



July 1, 2015



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) 2016. 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](http://www.fortLauderdale.gov).

### **Budget Overview**

The FY 2016 total proposed operating budget for all funds is \$600,413,040, not including balances and transfers. This is approximately \$6.5 million less than the FY 2015 Amended Budget of \$606,924,756 or 1.1%. The reduction is primarily due to one-time expenses in FY 2015 such as the \$5.3 million contribution to the Wave Streetcar for the original route and the \$7.5 million contribution for the North Loop option in the Northwest-Progresso-Flagler Heights Community Redevelopment Area. The steady growth in the City's property tax revenue has allowed for funding enhancements in the proposed budget including the City Commission's Annual Action Plan (CAAP), strategic initiatives, and necessary community investments. I am proposing to maintain our current low millage rate at 4.1193 for the ninth consecutive year and the current Fire Assessment Fee at \$225 per single-family residential dwelling. The FY 2016 Proposed General Fund operating budget, not including balances and transfers, is \$268,470,741. A small surplus of \$500,000 was planned to allow for revenue variability with regards to the state revenue estimates, which are expected in early July. The General Fund budget represents a 1.9% increase from the FY 2015 Amended Budget of \$263,397,766. It is structurally balanced and maximizes all resources necessary 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!"* This past year has been notable for the City with property values increasing by 9.68%, new construction valued at \$329 million, area tourism at an all-time high of 14.3 million visitors, and the crime rate is at its lowest levels since 1974. 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 structural innovation, strategic planning, and continuous process improvement. We have been diligent in our pursuit of excellence, which was recently evidenced by Standard and Poor's raising of its rating on the City's General Obligation Bonds to 'AA+', citing "Strong budgetary performance..." and "Very strong management, with strong financial policies and practices".<sup>1</sup> These successes also bring new challenges and higher

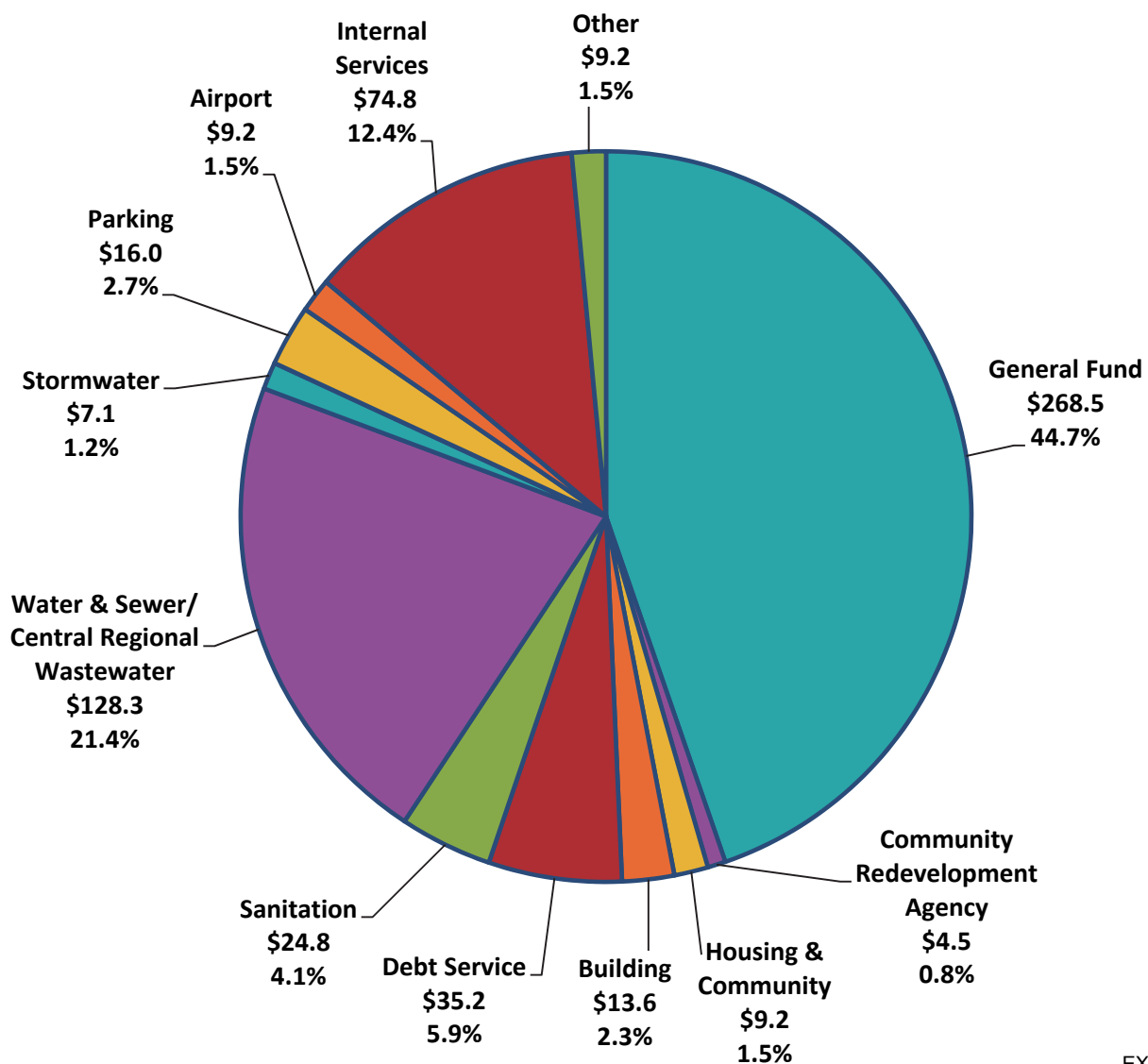
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<sup>1</sup> S&P Ratings Services

expectations. 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 meet and exceed 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. *A City you never want to leave!*

### FY 2016 Proposed Operating Budget - \$600.4 (All Funds - In Millions)



### ***Fiscally Strong and On the Move!***

Few cities have emerged from the Great Recession as quickly or resolutely as Fort Lauderdale. Through those very challenging years, we were unable to develop new amenities or adequately maintain our infrastructure. We have laid the groundwork for the goals that we need to accomplish and are now gaining momentum. This year's Proposed Budget includes additional personnel and projects to preserve and enhance our service levels and keep us running smoothly in the near term. As our property tax revenues have begun to rise and the grey skies of the economy have started to fade, Fort Lauderdale is confident enough to say we are "*Fiscally Strong and On the Move!*"

The Proposed Budget is more than just a collection of spreadsheets detailing the City's revenues, expenditures, and reserves. It is the culmination of months of intense work, incorporating the desires and needs of our neighbors, the priorities of the City Commission, and the professional expertise of our staff. This budget continues to recognize our core mission of building community and is a testament to the City Commission's vision and leadership. It is a commitment to our neighbors, our businesses, and our Community Builders that we will strive to do the very best we can with the resources and tools available to us. Unfortunately, not every need will be met and not every priority will receive the level of funding requested. As difficult as it is to decide where and how to reduce spending; it is almost as challenging to prioritize opportunities for additional spending. This Proposed Budget demonstrates the City's highest priorities to ensure that we live, work, and play in the best city possible, while remaining within our fiscal boundaries. "*We Build Community.*"

