

**SECOND AMENDMENT TO AGREEMENT FOR PUBLIC WORKS FINANCIAL SERVICES
BETWEEN THE CITY OF FORT LAUDERDALE AND BURTON & ASSOCIATES, INC.**

This Second Amendment to Agreement for Public Works Financial Services, dated this _____ day of December, 2012, is by and between the City of Fort Lauderdale, a Florida municipality, ("City"), and Burton & Associates, Inc., a Florida corporation, ("Contractor").

WHEREAS, the City and Contractor entered into Agreement No. 495-10161 for Public Works Financial Services dated April 21, 2009, ("Contract");

NOW, THEREFORE, the City and the Contractor hereby agree to amend the Contract as follows:

Notwithstanding Section 2, Contract Special Conditions of form G-110, Rev 12/00, of the Contract, Contractor shall perform twice yearly update projections in accordance with the quote dated October 8, 2012, which is attached hereto as Exhibit "A" and incorporated herein and in accordance with the terms and conditions of the Contract.

IN WITNESS WHEREOF, the parties execute this Second Amendment to Agreement for Public Works Financial Services as follows:

CITY OF FORT LAUDERDALE:

John P. "Jack" Seiler, Mayor

ATTEST:

Jonda K. Joseph, City Clerk

Allyson C. Love, Acting City Manager

Approved as to form:

Senior Assistant City Attorney

WITNESSES:

BURTON & ASSOCIATES, INC.

Signature
Print Name:

Print Name
President

Signature
Print Name:

(Corporate Seal)

ATTEST:

Print Name:
Secretary

STATE OF _____:
COUNTY OF _____:

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by _____ as president for Burton & Associates, Inc., a Florida corporation.

Notary Public, State of _____
(Signature of Notary Public)

(Print, Type, or Stamp Commissioned Name
of Notary Public)

Personally Known _____ OR produced Identification _____

Type of Identification Produced _____

BURTON & ASSOCIATES

October 8, 2012

Mr. Lee R. Feldman, ICMA-CM
 City Manager
 City of Fort Lauderdale
 100 North Andrews Avenue
 Fort Lauderdale, FL 33301

Re: Adjusted Proposal for 1) Quarterly or Twice Yearly Updates of our FAMS-XL© Revenue Sufficiency Forecast Model for Utility Funds and Special Funds and 2) Initiation of a General Fund Revenue Sufficiency Forecast FAMS-XL© Model and Quarterly or Twice Yearly Updates of that Model

Dear Mr. Feldman:

I received a request from Stanley Hawthorne to revisit our proposal with the thought of reducing our Fee. Stanley also suggested we include an alternative for twice yearly updates rather than quarterly updates. Accordingly, we have re-evaluated our proposal and have developed two alternatives for your consideration which are described below.

Alternative Proposals

The two alternatives that we are proposing in response to Mr. Hawthorne's request as compared to our initial proposal are as follows, a summary of which is presented in Figure 1 on page 7 of this letter.

Quarterly Updates:

1. Utility and Special Funds – a) a ten (10) percent reduction in the fee for the one-time task of initialization and a fifteen (15) percent reduction for the one-time task to set-up quarterly updates, resulting in a weighted average reduction for these one-time tasks of thirteen (13) percent for the Utility Funds and eleven (11) percent for the Special Funds compared to our original proposal, and b) a three (3) percent reduction in annual quarterly update fees for all Utility Funds and Special Funds compared to our original proposal, and
2. General Fund – a) a ten (10) percent reduction in the fee for the one-time task of initialization/customization and a fifteen (15) percent reduction for the one-time task to set-up quarterly updates, against which the original fifty (50) percent discount is then applied resulting in a weighted average reduction for these one-time tasks of twelve (12) percent compared to our original proposal, and b) a five (5) percent reduction in the annual quarterly update fees for the General Fund model compared to our original proposal.

Twice Yearly Updates:

1. Utility and Special Funds – a) a ten (10) percent reduction in the fee for the one-time task of initialization and a thirty two (32) percent reduction in the fee for the one-time task to set-up twice yearly updates for all Utility Funds and Special Funds, resulting in a weighted average reduction for these one-time tasks of twenty four (24) percent for the Utility Funds and fourteen (14) percent for the Special Funds compared to our original proposal, and b) a forty-seven (47) percent reduction in annual update fees for twice yearly updates of all Utility Funds and Special Funds compared to our original proposal¹.
2. General Fund – a) a ten (10) percent reduction in the fee for the one-time task of initialization/customization and a thirty two (32) percent reduction in the cost of set-up for twice yearly updates against which the original fifty (50) percent discount is then applied resulting in a weighted average reduction for these one-time tasks of nineteen (19) percent compared to our original proposal, and b) a thirty-eight (38) percent reduction in annual update fees for twice yearly updates of the General Fund model compared to our original proposal¹.

Background

As discussed at our initial meeting and described in our original proposal, this proposal includes the development and population of our multi-year FAMS-XL© Revenue Sufficiency Forecast Model (Model) to serve as a quarterly or twice yearly financial performance evaluation and management tool for a variety of City funds, including the General Fund. The Model will not only provide real time feedback on current year performance versus budget, but will also provide a vision of future impacts from observed current year performance. In addition, the Model will provide the ability to review alternative or “what if” scenarios throughout the course of the year and to make adjustments to the City’s financial management plans as appropriate.

Scope of Services

Based upon our understanding of the desired scope of services, we have structured the proposal into two primary work elements as described below:

Work Element I

Work Element I will include performing Quarterly or Twice Yearly Updates of our Model for the following Utility and Special Funds:

¹ The percentage reduction is not 50% because one of the updates under the quarterly update and the twice yearly update alternatives is a more extensive update to roll the model a year and re-initialize the model with current year budget and year-end balance data with the added task of updating property data for the General Fund updates.

