



CITY OF
FORT LAUDERDALE

Financial Integrity Principles and Policies



CITY OF
FORT
LAUDERDALE

Agenda



Why Financial Principles Matter



Working Group Action Items



Overview of Financial Principles



Emergency Management Reserve Fund



Discussion and Feedback

Why Strategic Financial Principles and Policies Matter

Priority	Desired Outcome
Strengthen the City's Credit Rating	Lower borrowing costs
Clarify and communicate strategic intent	Unified direction
Align high-level principles with City policies (PSMs)	Principles in action
Encourage long-term forecasting and decision making	Future-focused
Institutionalize sound financial management	Stability and continuity
Establish clear boundaries while fostering innovation	Safe innovation
Align with best practices and state statutes	Excellence recognized

Working Group Action Items



Emergency Preparedness

- Establishing a dedicated Emergency Management Fund to safeguard response and recovery resources



Policy Review and Renewal

- Re-adopting Financial Integrity Policies every five (5) years, as committed by the City Commission



Engaged Oversight

- Addressing the Budget Advisory Board's request to be engaged in the budget policy development process





Financial Policy Review Working Group Members

City Manager's Office

- Yvette W. Matthews, Assistant City Manager
- Susan Grant, Special Advisor

Office of Management and Budget

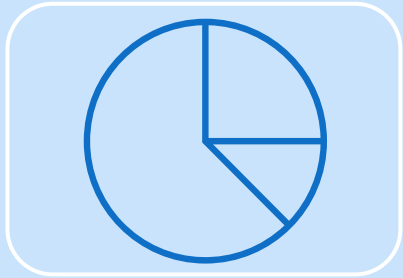
- Laura Reece, Director
- Keith Farrell, Assistant Budget Manager

Finance Department

- Linda Short, Director
- Laura Garcia, Treasurer
- Alicia Sheffield, Controller

Budget Advisory Board

Four Financial Integrity Principles



**Principle 1 –
Sound Budgeting Practices**



**Principle 2 –
Prudent Fiscal Management**



**Principle 3 –
Cost Effective Operations**



**Principle 4 –
Long-Term Financial Planning**

Principle 1 – Sound Budgeting Practices



The City of Fort Lauderdale shall be committed to maintaining a structurally balanced budget to support high quality service to our neighbors, consistent with the needs of the City.

This commitment is guided by the following sound budgeting practices:

- Revenue Estimating Conference Committee
- Cost Recovery
- Inter-Fund Borrowing
- Proprietary Funds – Working Capital
- Emergency Management Reserve
- General Fund – Fund Balance
- Structurally Balanced Budget
- Budget Transfers and Amendments
- Allocation of Overhead Cost

Principle 2 – Prudent Fiscal Management

The City of Fort Lauderdale shall commit to best practices in revenue collection, expenditure disbursements, asset maintenance, and record keeping for ensuring the optimal performance and integrity of public funds and resources.

Revenue Collections	• Timeliness and maximum collection
Purchasing	• Accordance with laws and ordinances
Fixed Assets	• Set responsibilities for acquisition, depreciation, and disposal of assets
Procurement Card (P-card)	• Maintain policies and procedures for use of P-cards
Risk Management	• Maintain policies and procedures to ensure protection of assets, continuity of services, and a safe work environment
Cash Management	• Aim to obtain maximum yield of short-term investments of pooled, idle cash
Financial Oversight and Reporting	• Routinely and continuously prepare financial reports including Annual Comprehensive Financial Report (ACFR)

Principle 3 – Cost Effective Operations

The City of Fort Lauderdale shall be accountable to stakeholders through transparent and fiscally responsible decisions in order to deliver high quality services in the most efficient and effective manner possible.



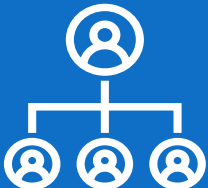
Performance Management

- Utilize operational and targeted metrics
- Measures should set targets for continuous improvement



Financial Transparency

- Financial reporting should be completed in a timely manner
- City should work to continually increase the level of transparency



Business Continuity Preparedness

- Consistent processes for how to respond to a natural disaster or other interruptions in service
- Employees assigned to the Emergency Operations Center (EOC) should be adequately trained



Travel Policy

- Maintain and administer a fiscally responsible travel policy
- Policy pertains to both training and conference travel

Principle 4 – Long-Term Financial Planning

The City shall be dedicated to investing in the future and enhancing the quality of life through public-private partnerships, cooperative decision-making, community engagement and smart strategic investments, while using debt in a responsible manner and striving for the highest level of government bond ratings available.