### **Commission Annual Action Plan**

The FY 2016 Proposed Budget includes the necessary funding to make meaningful progress on this year's Commission Annual Action Plan (CAAP). CAAP initiatives are carefully selected by the City Commission to strategically address the myriad of challenges and opportunities that face the City. These initiatives will be integrated as focused priorities of each department; however, they are often complex and may span multiple years. A few highlights of the new CAAP initiatives prioritized for this fiscal year and the associated action taken in this Proposed Budget include:

- ✓ ***Community Redevelopment Agency (CRA)*** - This priority was selected to focus on making significant progress on our Beach and Northwest-Progresso-Flagler Heights Community Redevelopment areas. The City Commission's continued mandate to revitalize these areas has led to significant community investment projects in these communities.
- ✓ ***Beach Traffic Management Plan*** - This priority was selected to develop a plan to reduce traffic congestion and enhance mobility. The FY 2016 Proposed Budget includes \$1 million for the addition of eight motorcycle officers dedicated to traffic management and enforcement, and a Mobility Project Manager, a Neighborhood Mobility Planner, and a Traffic Calming Coordinator position within our Transportation and Mobility Department to work on improving mobility options along the Beach and throughout the City.

- ✓ **Development Density Policy** - This priority was selected to focus on the development of a three dimensional planning model to address the increase in development activity that the City is experiencing. The Proposed Budget includes \$166,800 for a Senior Urban Designer and Zoning Associate to work with developers to shape urban development outcomes through creative thinking, sound civic planning, and urban design solutions.
- ✓ **Central City Community Redevelopment Area** - This priority was selected to address the rezoning needs of this redevelopment area of the City. The Proposed Budget includes \$100,000 for consulting services that will lead the rezoning effort and develop standards and criteria for a new mixed-use zoning district for identified corridors.

Some CAAP priorities seek to address complex issues that are not easily solved. Not every initiative we undertake will result in a homerun; however, we are committed to continuing to step up to the plate and move the runners along. We face our challenges as dedicated community builders, eager to make a difference, and inspired to leave this great City in a better place than we found it.

### **General Fund - FY 2016 Funding Enhancements**

In addition to the Commission Annual Action Plan priorities, I have recommended additional enhancements in the General Fund where needs have been identified. My highest priorities and most notable areas of new funding are:

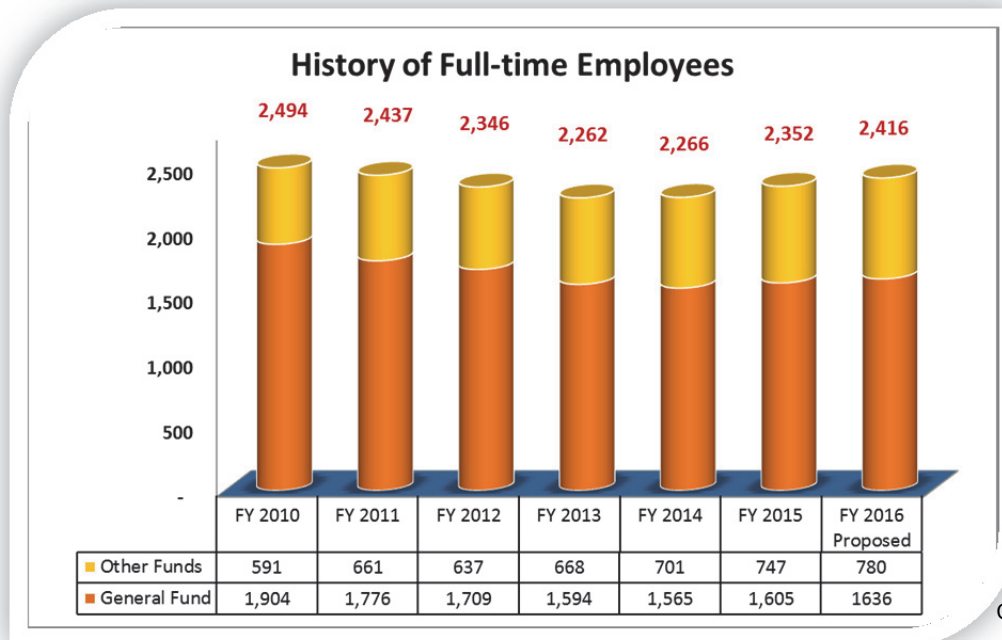
- ✓ **Procurement and Human Resources** - Two of my priorities for the coming year are to fix our current hiring and procurement processes. In order for the City to operate effectively we must be able to expeditiously hire the best talent and efficiently purchase the supplies and products that we need to provide high quality services to neighbors. The Proposed Budget includes \$398,000 for four new positions in Human Resources and funding for a consultant and temporary assistance to modernize our procurement procedures.
- ✓ **New Fireboat** - As the "Yachting Capital of the World", being able to put out fires on the water is a priority. With over 165 miles of canals, 7 miles of beaches, and close proximity to Port Everglades, the City's public safety personnel need to be able to answer calls both on the land and on the water. The Proposed Community Investment Plan includes \$925,000 to purchase a new fire boat to safely and efficiently respond to marine emergencies.
- ✓ **Fire-Rescue Peak Demand Unit** - This priority will address the need to reduce response times in the Downtown between the hours of 8 am and 8 pm, when our population is at peak. Ensuring that our neighbors receive prompt emergency services during their time of need is one of the core services provided by the City. The Proposed Budget includes \$297,000 for use of a rescue vehicle and structured overtime.
- ✓ **Facilities Preventative Maintenance Team** - A citywide facilities assessment study was recently completed, which identified a multitude of preventative maintenance deficiencies. Excellent maintenance and support practices are an integral component of optimized building management. A proactive maintenance program will yield long term savings and protection of our assets and will likely result in fewer emergency repairs. The proposed budget includes \$635,800 for a preventative maintenance team of four community builders,

along with supplies, vehicles, and specialized contractual services. Additionally, included in the Community Investment Plan is \$1.8 million for facility related maintenance projects.

