013, the City opened a health and wellness center to provide insurance participants with convenient access to health care. This initiative decreases the cost of health claims from other providers and is an enhanced benefit for our Community Builders and their dependents.

### Central Services (Information Technology Services) Fund

The Central Services Fund is established to provide citywide technical resources, deliver customer care, and provide computers, telephones, mission critical two-way communications infrastructure and handheld radios, website, intranet, internet, electronic mail, wireless and mobile communications, business software applications, desktop software applications, training, and supports citywide hardware and software security. This fund is supported by charges to user departments based upon services provided. The Central Services Fund proposed expenditures are \$20.3 million, which is \$58,292 less than the FY 2017 Amended Budget.

### Parking System Fund

The Parking Fund is a self-sustaining fund, using no tax dollars to fund the parking operation. It includes garages; lots; enforcement; and managerial, administrative, and field personnel. All salaries, benefits, and expenses are paid exclusively from user-based revenues collected from meters, the sales of permits, and citations. Excess revenues are accumulated in the fund balance to finance major reconstruction and rehabilitation projects of the City's garages and parking lots. The Parking System Fund proposed expenditures are \$18.2 million, which is \$79,549 less than the FY 2017 Amended Budget.

### Vehicle Rental (Fleet) Fund

The City's fleet consists of approximately 1,550 vehicles and rolling stock. The Public Works Department oversees four fueling facilities. This fund is supported by charges to user departments and funds based on the services provided. The FY 2018 Proposed Budget, including transfers is \$18.4 million, which is \$997,550 less than the FY 2017 Amended Budget.

**City Property & Casualty Insurance Fund**

The Property/Casualty City Insurance Fund proposed expenditures are \$16.4 million, which is \$940,212 less than the FY 2017 Amended Budget. Workers compensation claims are decreasing as the Human Resources Department continues implementing a safety and training program to increase employee safety awareness and reduce preventable accidents. The budget amounts are tied to actuarial reports or the cost of the insurance policy and include workers compensation, general liability, public official liability, employment practices liability, auto liability, and all-risk property insurance. The fund maintains a reserve of 100% of the actuarially calculated liability.

**Stormwater Fund**

The revenues collected for the City’s Stormwater Management Program are used for operating expenses and capital improvements directly related to the management of stormwater, including improvements designed to improve water quality in the City’s waterways. The FY 2018 proposed operating budget and transfers for the Stormwater Fund is \$14.8 million.

The proposed rate increases outlined below are critical to the continued success of the Stormwater Management program:

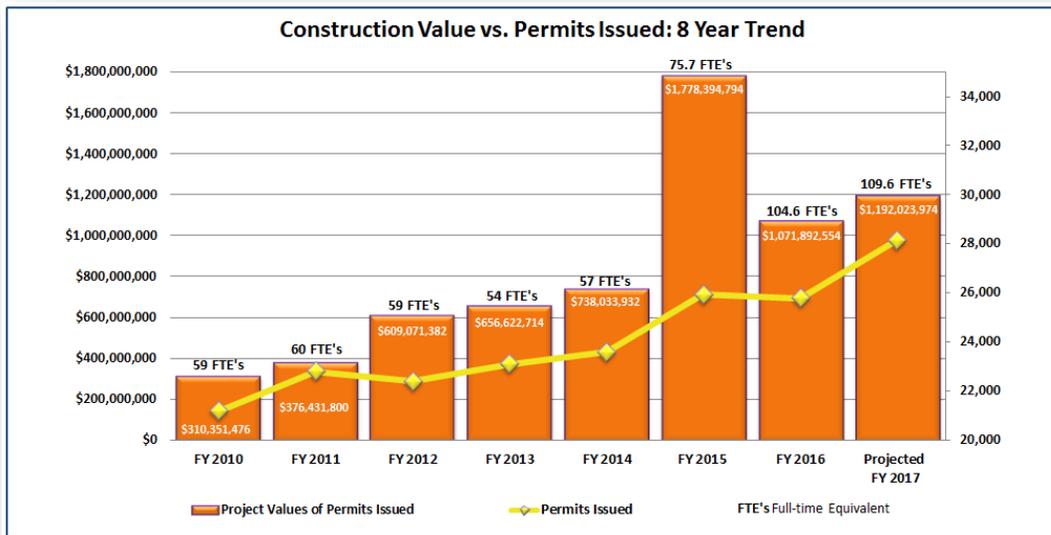
- Residential property with three units or less will be billed \$10.00 per unit per month.
- Commercial and industrial properties, as well as multi-family residential with four units or more, will be billed \$100.80 per acre, per month.
- Properties with low runoff characteristics, such as vacant land, parks, and well fields, will be billed \$31.95 per acre per month.