Utility Funds:

1. Water & Sewer (W&S) Fund – 450 (estimated annual revenues of \$110 million)
2. Regional Fund – 451 (estimated annual revenues of \$22 million)
3. Stormwater Fund (estimated annual revenues of \$6 million)
4. Sanitation Fund (estimated annual revenues of \$22 million)

Special Funds:

5. Airport Fund (estimated annual revenues of \$7 million)
6. Parking Fund (estimated annual revenues of \$14 million)
7. Building Fund (estimated annual revenues of \$10 million)

For the W&S Fund, Regional Fund and Stormwater Fund, Burton & Associates has already established a Model which can be updated on a quarterly or twice yearly basis. For the Sanitation Fund and all Special Funds, a Model has not been initialized as part of a prior engagement. Therefore, for those Funds for which a Model has not been initialized, it will be necessary to first initialize a Model.

For all Utility and Special Funds, it will then be necessary to adjust the Model functionality for each fund to include spreadsheets for the annual projection of budget versus actual revenues, expenditures and fund balances in the current fiscal year and to “roll up” the quarterly or twice yearly results into the current year of the ten-year forecast in the Model. The initialization of Models for those funds for which a Model has not been initialized and adjustment of the functionality of the Models for all funds to provide for quarterly or twice yearly update capability will be one-time expenses.

Quarterly or twice yearly updates will then be accomplished for each Utility and Special Fund and will include evaluation of actual quarterly or twice yearly results regarding revenues, expenditures and fund balances against budgeted results for the current fiscal year to date and comparison of those results against historical budget versus actual results for the same period (adjusted for explanatory variables which can affect actual results such as weather and water usage restrictions for water and sewer demand, economic conditions, changes in rates, service interruptions, etc.). Based upon that evaluation, the quarterly and twice yearly updates will develop projections of year-end results for the current year that will also reflect input from consultation with City staff regarding current year revenue and expense spending patterns, as well as anticipated revenue and spending projected through the remainder of the year.

The annual projection for the current year based upon the quarterly or twice yearly updates will then be “rolled up” to the current year projection in the ten-year forecast of the Model for each fund. An interactive work session will then be conducted with City staff to review the preliminary results of the quarterly or twice yearly update for each fund and adjustments will be made as appropriate.

Upon completion of the adjustments, the adjusted results of the quarterly or twice yearly updates for each fund will be reviewed in an interactive work session with you and your staff. Adjustments will be made to the quarterly or twice yearly updates as appropriate based upon

input from these reviews and the results of the quarterly or twice yearly updates will be documented in a Technical Memorandum, which will include quarterly or twice yearly financial reports supported by a narrative description of the quarterly or twice yearly updates' findings.

Work Element II

Work Element II will include customizing and initializing our General Fund FAMS-XL© Revenue Sufficiency Forecast Model (GF Model) for the City and performing quarterly or twice yearly updates of the GF Model (annual GF resources of \$270 million per FY 2013 Proposed Budget).

In this work element, Burton & Associates will first conduct meetings with you and your staff to evaluate the functionality within the GF Model and determine customizations and adjustments that will be required to precisely simulate the financial dynamics of the City's General Fund. We will make such customization adjustments in the GF Model and will review the adjusted functionality with you and your staff and we will make any final adjustments that are identified during that review.

We will then adjust the GF Model functionality to include spreadsheets for the annual projection of budget versus actual revenues, expenditures and fund balances in the current fiscal year and to "roll up" the quarterly or twice yearly results into the current year of the ten-year forecast in the GF Model.

Quarterly or twice yearly updates will then be accomplished for the GF Model and will include evaluation of quarterly or twice yearly results regarding revenues, expenditures and fund balances against budgeted quarterly results for the current fiscal year to date and comparison of those results against historical budget versus actual results for the same period (adjusted for explanatory variables which can affect actual results). Based upon that evaluation, the quarterly and twice yearly updates will develop projections of year-end results for the current year that will also reflect input from consultation with City staff regarding current year revenue and expense spending patterns as well as anticipated revenue and spending projected for the remainder of the year.

The annual projection for the current year based upon the quarterly or twice yearly updates will then be "rolled up" to the current year projection in the ten year forecast of the GF Model. An interactive work session will then be conducted with City staff to review the preliminary results of the quarterly or twice yearly update and adjustments in the updates will be made as appropriate.

Upon completion of the adjustments, the adjusted results of the quarterly or twice yearly updates will be reviewed in an interactive work session with you and your staff. Adjustments will be made to the quarterly or twice yearly updates as appropriate based upon input from the review with you and your staff. Results of the quarterly or twice yearly updates will be documented in a Technical Memorandum, which will include quarterly or twice yearly

financial reports supported by a narrative description of the quarterly or twice yearly update findings.

Work Plan and Cost Estimate

Based upon the above described Scope of Services, we have developed a Work Plan and Cost Estimate for the accomplishment of this Scope of Services.

We developed a Work Plan and Cost Estimate Schedule for quarterly updates of the Water and Sewer Enterprise Fund (for which we have an initialized Model) and used it as a template for the tasks to be accomplished and the cost for quarterly updates for the other Special Funds for which we have an initialized Model (the Regional Fund and the Stormwater Fund). We also developed a Work Plan and Cost Estimate Schedule for the Sanitation Fund and used it as a template for the tasks to be accomplished and the cost of initialization and of quarterly updates for the other Special Funds for which we do not have an initialized Model (Airport, Parking and Building Funds). We also developed a Work Plan and Cost Estimate Schedule for Model initialization, Model modification for quarterly updates, and performance of quarterly updates for the General Fund.

It is important to note that one of the quarterly updates for each fund is larger than the other quarterly updates. This is because once each year, the quarterly update will include a total update of the Model to roll the model one year, input the next fiscal year's budget and updated CIP, and calibrate fund balances to audited year end results. In the case of the General Fund update, this will also include updating the property database in the GF Model with current property data from the Broward County Property Appraiser. This is also true of the twice yearly updates in that alternative proposal which is included herein.

