

RESOLUTION NO. 20-163

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, BROWARD COUNTY, FLORIDA, ADOPTING THE FINAL BUDGET OF THE CITY OF FORT LAUDERDALE, FLORIDA, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021, WHICH INCLUDES THE BUDGET FOR THE GENERAL FUND, WATER AND SEWER/CENTRAL REGIONAL WASTEWATER FUNDS, DEBT SERVICE FUNDS, SELF-INSURED HEALTH BENEFITS FUND, COMMUNITY REDEVELOPMENT AGENCY FUND, SANITATION FUND, PARKING FUND, BUILDING FUNDS, CENTRAL SERVICES FUND, VEHICLE RENTAL FUND, CITY PROPERTY & CASUALTY INSURANCE FUND (CITY INSURANCE), STORMWATER FUND, AIRPORT FUND, HOUSING AND COMMUNITY DEVELOPMENT FUND, PROJECT MANAGEMENT FUND, CEMETERY SYSTEM FUND, ARTS AND SCIENCE DISTRICT GARAGE FUND, CEMETERY PERPETUAL CARE FUND, BEACH BUSINESS IMPROVEMENT DISTRICT FUND, SCHOOL CROSSING GUARD FUND, NUISANCE ABATEMENT FUND, SUNRISE KEY NEIGHBORHOOD IMPROVEMENT DISTRICT FUND, AND POLICE CONFISCATION FUNDS, ADOPTING THE FINAL CITY OF FORT LAUDERDALE PERSONNEL COMPLEMENT AND THE FINAL ENTERPRISE FUND RETURN ON INVESTMENT (ROI) POLICY FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in accordance with the applicable provisions of the law, the City Commission of the City of Fort Lauderdale, Florida, has prepared a final budget for the City of Fort Lauderdale, which includes the General Fund, Water and Sewer/Central Regional Wastewater Funds, Debt Service Funds, Self-Insured Health Benefits Fund, Community Redevelopment Agency Fund, Sanitation Fund, Parking Fund, Building Funds, Central Services Fund, Vehicle Rental Fund, City Property & Casualty Insurance Fund (City Insurance), Stormwater Fund, Airport Fund, Housing And Community Development Fund, Project Management Fund, Cemetery System Fund, Arts and Science District Garage Fund, Cemetery Perpetual Care Fund, Beach Business Improvement District Fund, School Crossing Guard Fund, Nuisance Abatement Fund, Sunrise Key Neighborhood Improvement District Fund, and Police Confiscation Funds, for the fiscal year beginning October 1, 2020, and ending September 30, 2021, and determined the amount of available funds on hand, the estimated revenues, and

appropriated amounts for the support of the various operations of the City for such fiscal year; and

WHEREAS, the City Commission acknowledges that the final budget reflects the following revenue and expenditure estimates for the fiscal year beginning October 1, 2020, and ending September 30, 2021, for all funds, totaling \$847,858,597:

Fund(s)	FY 2021 Final All Funds Budget
General Fund	\$368,296,676
Water and Sewer/Central Regional Wastewater	\$163,858,863
Debt Service	\$40,041,421
Self-Insured Health Benefits	\$36,883,874
Community Redevelopment Agency	\$27,706,920
Sanitation	\$30,037,809
Parking	\$22,192,223
Building	\$25,654,058
Central Services (ITS)	\$25,053,927
Vehicle Rental (Fleet)	\$19,446,584
City Property & Casualty Insurance	\$24,936,929
Stormwater	\$27,907,995
Airport	\$11,087,817
Housing and Community Development	\$9,422,185
Project Management	\$5,104,035
Cemetery System	\$4,387,767
Arts and Science District Garage	\$1,853,061
Cemetery Perpetual Care	\$1,597,187
Beach Business Improvement District	\$1,087,581
School Crossing Guard	\$934,958