Additional highlights of FY 2016 funding enhancements include:

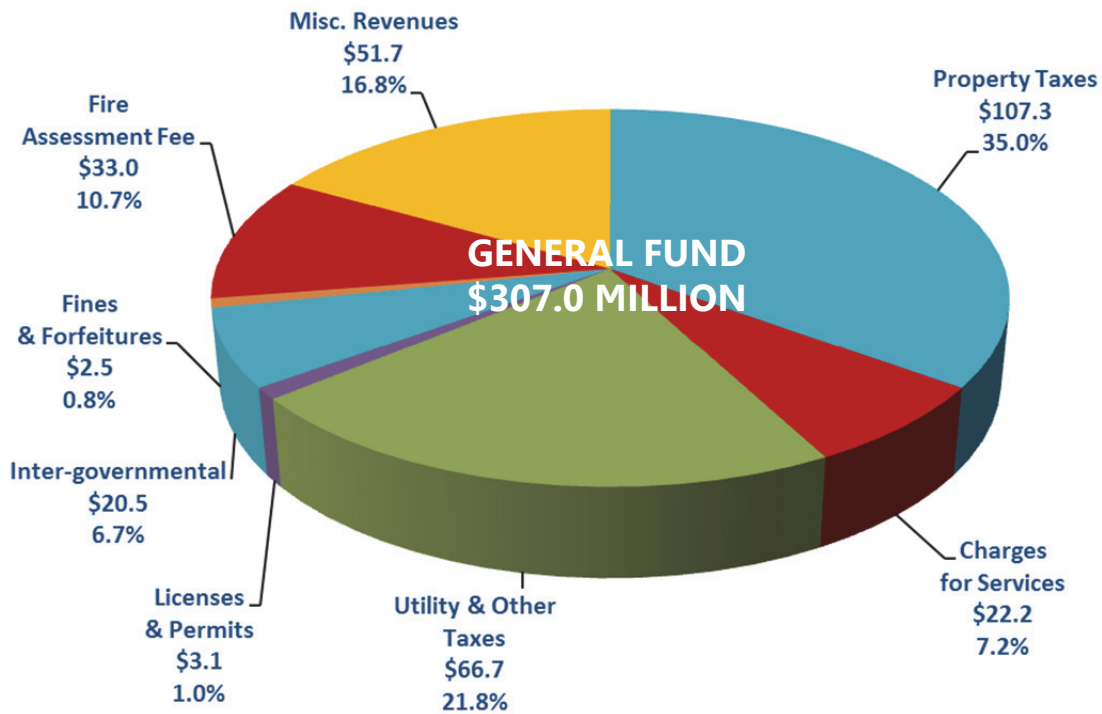
- *Litigation Office Space Lease - \$50,000*
- *Outside Legal Services - \$175,000*
- *Legal Case Management Software - \$30,000*
- *Legal Fellowship Program - \$63,500*
- *Debt Service Payment on the Schlitterbahn Property - \$1.4 million*
- *Administrative Assistant I - \$86,000*
- *Citywide Communications - Digital Signage - \$96,000*
- *Neighbor Support Volunteer Initiatives - \$10,000*
- *Neighbor Support Community Programs - \$5,000*
- *Neighbor Support Administrative Aide - Homeless Strategy Program - \$22,500*
- *Customer Service Representative - Business Tax Program - (\$62,500)*
- *Actuarial Audits of General Fund Employees and Police and Fire Pension Plans - \$50,000*
- *Dive Rescue Medical Evaluations - \$11,500*
- *Production Coordinator for War Memorial Auditorium - \$18,320*
- *Expansion of Tree Trimming Program - \$300,000*
- *American Tennis Education Foundation Community Partnership - \$25,000*
- *Senior Program - Club 55 - \$30,000*
- *2 Horses, Supplies, Equipment, and Staffing for Mounted Unit - \$237,000*
- *Police - Performance Analyst - \$72,000*
- *4 Marine Unit Boat Motor Replacement - \$41,000*
- *Police - 10 sets of Dive Gear - \$46,200*
- *ArcGIS Foundational Courses - \$20,000*
- *Sustainability Marketing Campaign - \$10,000*
- *Landscape Plans Examiner - \$80,400*
- *Consultant Services for Comprehensive Plan Phase III/ Volume I - \$150,000*
- *Historic Preservation Planner - \$(1,600)*
- *Maintenance of Traffic Speed Humps - \$50,000*

These enhancements reflect the increased demands being placed on City staff and the high quality services desired by our neighbors. The total General Fund personnel complement for FY 2016 is proposed at 1,636 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 1,636 remains significantly lower than the FY 2010 level of 1,904 full-time employees.