For Special Funds other than the Water and Sewer Fund and the Sanitation Fund, estimates for the level of effort and costs of Model initialization and for Model adjustments for quarterly updates were based upon the Water and Sewer Fund Work Plan and Cost Estimate Schedule and the Sanitation Fund Work Plan and Cost Estimate Schedules. For the Regional Fund and the Stormwater Fund we determined the effort and associated costs for Model set up for, and performance of, quarterly updates as percentages of the Water and Sewer Work Plan and Cost Estimate. For the other special funds we determined the effort and associated costs for Model initialization and Model set up for, and performance of, quarterly updates as percentages of the Sanitization Work Plan and Cost Estimate.

The above referenced Work Plan and Cost Estimate Schedules for the Water and Sewer Fund, Sanitation Fund, and General Fund are enclosed. We have also enclosed a Cost Calculation Schedule which shows the calculation of fees for Model initialization, Model adjustments for quarterly updates, and performance of the quarterly updates for each fund as described above.

In addition to the detailed Work Plan and Cost Estimate Schedules referred to above, we have enclosed a Summary of Fees by Fund table in Figure 1 on the following page which provides a

summary of the proposal. For the Utility Funds, Special Funds and the General Fund this table includes 1) one-time costs for initialization of and/or modification for quarterly updates of our Model where applicable, and 2) the annual costs of quarterly updates for each fund. This table also presents the two alternative proposals discussed herein, a Discounted Quarterly Update Proposal and a Discounted Twice Yearly Update Proposal.

It is important to note, that in recognition of the financial challenges facing local government today and our willingness to be a partner with the City in dealing with those challenges, we have discounted the initialization and set up for quarterly update of the General Fund Model by 50% in our original proposal and we have further discounted our Fee proposal as described in the first section of this letter and as presented in Figure 1 on the following page.

Burton & Associates

200 Business Park Circle, Suite 101 • St. Augustine, Florida 32095 • Phone (904) 247-0787 • Fax (904) 241-7708

E-mail: mburton@burtonandassociates.com

Page 6

EXHIBIT 1
12-2634
Page 8 of 19



Figure 1 - City of Fort Lauderdale

PROPOSAL FOR UPDATES OF UTILITY FUNDS AND SPECIAL FUNDS AND INITIATION AND UPDATES OF A GENERAL FUND REVENUE SUFFICIENCY FORECAST MODEL

Summary of Cost by Fund

Funds	Task Description	Original Quarterly Update Proposal		Discounted Quarterly Update Proposal	
		One Time Customization Fees	Annual Quarterly Update Fees	One Time Customization Fees	Annual Quarterly Update Fees
W&S - 450	Set Up Initial FAMS-XL® Model	\$ -	NA	\$ -	NA
	Adjust FAMS-XL® for Quarterly/Twice Yearly Updates	\$ 9,618	\$ 34,213	\$ 8,175	\$ 33,187
	Total	\$ 9,618	\$ 34,213	\$ 8,175	\$ 33,187
Regional Fund - 451	Set Up Initial FAMS-XL® Model	\$ -	NA	\$ -	NA
	Adjust FAMS-XL® for Quarterly Updates	\$ 2,885	\$ 23,951	\$ 2,482	\$ 23,282
	Total	\$ 2,885	\$ 23,951	\$ 2,482	\$ 23,282
Stormwater	Set Up Initial FAMS-XL® Model	\$ -	NA	\$ -	NA
	Adjust FAMS-XL® for Quarterly/Twice Yearly Updates	\$ 962	\$ 17,108	\$ 818	\$ 16,595
	Total	\$ 962	\$ 17,108	\$ 818	\$ 16,595
Sanitation	Set Up Initial FAMS-XL® Model	\$ 9,450	NA	\$ 8,505	NA
	Adjust FAMS-XL® for Quarterly/Twice Yearly Updates	\$ 4,421	NA	\$ 3,788	NA
	Total	\$ 13,871	\$ 28,890	\$ 12,293	\$ 27,985
TOTAL UTILITIES	Set Up Initial FAMS-XL® Model	\$ 9,450	NA	\$ 8,505	NA
	Adjust FAMS-XL® for Quarterly/Twice Yearly Updates	\$ 17,886	NA	\$ 15,203	NA
	Total	\$ 27,336	\$ 104,122	\$ 23,708	\$ 100,989
		Discount from Original Proposal		-15%	
Airport	Set Up Initial FAMS-XL® Model	\$ 6,143	NA	\$ 5,529	NA
	Adjust FAMS-XL® for Quarterly/Twice Yearly Updates	\$ 1,105	NA	\$ 939	NA
	Total	\$ 7,248	\$ 18,753	\$ 6,468	\$ 18,190
Parking	Set Up Initial FAMS-XL® Model	\$ 7,560	NA	\$ 6,804	NA
	Adjust FAMS-XL® for Quarterly/Twice Yearly Updates	\$ 1,547	NA	\$ 1,315	NA
	Total	\$ 9,107	\$ 23,081	\$ 8,119	\$ 22,389
Building	Set Up Initial FAMS-XL® Model	\$ 7,560	NA	\$ 6,804	NA
	Adjust FAMS-XL® for Quarterly/Twice Yearly Updates	\$ 1,547	NA	\$ 1,315	NA
	Total	\$ 9,107	\$ 23,081	\$ 8,119	\$ 22,389
TOTAL SPECIAL FUNDS	Set Up Initial FAMS-XL® Model	\$ 21,263	NA	\$ 19,137	NA
	Adjust FAMS-XL® for Quarterly/Twice Yearly Updates	\$ 4,199	NA	\$ 3,589	NA
	Total	\$ 25,462	\$ 64,515	\$ 22,706	\$ 62,968
		Discount from Original Proposal		-11%	
GENERAL FUND	Set Up Initial FAMS-XL® Model	\$ 28,056	NA	\$ 25,250	NA
	Adjust FAMS-XL® for Quarterly/Twice Yearly Updates	\$ 18,756	NA	\$ 16,793	NA
	Total	\$ 47,812	\$ 106,760	\$ 42,043	\$ 101,422
		Less: Discount on GF Customization @ 50%		50%	
Discounted Total General Fund		\$ 23,906	\$ 106,760	\$ 21,021	\$ 101,422
		Discount from Original Proposal		-12%	
Total Proposal		\$ 76,704	\$ 275,797	\$ 67,435	\$ 265,389
		Discount from Original Proposal		-12%	