Nuisance Abatement	\$149,103
Sunrise Key Neighborhood Improvement District	\$136,662
Police Confiscation	\$80,962
Total FY 2021 Final All Funds Budget	\$847,858,597

and

WHEREAS, a Personnel Complement and an Enterprise Fund Return on Investment (ROI) Policy for the fiscal year beginning October 1, 2020, and ending September 30, 2021, have been proposed; and

WHEREAS, it is the desire of the City Commission of the City of Fort Lauderdale, Florida, to adopt a final budget, a final Personnel Complement, and a final Enterprise Fund Return on Investment (ROI) Policy, for the fiscal year beginning October 1, 2020, and ending September 30, 2021;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA:

SECTION 1. That the final budget, titled "FY 2021 Final All Funds Budget," to wit, Exhibit 1 to City Commission Agenda Memo #20-0566, a copy of which is attached hereto, is hereby adopted as the final budget of the City of Fort Lauderdale, for the fiscal year beginning October 1, 2020, and ending September 30, 2021, and is incorporated herein by this reference.

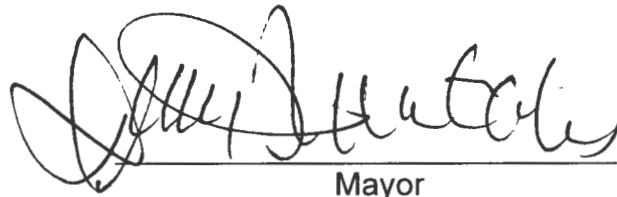
SECTION 2. That the final City of Fort Lauderdale Personnel Complement, to wit, Exhibit 2 to City Commission Agenda Memo #20-0566, a copy of which is attached hereto, is hereby adopted for the fiscal year beginning October 1, 2020, and ending September 30, 2021, and is incorporated herein by this reference.

SECTION 3. That the final Enterprise Fund Return on Investment (ROI) Policy, to wit, Exhibit 3 to City Commission Agenda Memo #20-0566, is hereby adopted for the fiscal year beginning October 1, 2020, and ending September 30, 2021, and is incorporated herein by this reference.

SECTION 4. That the Final Operating Budget for Fiscal Year 2021 establishes limitations on expenditures and expenses by fund total, so that the total sum allocated to each fund for total expenditures and expenses may not be increased without specific authorization by a duly enacted resolution effecting such amendment or transfer.

SECTION 5. That this Resolution will take effect immediately upon its adoption.

ADOPTED this 14th day of September, 2020.



Mayor
DEAN J. TRANTALIS

ATTEST:



City Clerk
JEFFREY A. MODARELLI

City of Fort Lauderdale Personnel Complement*

	Fiscal Year 2018 Adopted				Fiscal Year 2019 Adopted				Fiscal Year 2020 Adopted				Fiscal Year 2021 Final			
General Fund:																
City Attorney	31.0	0.6	1.0	32.6	31.0	0.6	1.0	32.6	30.0	-	-	30.0	30.0	-	-	30.0
City Auditor	6.0	-	-	6.0	7.0	-	-	7.0	7.0	-	-	7.0	7.0	-	-	7.0
City Clerk	5.0	2.4	-	7.4	6.0	1.7	-	7.7	7.0	1.7	-	8.7	7.0	1.7	-	8.7
City Commission	12.0	-	-	12.0	12.0	-	-	12.0	15.0	-	-	15.0	15.0	-	-	15.0
City Manager	40.0	-	7.0	47.0	43.0	-	6.0	49.0	44.0	-	3.0	47.0	28.0	-	3.0	31.0
CRA Administration	15.0	-	-	15.0	16.0	-	-	16.0	16.0	0.6	-	16.6	13.0	-	-	13.0
Finance	45.0	-	-	45.0	47.0	-	-	47.0	47.0	-	-	47.0	48.0	-	-	48.0
Fire-Rescue	474.0	10.8	-	484.8	475.0	10.8	-	485.8	474.0	10.8	-	484.8	476.0	10.8	-	486.8
Human Resources	24.0	0.6	-	24.6	24.0	0.6	-	24.6	27.0	1.4	-	28.4	27.0	1.4	-	28.4
Office of Management and Budget	-	-	-	-	-	-	-	-	-	-	-	-	16.0	-	-	16.0
Parks & Recreation	229.0	71.1	-	300.1	235.0	70.1	-	305.1	234.0	70.1	-	304.1	236.0	70.1	-	306.1
Police	707.0	19.9	-	726.9	707.0	20.4	-	727.4	713.0	10.4	-	723.4	713.0	10.4	-	723.4
Public Works	70.0	-	-	70.0	69.0	-	-	69.0	22.0	-	-	22.0	22.0	-	-	22.0
Sustainable Development	95.0	1.9	-	96.9	96.0	1.9	-	97.9	94.0	1.9	-	95.9	95.0	1.9	-	96.9
Transportation & Mobility	21.0	-	-	21.0	18.0	-	-	18.0	17.0	-	-	17.0	12.0	-	-	12.0
Grants and Confiscation Funds:																
City Manager	11.0	-	-	11.0	11.0	-	-	11.0	12.0	-	1.0	13.0	12.0	-	-	12.0
Police	9.0	-	-	9.0	9.0	-	-	9.0	9.0	-	-	9.0	9.0	-	-	9.0
Transportation Mobility	-	-	2.0	2.0	-	-	2.0	2.0	-	-	1.0	1.0	-	-	-	-
Building Permit Fund:																
Sustainable Development	101.0	9.6	-	110.6	130.0	12.0	-	142.0	134.0	12.0	-	146.0	148.0	12.0	-	160.0
Sanitation Fund:																
Parks & Recreation	95.0	8.4	-	103.4	95.0	8.4	-	103.4	92.0	8.4	-	100.4	85.0	8.4	-	93.4
Public Works	5.0	-	-	5.0	7.0	-	-	7.0	7.0	-	-	7.0	7.0	-	-	7.0
Cemetery System - Operations Fund:																
Parks & Recreation	-	-	-	-	-	-	-	-	34.0	-	-	34.0	35.0	-	-	35.0
Water & Sewer Fund:																
Finance	26.0	-	-	26.0	26.0	-	-	26.0	26.0	-	-	26.0	26.0	-	-	26.0
Public Works	315.0	1.0	-	316.0	323.0	1.8	-	324.8	345.0	1.8	-	346.8	347.0	1.8	-	348.8
Central Regional Fund:																
Public Works	37.0	-	-	37.0	37.0	-	-	37.0	37.0	-	-	37.0	37.0	-	-	37.0
Parking Fund:																
Transportation & Mobility	73.0	11.2	-	84.2	73.0	11.2	-	84.2	75.0	11.2	-	86.2	75.0	11.2	-	86.2
Airport Fund:																
City Manager	-	-	-	-	-	-	-	-	-	-	-	-	20.0	0.8	-	20.8
Transportation & Mobility	20.0	0.8	-	20.8	20.0	0.8	-	20.8	20.0	0.8	-	20.8	-	-	-	-
Stormwater Fund:																
Public Works	31.0	-	-	31.0	37.0	-	-	37.0	39.0	-	-	39.0	41.0	-	-	41.0
Project Management Fund:																
Public Works	-	-	-	-	-	-	-	-	22.0	-	-	22.0	26.0	-	-	26.0
City Casualty Insurance Fund:																
Human Resources	9.0	0.8	-	9.8	9.0	0.8	-	9.8	9.0	0.8	-	9.8	9.0	0.8	-	9.8
City Health Insurance Fund:																
Human Resources	5.0	-	-	5.0	5.0	-	-	5.0	5.0	-	-	5.0	5.0	-	-	5.0
Central Services Fund (ITS):																
Information Technology Services	77.0	4.2	-	81.2	79.0	5.0	-	84.0	79.0	5.0	-	84.0	78.0	5.0	-	83.0
Vehicle Rental Fund (Fleet):																
Public Works	5.0	-	-	5.0	5.0	-	-	5.0	5.0	-	-	5.0	5.0	-	-	5.0
Arts & Science District Garage Fund:																
Transportation & Mobility	1.0	1.6	-	2.6	1.0	1.6	-	2.6	1.0	1.6	-	2.6	1.0	1.6	-	2.6

*Seasonal positions, which are utilized for events or seasonal programming are not included.