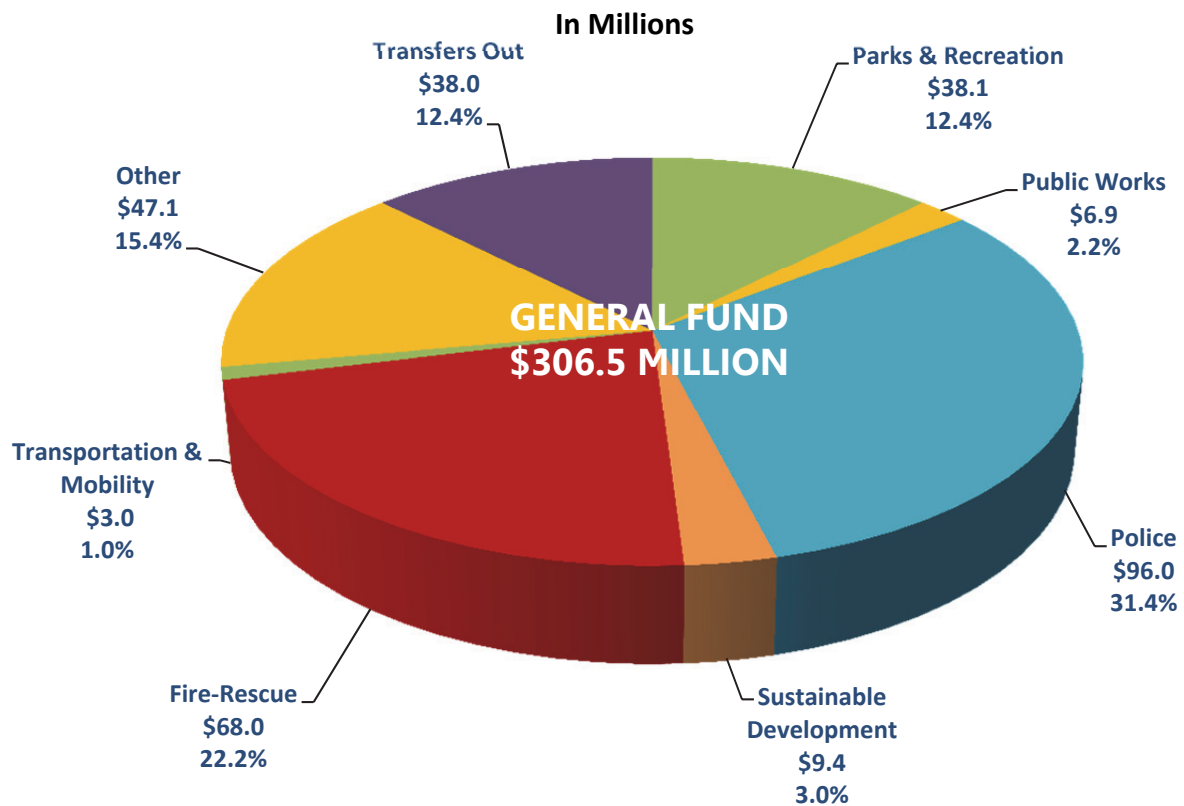
## Where the Money Comes From

In Millions



## Where the Money Goes

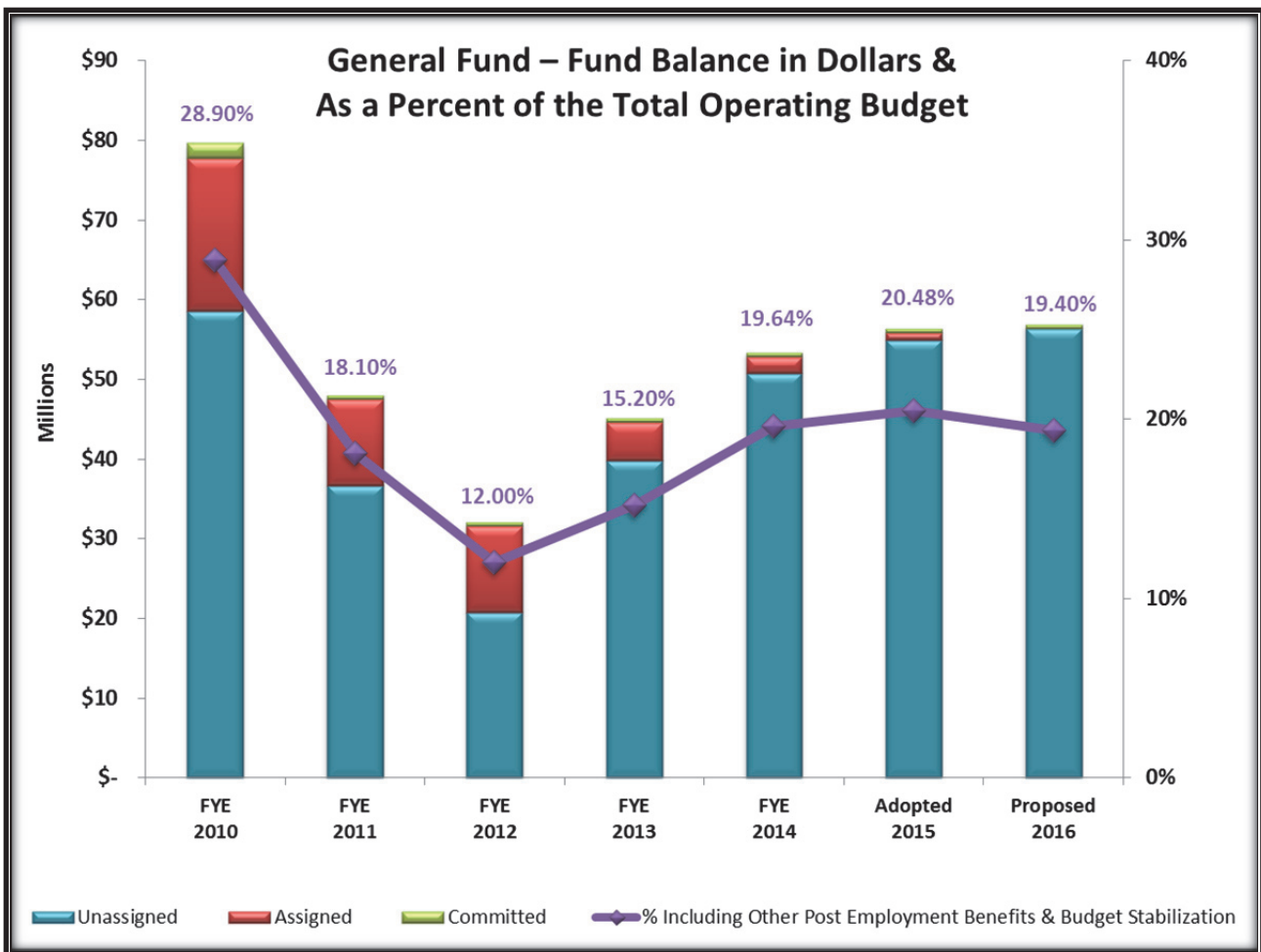
In Millions



### General Fund - Fund Balances

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 2016 fund balance exceeds our policy requirement with a total available fund balance of \$56.9 million or 19.4% as shown in the following chart. This fund balance includes a \$4.5 million Budget Stabilization Reserve set up during FY 2013.

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.



Note: Funds previously reserved for Other Post-Employment Benefits (OPEB) were transferred to a separate trust fund in FY 2014.