Burton & Associates		Discounted Twice Yearly Update Proposal	
One Time Customization Fees	Annual Update Fees	One Time Customization Fees	Annual Update Fees
\$ -	NA	\$ -	NA
\$ 6,540	\$ 18,253	\$ 6,540	\$ 18,253
\$ -	NA	\$ -	NA
\$ 1,962	\$ 12,778	\$ 1,962	\$ 12,778
\$ -	NA	\$ -	NA
\$ 654	\$ 9,127	\$ 654	\$ 9,127
\$ 8,505	NA	\$ 8,505	NA
\$ 3,008	NA	\$ 3,008	NA
\$ 11,511	\$ 15,991	\$ 11,511	\$ 15,991
\$ 8,505	NA	\$ 8,505	NA
\$ 12,162	NA	\$ 12,162	NA
\$ 20,687	\$ 55,949	\$ 20,687	\$ 55,949
		-24%	

Burton & Associates		Discounted Quarterly Update Proposal	
One Time Customization Fees	Annual Quarterly Update Fees	One Time Customization Fees	Annual Quarterly Update Fees
\$ -	NA	\$ -	NA
\$ 8,175	\$ 33,187	\$ 8,175	\$ 33,187
\$ -	NA	\$ -	NA
\$ 2,482	\$ 23,282	\$ 2,482	\$ 23,282
\$ -	NA	\$ -	NA
\$ 818	\$ 16,595	\$ 818	\$ 16,595
\$ 8,505	NA	\$ 8,505	NA
\$ 3,788	NA	\$ 3,788	NA
\$ 12,293	\$ 27,985	\$ 12,293	\$ 27,985
\$ 8,505	NA	\$ 8,505	NA
\$ 15,203	NA	\$ 15,203	NA
\$ 23,708	\$ 100,989	\$ 23,708	\$ 100,989
		-15%	

Burton & Associates		Discounted Twice Yearly Update Proposal	
One Time Customization Fees	Annual Update Fees	One Time Customization Fees	Annual Update Fees
\$ -	NA	\$ -	NA
\$ 9,618	\$ 34,213	\$ 8,175	\$ 33,187
\$ -	NA	\$ -	NA
\$ 2,885	\$ 23,951	\$ 2,482	\$ 23,282
\$ -	NA	\$ -	NA
\$ 962	\$ 17,108	\$ 818	\$ 16,595
\$ 9,450	NA	\$ 8,505	NA
\$ 4,421	NA	\$ 3,788	NA
\$ 13,871	\$ 28,890	\$ 12,293	\$ 27,985
\$ 9,450	NA	\$ 8,505	NA
\$ 17,886	NA	\$ 15,203	NA
\$ 27,336	\$ 104,122	\$ 23,708	\$ 100,989
		-15%	

Burton & Associates		Discounted Quarterly Update Proposal	
One Time Customization Fees	Annual Quarterly Update Fees	One Time Customization Fees	Annual Quarterly Update Fees
\$ 6,143	NA	\$ 5,529	NA
\$ 1,105	NA	\$ 939	NA
\$ 7,248	\$ 18,753	\$ 6,468	\$ 18,190
\$ 7,560	NA	\$ 6,804	NA
\$ 1,547	NA	\$ 1,315	NA
\$ 9,107	\$ 23,081	\$ 8,119	\$ 22,389
\$ 7,560	NA	\$ 6,804	NA
\$ 1,547	NA	\$ 1,315	NA
\$ 9,107	\$ 23,081	\$ 8,119	\$ 22,389
\$ 21,263	NA	\$ 19,137	NA
\$ 4,199	NA	\$ 3,589	NA
\$ 25,462	\$ 64,515	\$ 22,706	\$ 62,968
		-11%	

Burton & Associates		Discounted Twice Yearly Update Proposal	
One Time Customization Fees	Annual Update Fees	One Time Customization Fees	Annual Update Fees
\$ -	NA	\$ -	NA
\$ 28,056	NA	\$ 25,250	NA
\$ 18,756	NA	\$ 16,793	NA
\$ 47,812	\$ 106,760	\$ 42,043	\$ 101,422
\$ (23,906)	NA	\$ (19,342)	NA
\$ 23,906	\$ 106,760	\$ 19,342	\$ 85,924
		-19%	

Burton & Associates		Discounted Quarterly Update Proposal	
One Time Customization Fees	Annual Quarterly Update Fees	One Time Customization Fees	Annual Quarterly Update Fees
\$ -	NA	\$ -	NA
\$ 25,250	NA	\$ 25,250	NA
\$ 13,434	NA	\$ 13,434	NA
\$ 38,684	\$ 65,924	\$ 38,684	\$ 65,924
\$ (19,342)	NA	\$ (19,342)	NA
\$ 19,342	\$ 85,924	\$ 19,342	\$ 85,924
		-38%	

Burton & Associates
 200 Business Park Circle, Suite 101 • St. Augustine, Florida 32095 • Phone (904) 247-0787 • Fax (904) 241-7708
 E-mail: mburton@burtonandassociates.com