Investments

**Multi-Year
Community
Investment
Plan**

**Multi-Year
Financial
Forecast**

**Debt
Management**

**Capital
Maintenance
Renewal and
Replacement**

Emergency Reserve Fund – Proposed Policy

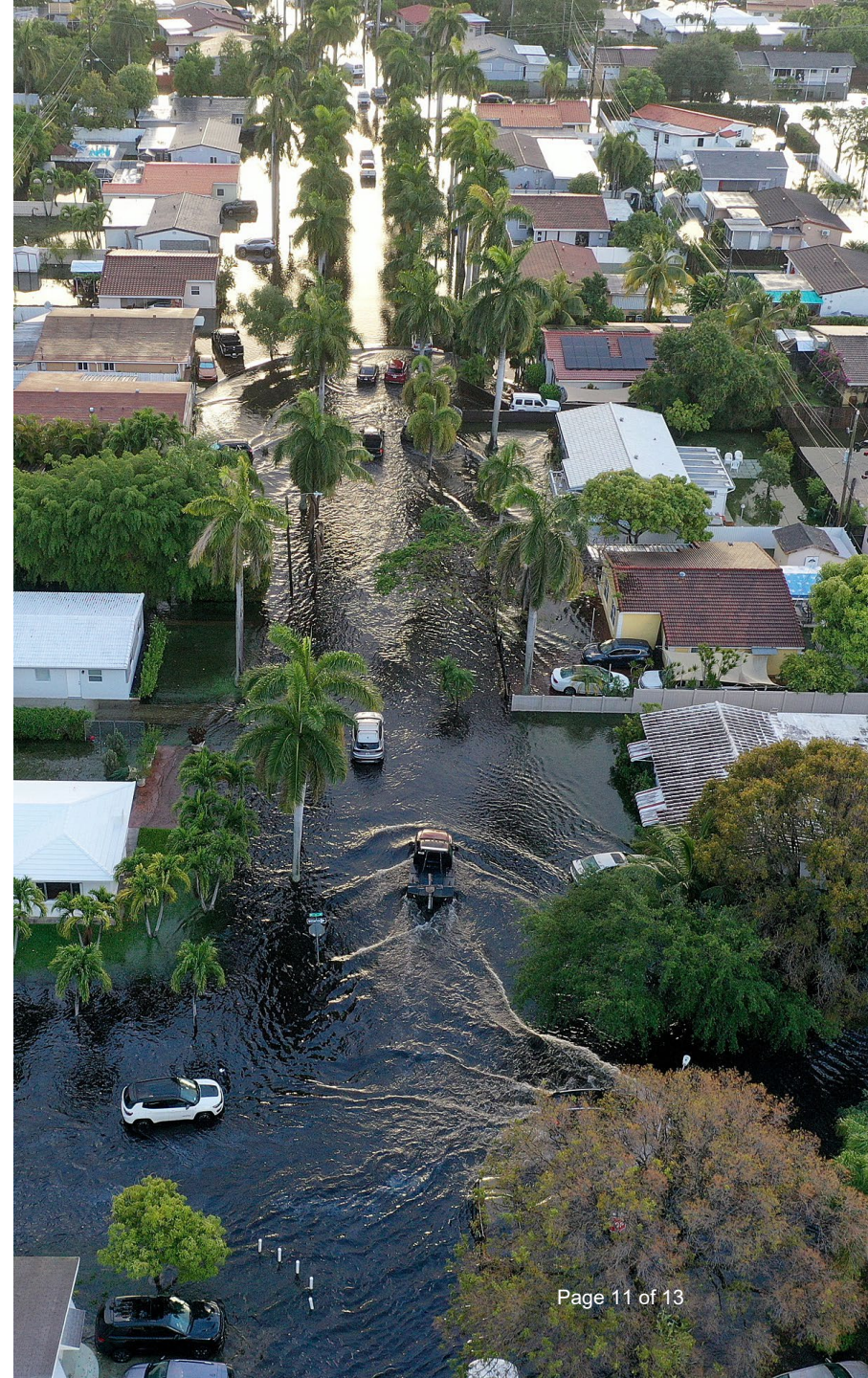
In response to recent historic hurricanes and flash floods, the Emergency Reserve Fund will ensure critical funding is set aside for response and recovery efforts during formally declared emergencies.

When can funds be utilized?

- Upon formal declaration of an emergency by a governmental authority
- Funds will be used for recovery efforts (in most cases as a match for any anticipated Federal or State disaster recovery funds)

What is the “target” fund size?

- Aim to maintain a minimum reserve equal to 1% of General Fund operating expenses (excluding pass through funds)
- If the reserve exceeds 5% of the General Fund operating budget, excess funds can be transferred to the General Fund, with City Commission authorization



Other Proposed Changes of Note

Cost Recovery

- *Added requirement to consider fees charged by neighboring municipalities and to incorporate analysis of overhead and other indirect costs*

General Fund Balance

- *Updated language to communicate the Commission's commitment of a target fund balance equal to three (3) months of operating expenses*

Financial Oversight and Reporting

- *Aligned deadlines for recurring financial reports, including Annual Comprehensive Financial Report (ACFR), to State Statute requirements*
- *Replaced requirement for monthly financial reports with quarterly projection reports, which also provide actual expenditures to date, to align with the current practice*



Discussion and Feedback