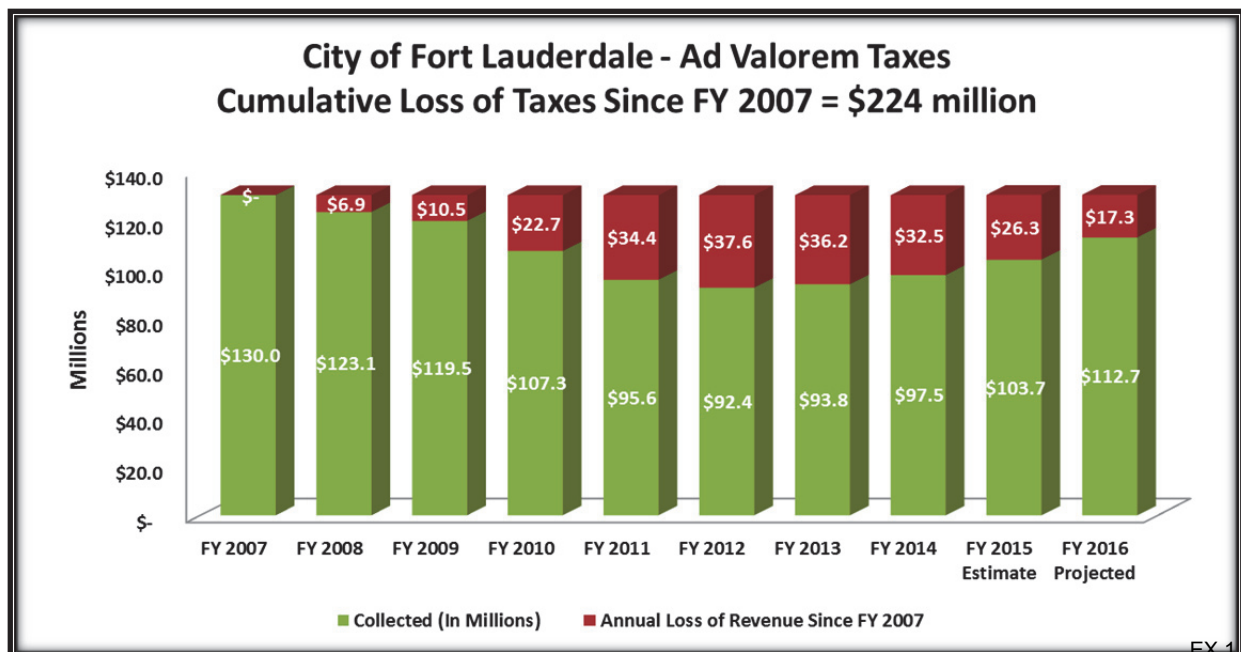
### Property Taxes

The City of Fort Lauderdale’s total certified taxable assessed valuation is \$28.5 billion, an increase of \$2.5 billion, or 9.68%, from the prior year final valuation. The net new construction assessed during the last year totaled \$329 million. This increase in the taxable value is expected to generate approximately \$9 million in additional revenue for the City of Fort Lauderdale in FY 2016. Revenue from ad valorem taxes is projected at \$112.7 million, which represents approximately 34.9% of the total General Fund revenue. The chart below presents the taxable values and net new construction for the last nine years.

#### Taxable Value & Millage Comparison

Calendar Tax Year	Net New Construction	Final Gross Taxable Value	Increase/Decrease from Prior Year	Operating Millage Rate
2015-July 1st	\$ 329,111,120	\$ 28,511,105,767	9.68%	4.1193
2014-Final	105,754,281	25,997,751,627	5.89%	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
2007 Final	757,196,779	31,305,074,356	10.96%	4.1193

The FY 2016 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 4.2990, which represents a .37% decrease from the prior year rate of 4.3151. The debt service millage adjusts annually based on the property valuation and debt service requirement. As indicated below, the FY 2016 estimated property taxes are still approximately \$17.3 million less than the revenue received in FY 2007.





### Community Builders

Over the past four years, I have watched the Fort Lauderdale Team develop and grow into true Community Builders. We have the most talented and professional local government staff in the state, and we have transformed our internal processes and work flow to reflect our neighbor’s expectations. At every turn, staff is implementing new and innovative ideas that have redefined our public goods as “public greats.” *We are a high performing organization.*

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 part of the FY 2016 Proposed Budget, I am recommending an increase in staffing to further the work of our Vision and Strategic Plan. These positions include: 6 positions to increase our **Public Safety** efforts, 23 positions needed to maintain and improve the City’s **Infrastructure**, 10 positions dedicated to assisting with the increased demand for **Business Development**, 2 positions for neighbor programs and maintaining our beautiful **Public Places**, 5 positions for continued **Neighborhood Enhancement** and 18 positions in **Internal Support** to ensure smooth and efficient delivery of services.

The net effect of the proposed position additions and changes during the fiscal year is an increase to the position complement of 64 full-time positions or a 2.7% increase over last year’s amended budget of 2,352 full-time positions. The Proposed Budget for personnel also includes required retirement contributions, debt service for the Pension Obligation Bonds, and a contractually obligated wage adjustment of 1.7% for employees in the Fraternal Order of Police Lodge 31, International Association of Firefighters (IAFF), and Teamsters bargaining units. The General Employees Retirement System (GERS) was closed in 2009 and replaced with a defined contribution 401(a) plan for all new general employees. With the recent ratification of the IAFF collective bargaining agreement, pension plan changes were agreed to and additional pension savings are expected in FY 2016. The history of pension contributions is shown in the table below.

### History of Citywide Retirement Expenses

	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Amended	FY 2016 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
Police & Fire Annual Contribution	25,752,119	30,664,176	30,928,447	15,075,469	15,388,327	15,599,916	14,194,528
Debt Service for Pension Obligation Bonds	-	-	-	27,399,827	26,453,846	26,361,882	26,358,764
401(a) Defined Contribution Plan	995,757	1,007,210	1,210,445	1,600,100	1,984,272	2,288,168	3,285,880
<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>\$ 59,751,146</b>	<b>\$ 58,232,184</b>

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

## **Annual Neighbor Survey Results**

In December 2012, the City of Fort Lauderdale conducted its first annual Neighbor Survey to help 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 have since completed two additional Neighbor Surveys, with the most recent in December 2014.

The 2014 Neighbor Survey results indicate exciting increases in neighbor satisfaction. Important strategic indicators improved, such as the direction the City is moving and the quality of neighbor service, which both exceed national and state ratings. Additional noteworthy satisfaction increases include the City as a place to raise and educate children, the overall value received for City taxes and fees, overall planning for growth, availability of employment, efforts in addressing homelessness, maintenance of streets, sidewalks and infrastructure, and police services.

**Priority Findings** - In order to help identify investment priorities, the 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 which actions will have the most impact on overall satisfaction with City services. Based on this, the top three areas of recommended focus for the City are 1) the overall flow of traffic; 2) the overall maintenance of streets, sidewalks and infrastructure; and 3) preparing for the future of the City. Neighbors rated the two most important Community Investment Plan (CIP) projects as walkable and bikeable streets and stormwater and drainage improvements.

**Action and Progress** - The annual Neighbor Survey results are an important step in our Strategic Planning and Budgeting Cycle; 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 will require significant resources and time to correct and complete. We are fortunate that many areas identified for improvement in the survey are also priorities of the City Commission, where staff has already focused resources and considerable progress has been made. To highlight our efforts, the City's first comprehensive Progress Report was issued; transparently sharing our accomplishments and challenges related to our initiatives and performance indicators in the Strategic Plan.

### Connecting the Dots: A Look to the Future

Vision, innovation, partnerships, and dedicated employees are the bedrock of the City's endeavors to ensure a rewarding and successful future for our community. The annual priorities established by the City Commission, our City's Vision Plan, the Strategic Plan, and the Neighbor Survey were collectively used as a guide to help prioritize projects and funding in the FY 2016 budget. Departments are committed to outstanding service levels with expenditures strategically linked to the goals, objectives, core services, and priorities of the City Commission and our neighbors. I am committed to a financially sound government, a sustainable City with world class municipal services, a strong partnership with our neighbors, a safe and walkable community, and quality economic development opportunities that foster sustainable downtown development. We do not rest on our laurels; we remain focused on our long term Vision 2035 and the five-year Strategic Plan. The provision of exceptional City services will continue as will collaborative, innovative efforts to *Fast Forward Fort Lauderdale*.

### Our Vision: Fast Forward Fort Lauderdale 2035



#### WE ARE CONNECTED.

We move seamlessly and easily through a safe transportation system where the pedestrian is first.



#### WE ARE HERE.

We are an urban center and a vacationland in the heart of South Florida.



#### WE ARE READY.

We are a resilient and safe coastal community.



#### WE ARE PROSPEROUS.

We are a subtropical City, an urban laboratory for education and business.



#### WE ARE COMMUNITY.

We are a neighborhood of neighborhoods.