City of Fort Lauderdale

FY 2013 WATER AND WASTEWATER QUARTERLY REVENUE SUFFICIENCY ANALYSIS UPDATES

PROJECT WORK PLAN & COST ESTIMATE

BURTON & ASSOCIATES

PROJECT TASKS	ESTIMATED MAN-HOURS					Total Project
	Project Principal \$195	Project Director \$165	Project Consultant \$150	Clerical \$40		
	<i>Hourly rates--></i>					
<ul style="list-style-type: none"> - Spend down limits (minimum reserve requirements) by fund - Beginning and ending funds balances by fund by year o Analysis of prior and current year performance versus criteria in ordinance 	1	1	1	0	3	
2.2 Review preliminary output with consulting team.	0	1	2	0	3	
2.3 Make adjustments and re-run FAMS XL ©.	1	2	2	0	5	
2.4 Conduct an interactive review session with City staff to review the preliminary results of the ten year projection of revenue sufficiency of the water and wastewater enterprise fund.	0	1	2	0	3	
2.5 Make adjustments based upon input from City staff and prepare quarterly reports.						
2.6 Conduct a second interactive review session via Go-to-Meeting with City staff to review the adjusted results of the ten year projection of revenue sufficiency of the water and wastewater enterprise fund and make any final adjustments.						
-- At Hourly Rate as Required --						
Task 4						
4.1 Present results to City Management (all quarters, including initial analysis).	2	2	2	0	6	
4.2 Present the results of the Study to City Management in an interactive review session.	0	1	2	0	3	
5.1 Make adjustments as required based upon the review with City Management in the prior subtask.	0.5	1.5	3	0.5	5.5	
Task 5						
5.1 Document the results in a Technical Memorandum.						
5.1 Prepare final quarterly reports and document in a Draft Technical Memorandum (TM).						
Task 6						
6.1 Follow-up Rate and Financial Sensitivity Analyses, Data Updates, Scenario Modeling, and Industry Research/Surveying						
-- At Hourly Rate as Required --						
TOTAL ESTIMATED MAN-HOURS - TASK GROUP II	5.5	13.5	26	0.5	45.5	
TOTAL ESTIMATED CONSULTING FEE - TASK GROUP II	\$1,073	\$2,498	\$3,900	\$20	\$7,490	
ESTIMATED EXPENSES - TASK GROUP II					\$375	
TOTAL ESTIMATED COST - TASK GROUP II					\$7,865	

5.00%

City of Fort Lauderdale

FY 2013 SANITATION QUARTERLY REVENUE SUFFICIENCY ANALYSIS UPDATES
PROJECT WORK PLAN & COST ESTIMATE

BURTON & ASSOCIATES



PROJECT TASKS	ESTIMATED MAN-HOURS					Total Project
	Project Principal \$195	Project Director \$185	Project Consultant \$150	Clerical \$40		
TASK GROUP 1: SET UP INITIAL FAMS-XL® MODEL AND ADJUST THE FAMS-XL® MODEL FOR QUARTERLY UPDATES (ONE TIME EXPENSE)						
Task 1						
1.1 Set up Initial FAMS-XL® Model for this Fund Obtain, verify and input initial financial data, assumptions and other required data into Burton & Associates' proprietary FAMS XL® model, adjust the model as appropriate to properly reflect the flow of funds and specific assumptions for this fund.	2	8	24	0		34
1.2 Review preliminary model set-up with consulting team and City staff.	3	3	3	0		9
1.3 Make adjustments as required.	0	4	8	0		12
TOTAL ESTIMATED MAN-HOURS	5	15	35	0		55
TOTAL ESTIMATED CONSULTING FEE	\$975	\$2,775	\$5,250	\$0		\$9,000
ESTIMATED EXPENSES						\$450
TOTAL ESTIMATED COST						\$9,450
Task 2						
2.1 Adjust the FAMS-XL® model for quarterly update. Adjust the FAMS-XL® model to receive monthly and/or quarterly history of revenue, operating expenses and capital expenditures, and as applicable explanatory variables that may have affected expenses and/or revenue. Program so as to allow for quarterly update of the current fiscal year and projection of each revenue and expense category through the end of the fiscal year, to be folded into the current year projections of the ten year projections of the model.	1	2	8	0		11
2.2 Establish quarterly report template format to be populated with projections from the FAMS-XL® model and actual results year to date and projection of results through the current year.	0.5	2	4	0		6.5
2.3 Review the adjusted FAMS-XL® functionality with City staff.	1.5	1.5	1.5	0		4.5
2.4 Make adjustments as necessary based upon input from City staff in the prior sub-task.	0.5	1	2	0		3.5
TOTAL ESTIMATED MAN-HOURS - TASK GROUP 1	3.5	6.5	15.5	0		25.5
TOTAL ESTIMATED CONSULTING FEE - TASK GROUP 1	\$683	\$1,203	\$2,325	\$0		\$4,210
ESTIMATED EXPENSES - TASK GROUP 1						\$211
TOTAL ESTIMATED COST - TASK GROUP 1						\$4,421
TOTAL TASK GROUP 1						
TOTAL ESTIMATED MAN-HOURS - TASK GROUP 1	8.5	21.5	50.5	0		80.5
TOTAL ESTIMATED CONSULTING FEE - TASK GROUP 1	\$1,658	\$3,978	\$7,575	\$0		\$13,210
ESTIMATED EXPENSES - TASK GROUP 1						\$661
TOTAL ESTIMATED COST - TASK GROUP 1						\$13,871

Burton & Associates
 200 Business Park Circle, Suite 101 • St. Augustine, Florida 32095 • Phone (904) 247-0787 • Fax (904) 241-7708
 E-mail: mburton@burtonandassociates.com