**Stormwater Fee  
 Effect of Monthly Increase on Neighbors**

Stormwater Charge	Old Rate	Proposed Rate	\$ Change
Residential <= 3 Units	\$8.00/unit	\$10.00/unit	\$2.00/unit
Commercial, Industrial, and Residential > 3 Units	\$80.64/acre	\$100.80/acre	\$20.16/acre
Vacant Land, Parks, and Well Fields	\$25.56/acre	\$31.95/acre	\$6.39/acre

### Building Funds

The Building Funds have proposed expenditures of \$24.3 million, which is \$5.7 million more than the FY 2017 Amended Budget. The City’s Building Division enforces to the Florida Building Code which establishes the standards to which any new construction or improvements to existing buildings must be built. In FY 2016, the City processed approximately 25,700 permits with a value of over \$1 billion. The revenue generated from the permit and inspection fees supports the City’s Building Division operating expenditures as well as their technology and certification maintenance needs. The chart below represents the number of permits issued as compared to the construction value over the last eight years.



### Housing and Community Development Grants Fund

In FY 2018, the City anticipates receipt of \$9.4 million in Federal Entitlement Funds. These Housing and Community Development programs benefit our neighbors through quality affordable homes for all, strengthening the housing market to bolster the economy, and improving the overall quality of life for our neighbors. These direct programs are 100% grant funded with no contribution from the City. Community Development Block Grant funds provide flexibility to address quality of life issues in the communities of Fort Lauderdale including housing, public service needs, public facility needs, and economic development. Home Investment Partnership Program funds are used primarily to address housing assistance to eligible homeowners, agencies, renters, and homebuyers. Assistance is provided in the form of down payment assistance or housing rehabilitation loans. Housing Opportunities for Persons with AIDS/HIV provides funding for housing assistance, social services, program planning and development costs for targeted special needs clients who are diagnosed with HIV/AIDS. State Housing Initiatives Partnership Program funds are used primarily for single-family housing rehabilitation grants, down payment assistance, and utility hook-up assistance.

### **Airport Fund**

The Fort Lauderdale Executive Airport is a major job center, employing over 5,000 people in its aviation and non-aviation properties and provides an estimated \$839 million annual economic impact to the area. The Airport is self-sustaining, with revenue generated by land leases and fuel flowage fees. The Division administers 37 land leases for both aviation-related and Industrial Airpark parcels on the 1,200-acre property. The Airport Fund proposed expenditures are \$13.9 million, which is approximately the same as the FY 2017 Amended Budget.

### **Conclusion**

Building a budget is a challenging process; we are forced to consider difficult trade-offs between competing priorities and develop innovative solutions to enhance our service delivery within available resources. I am confident that the Proposed Budget achieves a balanced approach to achieving the City's goals and delivers on the quality services that our neighbors expect.

I want to express my appreciation for the diligence of the Mayor and City Commission for their years of proactive leadership and courage in addressing dynamic challenges through engagement with our neighbors, analyzing and understanding the impacts of policy decisions, and identifying priorities through the development of the City's Vision, Strategic Plan, and Commission Annual Action Plan that are the basis for this proposed budget. In addition, I would like to thank our Budget Advisory Board, Revenue Estimating Conference Committee, City Auditor's Office, Community Building Leadership Team, Budget Coordinators, Budget/CIP and Grants team, and all of our Community Builders for their efforts to create a comprehensive, strategic, transparent, and meaningful budget.

The FY 2018 Proposed Budget will be formally presented to City Commission at the first public hearing on September 6, 2017 and final public hearing on September 13, 2017 at City Hall, starting at 6:00pm. I look forward to working with you, our neighbors, and our community builders to adopt and implement the Fiscal Year 2018 Budget.

Respectfully submitted,



Lee R. Feldman, ICMA-CM  
City Manager

***"Every achievement was once impossible."***

***– Ms. Lalique***

***"Now let's make the impossible our achievement."***

***– Ms. Crystal***