#### WE ARE UNITED.

We are a strong and vibrant kaleidoscope of multi-generational cultures, ethnicities, and community partners.

**FY 2016 Funding Highlights for All Funds**

**Water & Sewer Fund**

The Water & Sewer Fund proposed expenditures are \$111.7 million, which is \$3.4 million less than the FY 2015 Amended Budget. The proposed budget includes \$698,000 for eight new positions: an Administrative Aide, a Customer Service Representative, an Energy Analyst, a Process Control Engineer, two Service Workers for the Fire Hydrant Program, a Utilities Section Plumber, and a Surveying Operations Supervisor. The budget also includes \$180,000 for a new closed circuit TV (CCTV) truck, \$200,000 for a new vehicle for the large meter replacement crews, and \$120,000 for new water meters and components. By converting a full-time meter reading position into two part-time meter reading positions, this budget also includes a savings of \$45,000. It is anticipated that by the end of FY 2016, the Water & Sewer Fund will have an estimated reserve of \$35 million.

A water and sewer survey conducted in May 2015 demonstrated that the City has the 6<sup>th</sup> lowest combined rate in Broward County. Based on the existing rate ordinance, a 5% rate increase for both water and sewer will become effective October 1, 2015. The impact of the approved rate increase on a residential neighbor using 5,000 gallons of water per month amounts to a \$2.74 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
Water Charge	\$20.35	\$21.39	\$1.04	5%
Sewer Charge	\$34.13	\$35.83	\$1.70	5%
<b>Total</b>	<b>\$54.48</b>	<b>\$57.22</b>	<b>\$2.74</b>	<b>5%</b>

**Central Regional Wastewater System Fund**

The Central Regional Wastewater System Fund proposed expenditures are \$26.5 million which is \$2.4 million more than the FY 2015 Amended Budget. The large customer wastewater rate is proposed to remain the same at \$1.70 per 1,000 gallons. The Proposed Budget includes \$56,000 for a Clerk I position at the George T. Lohmeyer Wastewater Treatment Plant. It is anticipated that by the end of FY 2016, the Central Regional Wastewater System Fund will have a reserve balance of \$2.1 million.

### **Sanitation Fund**

The Sanitation Fund proposed expenditures are \$25.4 million, which is \$500,000 more than the FY 2015 Amended Budget. The Proposed Budget includes \$5,000 for an automated cart cleaning system, \$75,000 for a sanitation rate study, and \$17,000 to bring the remaining areas of outsourced bulk trash pickup in-house. Sanitation rates are proposed to remain the same as FY 2015 and by the end of FY 2016 the Sanitation Fund is estimated to have approximately \$3.4 million in reserves and available fund balance.

### **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 \$24.4 million, which is \$700,000 more than the FY 2015 Amended Budget. The Proposed Budget includes \$50,000 for a health plan audit. In 2013, the City opened a health and wellness center to provide insurance participants with convenient access to health care. Through this initiative, the City has experienced a decrease in the cost of health claims from other providers. We have also received continuous positive feedback from our employees regarding this enhanced benefit. It is anticipated that by the end of FY 2016, the Self-Insured Health Fund will have an estimated reserve and available fund balance of \$161,325.

### **Central Services Fund**

The Central Services Fund proposed expenditures are \$23.5 million, which is \$6.2 million more than the FY 2015 Amended Budget. The Proposed Budget includes \$4.5 million for the new Enterprise Resource Planning System, \$20,000 for ISO 9000 certification software, \$477,000 for infrastructure upgrades, \$90,000 for Police system interfaces and data access, \$47,000 for 300 Kronos timekeeping licenses and maintenance, \$91,000 to replace a Client Management module, \$180,000 for Criminal Justice Information Services (CJIS) remote site encryption network, \$80,000 to address horizontal threats, \$35,000 to reclassify a part-time Senior Accounting Clerk to full-time, and \$479,000 for six (6) new positions: Contract Administrator, two Administrative Aides, a Data Warehouse Analyst, a Technical Support Coordinator, and a Network Support Technician. It is anticipated that by the end of FY 2016, the Central Services Fund will have an estimated fund balance of \$540,034.

### **Parking System Fund**

The Parking System Fund proposed expenditures are \$18.1 million, which is \$475,000 less than the FY 2015 Amended Budget. The Proposed Budget includes \$8,500 for position reclassifications, \$21,000 to convert two part-time Meter Mechanic Trainees to full-time, \$112,500 for an Assistant Parking Service Manager, \$154,500 to replace single space parking meters with multi space meters, \$55,000 to paint handrails in City Park Garage, and \$25,000 to upgrade the Citation Management System. It is anticipated that by the end of FY 2015, the Parking System Fund will have reserves and available fund balance of approximately \$9.5 million.

### Vehicle Rental (Fleet) Fund

The Fleet Fund proposed expenditures are \$18 million, which is \$3.2 million less than the FY 2015 Amended Budget. The Proposed Budget includes \$225,000 for Phase II of the City’s Automatic Vehicle Location (AVL) Program, \$31,000 for Environmental and Sustainability Management System (ESMS) initiatives, \$365,000 to replace expired ballistic door panels in police vehicles, and \$90,000 for a new Automotive Equipment Engineer. It is anticipated that by the end of FY 2016, the Vehicle Rental Fund will have vehicle replacement reserves and fund balance of \$8 million. This replacement reserve is predominantly for the General Fund with a small portion dedicated to the Building and other general government funds for future vehicle replacements.

### City Property & Casualty Insurance Fund

The Property/Casualty City Insurance Fund proposed expenditures are \$15.1 million, which is \$626,000 less than the FY 2015 Amended Budget. The Proposed Budget includes \$61,000 for a new Insurance Benefits Specialist and \$46,000 to convert a Clerk I from part-time to full-time temporary. This budget provides for the coverage of workers’ compensation, police liability, employment practices liability, auto liability, property damage and general liability. The fund maintains a reserve of 100% of the actuarially calculated liability. It is anticipated that by the end of FY 2016, the City Property and Casualty Insurance Fund will have an estimated available fund balance of \$6.5 million.