City of Fort Lauderdale

FY 2013 SANITATION QUARTERLY REVENUE SUFFICIENCY ANALYSIS UPDATES
PROJECT WORK PLAN & COST ESTIMATE

BURTON & ASSOCIATES

PROJECT TASKS	ESTIMATED MAN-HOURS					Total Project
	Project Principal \$195	Project Director \$195	Project Consultant \$150	Clerical \$40		
TASK GROUP II: <u>PERFORM QUARTERLY UPDATES (HOURS AND COSTS ARE PER QUARTER)</u>	<i>Hourly rate -></i>					
Task 3 3.1 Perform a quarterly update of the revenue sufficiency analysis for this fund Obtain, verify and input monthly and/or quarterly financial and other data into Burton & Associates' proprietary FAMS XL® model, project year end results for the current year and run the model and produce preliminary output for identified scenarios, including a ten year financial management program that will include the following: o Capital Improvements Program (10 year) - Project listing by year (including alternative Master Plan/CIP scenarios) - Identification of funding source by project by year for each scenario o Borrowing Program (for each Master Plan/CIP scenario) - Borrowing required (by source) to fund CIP projects not funded by other sources to include but not necessarily be limited to revenue bonds and State or other programs. - Timing of bond issue(s)/loan(s) to provide required borrowed funds - Annual debt service of bond issue(s)/loan(s) o Revenue Sufficiency Analysis - Annual revenue projections - Annual rate plan to provide sufficient revenues for each scenario evaluated o Sources and Uses of Funds Analysis o Funds Analysis - Spend down limits (minimum reserve requirements) by fund - Beginning and ending funds balances by fund by year o Analysis of prior and current year performance versus criteria in ordinance Review preliminary output with consulting team. 3.3 Make adjustments and re-run FAMS XL.® 3.4 Conduct an interactive review session with City staff to review the preliminary results of the ten year projection of revenue sufficiency of the sanitation enterprise fund. 3.5 Make adjustments based upon input from City staff and prepare preliminary quarterly reports. 3.6 Conduct a second interactive review session via Co-to-Meeting with City staff to review the adjusted results of the ten year projection of revenue sufficiency of the enterprise fund and make any final adjustments.	0.25	3	8	0	11.25	
Task 4 4.1 4.2 Present results to City Management (all quarters, including initial analysis) Present the results of the Study to City Management in an interactive review session. Make adjustments as required based upon the review with City Management in the prior subtask.	1 0 1	1 1 2	1 2 2	0 0 0	3 3 5	3 3 3
Task 5 5.1 Document the results in a Technical Memorandum Prepare final quarterly reports and document in a Draft Technical Memorandum (TM).	0.5	1	2	0.5	4	4
Task 6 Follow-up Rate and Financial Sensitivity Analyses, Data Updates, Scenario Modeling, and Industry Research/Surveying	— At Hourly Rate as Required —					
TOTAL ESTIMATED MAN-HOURS - TASK GROUP II	4.75	12	21	0.5	38.25	
TOTAL ESTIMATED CONSULTING FEE - TASK GROUP II	\$926	\$2,220	\$3,150	\$20	\$6,316	
ESTIMATED EXPENSES - TASK GROUP II	5.00%					\$316
TOTAL ESTIMATED COST - TASK GROUP II						\$6,632

Burton & Associates

200 Business Park Circle, Suite 101 • St. Augustine, Florida 32095 • Phone (904) 247-0787 • Fax (904) 241-7708

E-mail: mburton@burtonandassociates.com

Page 12



City of Fort Lauderdale

FY 2013 GENERAL FUND SET UP, INITIAL ANALYSIS AND QUARTERLY REVENUE SUFFICIENCY ANALYSIS UPDATES

PROJECT WORK PLAN & COST ESTIMATE

BURTON & ASSOCIATES

TASK GROUP I:	PROJECT TASKS	ESTIMATED MAN-HOURS					Total Project
		Project Principal \$195	Project Director \$185	Project Consultant \$150	Clerical \$40		
	Hourly rates->						
Task 1	SET UP INITIAL FAMS-XL® MODEL AND ADJUST THE FAMS-XL® MODEL FOR QUARTERLY UPDATES (ONE TIME EXPENSE)						
1.1	<p>Set up Initial FAMS-XL® Model for the General Fund Define specific requirements of the General Fund (GF) Model for the City, refinements to the GF Model functionality and data required.</p> <p>a. Conduct an interactive review session with City staff to review the current functionality of the GF Model and to determine the specific additional or adjusted functionality required in the GF Model to meet the City's specific requirements and to match the City's specific fiscal policies and flow of funds and provide the required interfaces with other City funds.</p> <p>b. Prepare data requirements list to include financial and other data to be provided by the City and property data, the source of which will be the Broward County Property Appraiser's Office.</p> <p>c. Review information/data provided and request clarification/additional data as required.</p> <p>d. Conduct a meeting with City staff to discuss issues with data, timeline, reaffirmation of the system requirements, etc.</p> <p>1.2 Make adjustments to the GF Model to address the specific user requirements of the City as determined in the prior task.</p> <p>a. Make initial model adjustments to reflect the City's requirements and analyses.</p> <p>b. Review with consulting team.</p> <p>c. Make additional refinements based upon the review in the prior sub-task.</p> <p>d. Follow-up review with consulting team and final model adjustments/refinements.</p> <p>e. Review the adjusted GF Model functionality with City staff in an interactive work session.</p> <p>f. Make adjustments based upon the review with City staff.</p> <p>g. Review the adjusted GF Model functionality with City staff in an interactive work session.</p> <p>h. Make final adjustments based upon the input from the prior sub-task.</p> <p>i. Conduct additional analyses and/or meetings as required by the City.</p>	3	3	3	0	9	
		0	1	2	0	3	
		1	2	6	0	9	
		3	3	3	0	9	
		4	16	32	0	52	
		4	4	4	0	12	
		1	4	8	0	13	
		3	3	3	0	9	
		4	4	4	0	12	
		2	4	8	0	14	
		3	3	3	0	9	
		1	2	4	0	7	
		--- At Hourly Rates ---					
		29	49	80	0	158	
	TOTAL ESTIMATED MAN-HOURS - TASK 1	\$5,655	\$9,065	\$12,000	\$0	\$26,720	
	TOTAL ESTIMATED CONSULTING FEE - TASK 1					\$1,336	
	ESTIMATED EXPENSES - TASK 1						
	TOTAL ESTIMATED COST - TASK 1					\$28,056	
Task 2	Adjust the FAMS-XL® model for quarterly update.						
2.1	Adjust the FAMS-XL® model to receive monthly and/or quarterly history of revenue, operating expenses and capital expenditures, and as applicable explanatory variables that may have affected expenses and/or revenue. Program so as to allow for quarterly update of the current fiscal year and projection of each revenue and expense category through the end of the fiscal year, to be folded into the current year projections of the ten year projections of the model.						
2.2	Establish quarterly report template/format to be populated with projections from the FAMS-XL® model and actual results year to date and projection of results through the current year.	6	16	32	0	54	
		4	8	16	0	28	