Enterprise Fund Return on Investment (ROI) Policy



The City provides services through the operation of publicly owned utilities and other operations referred to as enterprise funds. Enterprise funds are treated in a manner similar to that of their private counterparts and a return on investment (ROI) is provided to the General Fund on an annual basis. The ROI is intended to generate a fair and reasonable rate of return on the City's investment.

Recommended Return on Investment (ROI) Rate Range:

Minimum Rate 2.97%

Based on 30-Year Treasury Bond

Maximum Rate: 6.18%

Based on an average investor owned utility, adjusted for taxes and risk

Setting of Rate Annually

The City Manager recommends the rate of return for each fund annually with the proposed budget. The ranges are reviewed at least every 3 years. The rate of return included for the FY 2021 final budget is presented below.

City of Fort Lauderdale FY 2021 Return on Investment (ROI) Charges

Return on Investment charges to the Water and Sewer and Central Regional Wastewater Funds in the final budget have been reduced by \$20.4 Million, or 100 percent, since the FY 2018 adopted budget.

Fund(s)	ROI Rate	ROI Charges FY 2021 Final Budget
Central Regional Wastewater	0.00%	\$ -
Parking	4.05%	\$3,163,695
Sanitation	0.00%	\$ -
Stormwater	0.00%	\$ -
Water and Sewer	0.00%	\$ -
Total FY 2021 ROI Charges		\$3,163,695

Return on Investment Calculation

The range and calculation for the City's return on investment calculation are provided below.

Rate Base - The value of property in the enterprise funds that the rate of return will be applied to in order to determine the ROI. The rate base for the City's enterprise funds will be the fund's net position as reported in the most recent Comprehensive Annual Financial Report (CAFR). This is the same rate base that has historically been used.

Range – A reasonable rate of return will be applied to the rate base in order to calculate a ROI to the General Fund. The range for the rate of return will be established every three years with a minimum rate based on the United States Treasury 30-year bond and a maximum rate based on the average rate of return allowed by the Florida Public Service Commission for the four largest investor owned electric utilities.

Tying the transfer to rate base is expected to result in a fairly predictable and stable transfer that should increase over time as new capital investments are made in the utility. If the utility is not making investments in its infrastructure, the rate base can depreciate resulting in a lower ROI.

Minimum Rate - The rate of return for a United States Treasury 30-Year Bond as of the first business day of the calendar year shall be used as the lower bound of the reasonable rate of return. As of January 2, 2019, this rate would be **2.97 percent**. The 30-year Treasury bond was selected as the lower bound to represent the lowest level of return the City would want to accept for a safe investment.

Maximum Rate - The average return on equity (ROE) allowed by the Florida Public Service Commission for the four largest investor-owned electric utilities shall be the basis for the upper bound. As of January 3, 2017 this rate would be calculated to be **10.39 percent**. This average rate shall be adjusted to account for the differences between an investor owned business and a municipally owned enterprise. The rate shall be reduced to account for the fact that the City is a tax-exempt entity and does not pay taxes on its collected return (30%) and reduced further due to the lower level of risk a City owned enterprise faces, as compared to an investor owned business (15%). Once the average rate is adjusted for risk, the maximum rate would be **6.18 percent**. The details of this calculation for January 3, 2017 are included on the following page:

Electric Utility	Public Service Commission Allowable Return on Equity (ROE)
Florida Power & Light (FPL)	10.55%
Duke Energy Florida*	10.50%
Florida Public Utilities Company	10.25%
Tampa Electric (TECO)	10.25%
Average	10.39%
Tax Exempt Adjustment	(30%)
Risk Adjustment	(15%)
Recommended Maximum ROI	6.18%

**Formerly Progress Energy Florida*