### Stormwater Fund

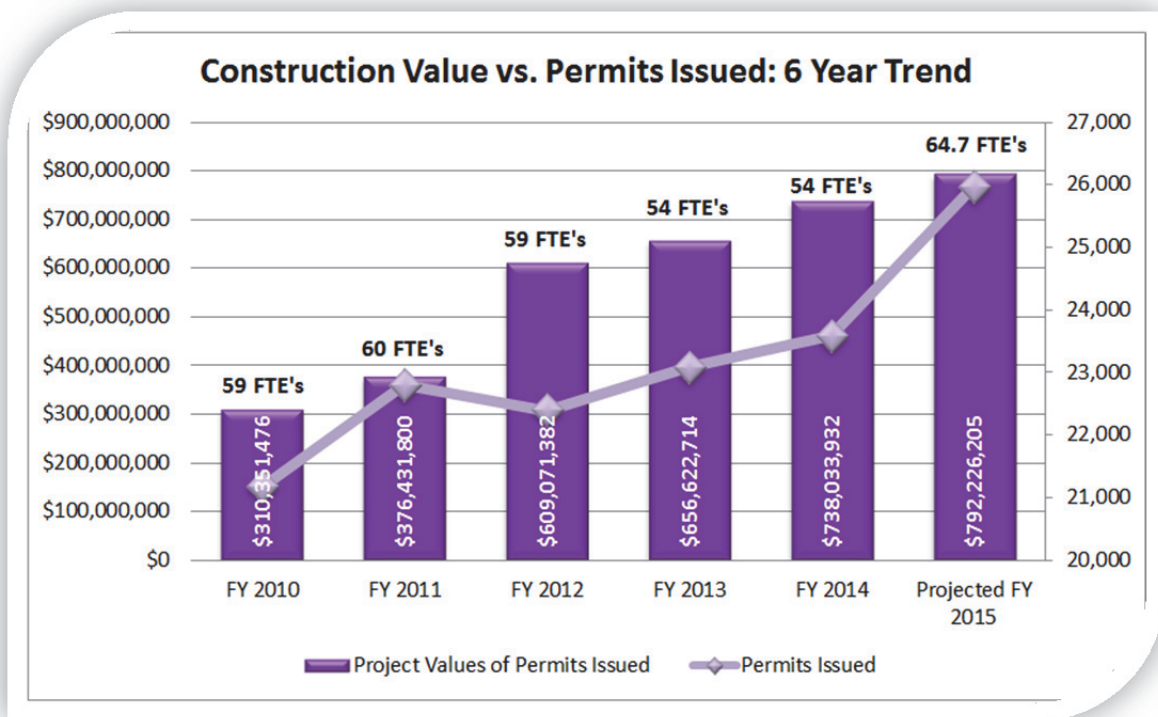
The Stormwater Fund proposed expenditures are \$12.4 million, which is \$1.9 million more than the FY 2015 Amended Budget. The proposed rate of \$6.00 for residential properties with three units or less is a \$1.90 increase from the FY 2015 rates. This rate increase is critical to the continued success of the Stormwater Management program. Staff is currently working with a consultant to prepare a Stormwater rate study in order to update the Stormwater fee. The new rate structure is expected to yield a bifurcated rate where neighbors would pay a base fee for the basic Stormwater Program service provision and an additional fee if the property resides in close proximity to coastal waterways where they could be subject to saltwater infiltration and sea level rise. The Proposed Budget includes \$97,000 for two new Service worker positions, \$246,000 for a new vacuum and jet truck, \$44,000 for renewal of the National Pollutant Discharge Elimination System Permit (NPDES), and \$168,500 for equipment and repairs. It is anticipated that by the end of FY 2016, the Stormwater Fund will have a reserve and available fund balance of \$5.4 million.

### Stormwater Fee Effect of Monthly Increase on Neighbors

Stormwater Charge	Old Rate	Proposed Rate	\$ Change
Residential <= 3 Units	4.10/unit	\$6.00/unit	\$1.90/unit
Commercial, Industrial, and Residential > 3 Units	\$41.33/acre	\$60.48/acre	\$19.15/acre
Vacant Land, Parks, and Well Fields	\$13.10/acre	\$19.17/acre	\$6.07/acre

### Building Funds

The Building Funds have proposed expenditures of \$14.1 million, which is \$385,000 less than the FY 2015 Amended Budget. The Proposed Budget includes \$714,600 for nine additional positions to address the sustained heightened permit activity: Technology Integration Project Manager, Floodplain Management Inspector, Customer Service Representative II, Senior Structural Plans Examiner, two Structural Plans Examiners, Building Inspector II, Engineering Inspector II, and Electrical Inspector II. It also includes \$11,800 to convert a part-time Service Clerk to full-time, \$60,000 for a Radio Frequency Identification Device (RFID) program, \$55,000 for parcel improvement tracking software, and \$22,600 to assign a vehicle to the Building Official. The chart below represents the number of permits issued as compared to the construction value over the last six years. It is anticipated that by the end of FY 2016, the Building Funds will have a combined total of \$28 million in reserves and fund balances.



### Housing and Community Development Grants Fund

In FY 2016, the City anticipates receipt of \$10.5 million in Federal Entitlement Funds: \$1.5 million from Community Development Block Grant (CDBG), \$453,289 from Home Investment Partnerships (HOME), \$7.0 million from Housing Opportunities for Persons with HIV/AIDS (HOPWA), and \$1.6 million from the State Housing Initiative Partnership (SHIP) program.

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 programs are 100% grant funded with no contribution from the City. CDBG 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 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. HOPWA provides funding for housing assistance, social services, program planning and development costs for targeted special needs clients who are diagnosed with HIV/AIDS. SHIP funds are used primarily for single-family housing rehabilitation grants, down payment assistance, and utility hook-up assistance.

### **Airport Fund**

The Airport Fund proposed expenditures are \$10.4 million, which is approximately \$252,000 less than the FY 2015 Amended Budget. The Proposed Budget includes \$30,000 for Environmental Sustainability Management Systems (ESMS) and \$99,000 to replace a skid steer sweeper. It is anticipated that by the end of FY 2016, the Airport Fund will have estimated reserves and fund balance of \$12.8 million.

### **Community Redevelopment Agency (CRA) Fund**

#### ***Central Beach***

The Fort Lauderdale Central Beach area proposed expenditures are \$7.8 million, which is \$876,000 less than the FY 2015 Amended Budget. With the significant funding programmed for capital projects in this fund, staff is focused on developing proposed designs and moving projects into construction. The Central Beach area is expected to receive approximately \$7.5 million in tax increment revenue in FY 2016.

#### ***Northwest-Progresso-Flagler Heights***

The Northwest-Progresso-Flagler Heights area proposed expenditures are \$9.2 million, which is \$8.2 million less than the FY 2015 Amended Budget primarily due to a one-time payment for the Wave North Loop, which was accomplished through the issuance of debt. This fund has significant funding programmed in capital projects to stimulate economic development and revitalization of this area. The Northwest-Progresso-Flagler Heights area is expected to receive approximately \$7.4 million in tax increment revenue in FY 2016.

#### ***Central City***

The Central City area proposed expenditures are \$100,000 for consultant services to develop standards and criteria for a new mixed-use zoning district within the area. Preliminary taxable values project that \$82,279 in total Tax Increment Financing (TIF) revenue is anticipated during FY 2016. This revenue will be coupled with the FY 2015 revenue to adequately fund the consulting services. This is the first year that expenses are planned for this area. The Central City area is expected to receive approximately \$82,000 in tax increment revenue in FY 2016.