Burton & Associates
 200 Business Park Circle, Suite 101 • St. Augustine, Florida 32095 • Phone (904) 247-0787 • Fax (904) 241-7708
 E-mail: mburton@burtonandassociates.com



City of Fort Lauderdale

FY 2013 GENERAL FUND SET UP, INITIAL ANALYSIS AND QUARTERLY REVENUE SUFFICIENCY ANALYSIS UPDATES

PROJECT WORK PLAN & COST ESTIMATE

BURTON & ASSOCIATES

PROJECT TASKS	ESTIMATED MAN-HOURS					Total Project
	Project Principal \$195	Project Director \$185	Project Consultant \$150	Clerical \$40		
2.3 Review the adjusted FAMS-XL® functionality with City staff.	4	4	4	0	12	
2.4 Make adjustments as necessary based upon input from City staff in the prior sub-task.	1	6	12	0	19	
TOTAL ESTIMATED MAN-HOURS - TASK 2	15	34	64	0	113	
TOTAL ESTIMATED CONSULTING FEE - TASK 2	\$2,925	\$6,290	\$9,600	\$0	\$18,815	
ESTIMATED EXPENSES - TASK 2					\$941	
TOTAL ESTIMATED COST - TASK 2					\$19,756	
TOTAL ESTIMATED MAN-HOURS - TASK GROUP 1	44	83	144	0	271	
TOTAL ESTIMATED CONSULTING FEE - TASK GROUP 1	\$8,580	\$15,355	\$21,600	\$0	\$45,535	
ESTIMATED EXPENSES - TASK GROUP 1					\$2,277	
TOTAL ESTIMATED COST - TASK GROUP 1					\$47,812	
TASK GROUP II: PERFORM QUARTERLY UPDATES (HOURS AND COSTS ARE PER QUARTER)						
Task 3						
3.1	4	10	32	0	46	
<p><i>Perform a quarterly update of the revenue sufficiency analysis for this fund</i></p> <p>Obtain, verify and input monthly and/or quarterly financial and other data into Burton & Associates' proprietary FAMS XL® model, project year end results for the current year and run the model and produce preliminary output for identified scenarios, including a ten year financial management program that will include the following:</p> <ul style="list-style-type: none"> o Property data base by parcel o Complete data base of all parcels in the City with relevant information such as taxable value, exemptions, current tax, etc., including adjustment factors for each parcel, or parcels by property classes, for future years. o Above referenced property data base integrated so that changes in assumptions for future years are linked to the calculation algorithms of the model. o Operations and Maintenance (O&M) Budget and projections o O&M budget categories, initial year budget and projections of budget in future years. o Inflation factors for each O&M budget cost category. o Capital Improvements Program (10 year) <ul style="list-style-type: none"> - Project listing by year (including alternative Master Plan/CIP scenarios) - Identification of funding source by project by year for each scenario o Borrowing Program (for each Master Plan/CIP scenario) <ul style="list-style-type: none"> - Borrowing required (by source) to fund CIP projects not funded by other sources to include but not necessarily be limited to revenue bonds and State or other programs. - Timing of bond issue(s)/loan(s) to provide required borrowed funds - Annual debt service of bond issue(s)/loan(s) o Revenue Sufficiency Analysis <ul style="list-style-type: none"> - Annual revenue projections for all GF revenue sources, including variable annual adjustment factors for each revenue source. - Annual plan to provide sufficient revenues for each scenario evaluated through adjustments to O&M costs, capital costs, millage rates, etc. o Sources and Uses of Funds Analysis o Funds Analysis 						

Burton & Associates

200 Business Park Circle, Suite 101 • St. Augustine, Florida 32095 • Phone (904) 247-0787 • Fax (904) 241-7708
E-mail: mburton@burtonandassociates.com



City of Fort Lauderdale

FY 2013 GENERAL FUND SET UP, INITIAL ANALYSIS AND QUARTERLY REVENUE SUFFICIENCY ANALYSIS UPDATES
PROJECT WORK PLAN & COST ESTIMATE

BURTON & ASSOCIATES

PROJECT TASKS	ESTIMATED MAN-HOURS					Total Project
	Project Principal	Project Director	Project Consultant	Clerical		
Hourly rate >	\$185	\$165	\$150	\$40		
<ul style="list-style-type: none"> - Spend down limits (minimum reserve requirements) by fund - Beginning and ending funds balances by fund by year o Analysis of prior and current year performance versus criteria in ordinance Review preliminary output with consulting team. 3.2 Make adjustments and re-run FAMS XL @. 3.3 Conduct an interactive review session with City staff to review the preliminary results of the ten year projection of revenue sufficiency of the General Fund. 3.4 Make adjustments based upon input from City staff and prepare preliminary quarterly reports. 3.5 Conduct a second interactive review session via Go-to-Meeting with City staff to review the adjusted results of the ten year projection of revenue sufficiency of the General Fund and make any final adjustments. 3.6 	4	4	4	0	12	
	1	3	6	0	10	
	4	4	4	0	12	
	1	4	8	0	13	
--- At Hourly Rate as Required ---						
Task 4						
4.1 Present results to City Management (all quarters, including initial analysis).	2	2	2	0	6	
4.2 Present the results of the Study to City Management in an interactive review session.	0	1	3	0	4	
Make adjustments as required based upon the review with City Management in the prior subtask.						
Task 5						
5.1 Document the results in a Technical Memorandum.	1	4	6	0.5	11.5	
Prepare final quarterly reports and document in a Draft Technical Memorandum (TM).						
Task 6						
Follow-up Rate and Financial Sensitivity Analyses, Data Updates, Scenario Modeling, and Industry Research/Surveying						
--- At Hourly Rate as Required ---						
TOTAL ESTIMATED MAN-HOURS - TASK GROUP II	17	32	65	0.5	114.5	
TOTAL ESTIMATED CONSULTING FEE - TASK GROUP II	\$3,315	\$5,920	\$9,750	\$20	\$19,005	
ESTIMATED EXPENSES - TASK GROUP II					\$950	
TOTAL ESTIMATED COST - TASK GROUP II					\$19,955	

5.00%

Burton & Associates
 200 Business Park Circle, Suite 101 • St. Augustine, Florida 32095 • Phone (904) 247-0787 • Fax (904) 241-7708
 E-mail: mburton@burtonandassociates.com
 Page 15

City of Fort Lauderdale
Special Funds and General Fund FAMS-XL® Model Initialization and Quarterly Update Proposal - Cost Calculation Schedule



Special Funds

	W&S - 450		Regional Fund - 451		Stormwater		Sanitation		Airport		Parking		Building	
	Amount - From W&S	Amt - From % to Left	Amount - From W&S	Amt - From % to Left	% of W&S	Amt - From % to Left	Amount - From W&S	Amt - From % to Left	% of Sanitation	Amt - From % to Left	% of Sanitation	Amt - From % to Left	% of Sanitation	Amt - From % to Left
1	NA		NA		NA		NA		NA		NA		NA	
2	NA	\$0	NA	\$0	25%	\$0	NA	\$9,450	65%	\$6,143	80%	\$7,560	80%	\$7,560
3	NA	\$9,618	NA	\$2,885	10%	\$962	NA	\$4,421	25%	\$1,105	35%	\$1,547	35%	\$1,547
4		\$9,618		\$2,885		\$962		\$13,871		\$7,248		\$9,107		\$9,107
5	1st Qtr % of Steady State Ctr	Amount	Amt - From % of W&S	Amt - From % to Left	% of W&S	Amt - From % to Left	1st Qtr % of Steady State Ctr	Amount	% of Sanitation	Amt - From % to Left	% of Sanitation	Amt - From % to Left	% of Sanitation	Amt - From % to Left
6	135%	\$10,618	70%	\$7,433	50%	\$5,309	135%	\$8,954	65%	\$5,820	80%	\$7,163	80%	\$7,163
7	NA	\$7,865	70%	\$5,506	50%	\$3,933	NA	\$6,632	65%	\$4,311	80%	\$5,306	80%	\$5,306
8	NA	\$7,865	70%	\$5,506	50%	\$3,933	NA	\$6,632	65%	\$4,311	80%	\$5,306	80%	\$5,306
9	NA	\$7,865	70%	\$5,506	50%	\$3,933	NA	\$6,632	65%	\$4,311	80%	\$5,306	80%	\$5,306
10		\$34,213		\$23,951		\$17,108		\$28,850		\$18,753		\$23,081		\$23,081
11		\$ 110.00		\$ 22.00		\$ 6.00		\$ 22.00		\$ 7.00		\$ 14.00		\$ 10.00
12		0.031%		0.109%		0.285%		0.131%		0.268%		0.165%		0.231%

1 One Time Set-up Costs:
 2 Set up initial FAMS-XL® Model with fund categories and initial data
 3 Adjust the FAMS-XL® Model Structure for Quarterly Updates
 4 Total One Time Set-up Cost

5 Annual Costs:
 6 Perform update for 1st quarter results (Major Update, Roll the Model and update all data)
 7 Perform update for 2nd quarter results
 8 Perform update for 3rd quarter results
 9 Perform update for 4th quarter results
 10 Total Annual Cost

11 FY 2013 Revenue (1,000,000s)
 12 Annual cost as a percent of revenues

Burton & Associates
 200 Business Park Circle, Suite 101 • St. Augustine, Florida 32095 • Phone (904) 247-0787 • Fax (904) 241-7708
 E-mail: mburton@burtonandassociates.com
 Page 16

City of Fort Lauderdale
Special Funds and General Fund FAMS-XL® Model Initialization and
Quarterly Update Proposal - Cost Calculation Schedule



BURTON & ASSOCIATES

		General Fund	
		General Fund Proposal	GF Proposal Discounted
		Amount - From Wksht	Discounted Amount
		%	Discount
1	One Time Set-up Costs:		
2	Set up initial FAMS-XL® Model with fund categories and initial data	\$28,056	\$14,028
3	Adjust the FAMS-XL® Model Structure for Quarterly Updates	\$19,756	\$9,878
4	Total One Time Set-up Cost	\$47,812	\$23,906
5	Annual Costs:		
6	Perform update for 1st quarter results (Major Update, Roll the Model and update all data, including property data)	\$46,895	\$46,895
7	Perform update for 2nd quarter results	\$19,955	\$19,955
8	Perform update for 3rd quarter results	\$19,955	\$19,955
9	Perform update for 4th quarter results	\$19,955	\$19,955
10	Total Annual Cost	\$106,760	\$106,760
	First Year Total Cost (Line 4 + 10)	NA	\$130,666
11	Revenues/Resources (1,000,000s)	NA	\$ 270.00
12	Annual cost as a percent of revenues	NA	0.040%

Burton & Associates
 200 Business Park Circle, Suite 101 • St. Augustine, Florida 32095 • Phone (904) 247-0787 • Fax (904) 241-7708
 E-mail: mburton@burtonandassociates.com
 Page 17


Schedule

We estimate that the one-time Model initialization (for funds where that is required) and the set-up for quarterly or twice yearly reporting for each of the Utility and Special Funds and for the General Fund can be accomplished by the end of this calendar year if a notice to proceed is issued by the end of October. Quarterly or twice yearly updates will be accomplished throughout the fiscal year as quarterly or twice yearly financial data is available.

Again, we appreciate the opportunity to present this adjusted proposal, and we look forward to continuing to be of service to the City in its financial planning and management activities.

I would be happy to meet to discuss this proposal with you at your convenience.

Very truly yours



Michael E. Burton
President