### **Arts and Science District Garage Fund**

The Arts and Science District Garage proposed expenditures for FY 2016 are \$1.6 million, which is \$444,000 more than the FY 2015 Amended Budget. The 950 space parking garage is located in the Arts and Science District and the City has full and exclusive responsibility for operation and maintenance of the garage. There is no anticipated year-end balance in this fund.

### **Cemetery Perpetual Care Trust Fund**

The Cemetery Perpetual Care Trust Fund proposed expenditures are \$873,671, which is \$377,000 less than the FY 2015 Amended Budget. The Cemetery Fund was established to manage the four City owned cemeteries and provide perpetual care for them. The Woodlawn, Evergreen, Sunset Memorial Gardens, and Lauderdale Memorial Park cemeteries are owned by the City, but are operated and maintained by a private contractor. The resources are comprised of property sales, 19% of each burial/cremation, and \$0.20 per square inch of the base of each monument and/or bench purchased. Funds from this trust fund can only be expended for maintenance of the cemeteries, cost of managing the fund, and capital improvements to the cemetery system. It is anticipated that by the end of FY 2016, the Cemetery Perpetual Care Trust Fund will have a reserve fund balance of \$27.6 million.

### **Community Investment Plan**

The Community Investment Plan (CIP) demonstrates the City's commitment to a prosperous future through the strategic investment in infrastructure related projects to enhance and protect our valued quality of life. This focus on capital planning and successes on the horizon will leave a lasting impact on our neighbors. Quality infrastructure leads to neighborhood enhancement, active and safe public places, and serves as an impetus for business development.

At 104 years young, the City of Fort Lauderdale is proud to be one of the oldest cities in Broward County. With age comes aging infrastructure in critical areas such as City facilities, roads, sidewalks, water lines, drainage systems, and wastewater systems. With the additional challenge of sea level rise, many projects become more complex and more expensive. The Proposed Community Investment Plan articulates our five-year strategy to address infrastructure needs and plan our investment strategies to adequately strengthen our community. For FY 2016, the Proposed CIP includes \$64.3 million in appropriations for 113 projects. The total five-year plan includes 255 projects scheduled to be funded for an estimated cost of \$440.5 million. Additionally, there are 92 identified projects totaling \$220 million in projects that are considered "unfunded" because there is no known funding source in the next five years for those projects. Identifying these projects as part of the five-year plan allows staff to pursue alternative funding opportunities when, and if, they become available. The companion CIP document provides a detailed description of each project and a funding schedule for the next five years.

Highlights of the capital projects funded in the Community Investment Plan are presented below:

- *Central Regional Wastewater System repairs and replacements - \$7.5 million*
- *Northwest Progresso Flagler Heights Community Investments - \$5.9 million*
- *Stormwater Drainage System Improvements and Design - \$5.2 million*
- *Household Hazardous Waste and Recycling Facility - \$569,300*
- *Neighborhood and Community Investment Projects - \$500,000*
- *Enterprise Resource Planning System (ERP) – \$4.5 million*
- *Water and Sewer System Improvements - \$18.9 million*
- *Extensive beach area Improvements - \$5.9 million*
- *SE/SW 6 Street Corridor Improvements - \$2 million*
- *Executive Airport Improvements - \$1.1 million*
- *Facilities Maintenance Priorities - \$1.8 million*
- *Parking System Improvements - \$1.8 million*
- *Las Olas Boulevard Safety Project - \$800,000*
- *NE/NW 4<sup>th</sup> Street Improvements - \$220,000*
- *Downtown Walkability Projects - \$500,000*
- *New Riverwalk Improvements - \$200,000*
- *Marine Facilities Maintenance - \$350,000*
- *Bridge Repair and Restoration - \$280,000*
- *East Las Olas Street Lights – \$500,000*
- *Fire Boat Replacement - \$925,000*
- *Street Resurfacing - \$710,000*



One of the most important categories of capital improvements are projects related to the City's water and wastewater facilities. The City continues to be proactive in making infrastructure investments as recommended under the Water Distribution System Master Plan and the Water Integrated Resources Plan. These investments not only protect the City's valuable investment in its utility infrastructure, but also help to improve water quality, supply, and reliability for customers as well as production capacity.

Significant infrastructure improvements are on the horizon and will likely require prioritization and funding within the next three to five years. Stormwater needs are substantial and the current stormwater rate structure does not support the necessary funding to make the improvements. The General Fund is also challenged with considerable capital requirements and does not have a dedicated revenue source to meet the abundant needs. The CIP clearly illustrates the funding deficiencies and capital projects that are awaiting available funding. We will always have more needs than resources to accomplish them. We remain steadfast in our goal of building community.

## Conclusion

As your City Manager, my objective is to provide high quality services that reflect our community's needs and vision within our fiscal limits. To this end, the FY 2016 Proposed Budget includes funding for a number of programs and infrastructure improvements that will benefit our community long into the future. We must maintain this momentum and continued focus on enhancing long-term fiscal strength and sustainability for the health of our City and for our neighbors. Our strong fiscal policies will allow us to meet the needs of the community today while assuring future generations that they will have the same access to resources and quality of life that we currently enjoy.

Fort Lauderdale is more than just a group of people who happen to live in the same city. We are a strong, proud, and thriving community of neighbors that share both challenges and successes. Moving forward together, our community will continue to be the place that you are proud to call home. I am especially proud of my fellow Community Builders supported by the Mayor and City Commission who remain fully dedicated and unified to unrelenting excellence and life quality in our great City of Fort Lauderdale.

In summary, I have submitted to you a structurally balanced budget that maintains outstanding core services while enhancing service delivery in the areas of public safety, infrastructure, and public places. Collectively, we are investing in our City's future. Moving from good to great requires an army of believers with innovative ideas, passion, and an unyielding commitment to good government. I want to express my appreciation for the diligence of the Mayor and City Commission in engaging with our neighbors, analyzing and understanding the impacts of policy decisions, and identifying priority projects to guide the development of this proposed budget. In addition, I would like to thank the Budget Advisory Board, the Revenue Estimating Conference Committee, the City Auditor's Office, the Community Building Leadership Team, the Budget Coordinators and all of our Community Builders for their efforts to create a comprehensive, strategic, transparent, and meaningful budget proposal. Special thanks to the Budget/CIP and Grants Team; their expertise and dedication to sound fiscal management and careful stewardship of public funds is very much appreciated. The cooperative process undertaken by all of our stakeholders has resulted in a balanced budget that maintains essential City services and an extraordinary quality of life for the neighbors of Fort Lauderdale.

I look forward to working with you, our neighbors, and our community builders to refine and adopt the Fiscal Year 2016 Budget.

Respectfully submitted,



Lee R. Feldman, ICMA-CM  
City Manager

***"I don't believe there's a challenge anywhere in the world that's more important to people everywhere than finding solutions to the problems of our cities." -- Walt Disney***