

RESOLUTION NO. 20-

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 2020 2021 Final All Funds
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 2020 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 ____ day of _____, 2020.

Mayor
DEAN J. TRANTALIS

ATTEST:

City Clerk
JEFFREY A. MODARELLI

FY 2021 Final All Funds Budget

	Millage	General Fund	Water & Sewer/Central Regional Wastewater System	Debt Service	Self-Insured Health Benefits	Community Redevelopment Agency	Sanitation	Parking	Building Funds	Central Services (ITS)	Vehicle Rental (Fleet)	City Property & Casualty Insurance	Stormwater	Airport	Housing & Community Development Grants	Project Management	Cemetery System	Arts & Science District Garage	Cemetery Perpetual Care	Beach Business Improvement District	School Crossing Guards	Nuisance Abatement	Sunrise Key Safe Neighborhood District	Police Confiscation Funds	Total Operating Funds	
Estimated Revenues:																										
Ad Valorem - Operating	4.1193	162,968,897	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	162,968,897
Ad Valorem - Debt Services	0.2218	-	-	8,683,776	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,683,776
Ad Valorem - Sunrise Key	1.0000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	136,652	-	-	136,652
Sales and Use Tax		6,743,190	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,743,190
Franchise Fees		23,575,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,575,000
Utility Service Taxes		38,870,721	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,870,721
Licenses & Permits		4,296,287	-	-	-	-	-	-	21,602,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,906,037
Intergovernmental Revenue		20,710,175	-	-	-	9,644,300	-	-	-	-	-	-	-	-	9,422,185	-	-	-	-	-	-	-	-	-	-	39,776,660
Charges for Services		24,084,617	155,359,497	-	36,288,310	-	21,439,710	19,346,413	43,180	24,567,231	18,892,428	22,510,439	27,355,061	4,876,453	-	-	-	1,853,061	-	-	-	-	109,311	-	-	356,725,711
Fines And Forfeits		2,037,000	-	-	-	-	-	1,424,142	104,250	-	-	-	-	-	-	-	-	-	-	-	930,000	-	-	-	-	4,495,392
Miscellaneous		85,008,789	5,799,366	454,674	568,556	-	131,099	603,720	1,312,231	237,716	554,156	2,426,490	552,934	4,866,629	-	5,104,035	2,872,983	-	1,281,357	1,082,581	4,958	99,792	10	35,048	112,939,124	
Total Revenues		368,296,676	161,158,863	9,138,450	36,856,866	9,644,300	21,570,809	21,374,275	23,062,411	24,804,947	19,446,584	24,936,929	27,907,995	9,745,082	9,422,185	5,104,035	2,872,983	1,853,061	1,281,357	1,082,581	934,958	149,103	136,662	35,048	780,821,160	
Transfers and Other Sources		-	2,700,000	28,744,275	-	18,062,620	8,467,000	-	-	-	-	-	-	1,342,735	-	-	1,514,784	-	-	-	-	-	-	-	-	60,831,414
Balances & Reserves		-	-	2,158,696	27,008	-	-	817,948	2,591,647	248,980	-	-	-	-	-	-	-	-	315,830	-	-	-	-	45,914	-	6,206,023
Total Other Sources		-	2,700,000	30,902,971	27,008	18,062,620	8,467,000	817,948	2,591,647	248,980	-	-	-	1,342,735	-	-	1,514,784	-	315,830	-	-	-	-	45,914	67,037,437	
TOTAL REVENUE & OTHER SOURCES		368,296,676	163,858,863	40,041,421	36,883,874	27,706,920	30,037,809	22,192,223	25,654,058	25,053,927	19,446,584	24,936,929	27,907,995	11,087,817	9,422,185	5,104,035	4,387,767	1,853,061	1,597,187	1,087,581	934,958	149,103	136,662	80,962	847,858,597	
Expenditures by Department:																										
Cemeteries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82,403	-	-	-	-	-	-	82,403
City Attorney's Office		5,911,196	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,911,196
City Auditor's Office		1,721,217	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,721,217
City Clerk's Office		1,566,966	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,566,966
City Manager's Office		6,446,894	-	-	-	-	-	-	-	-	-	-	-	8,420,918	8,922,185	-	-	-	-	1,087,581	-	-	-	-	-	24,877,578
Community Redevelopment Agency (CRA)		-	-	-	-	15,019,314	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,019,314
Debt Service		62,917	36,251,322	37,868,464	-	-	-	120,768	-	1,004,235	-	-	9,800,000	-	-	-	-	-	-	-	-	-	-	-	-	45,107,706
Finance Department		7,483,072	3,560,335	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,043,407
Fire-Rescue Department		95,813,964	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95,813,964
Human Resources Department		4,165,638	-	-	988,627	-	-	-	-	-	4,208,409	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,342,674
Information Technology Services Department		-	-	-	-	-	-	-	21,449,692	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,449,692
Office of Management and Budget		2,750,720	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,750,720
Office of the Mayor and City Commission		1,947,551	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,947,551
Other General Government Expenditures		5,401,848	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,401,848
Parks and Recreation Department		53,226,729	-	-	-	12,405,601	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70,020,097
Police Department		134,261,643	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,387,767	-	-	-	-	-	-	59,782	-	135,251,725
Public Works Department		5,011,863	87,500,699	-	-	-	16,390,483	-	-	-	18,448,065	-	11,391,105	-	-	5,104,035	-	-	-	-	930,300	-	-	-	-	143,846,250
Self Insurance		-	-	-	35,915,247	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51,678,232
Sustainable Development Department		14,632,538	-	-	-	-	-	-	23,530,986	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,308,054
Transportation and Mobility Department		3,416,739	-	-	-	-	-	19,296,455	-	-	-	-	-	-	-	-	-	1,853,061	-	-	-	-	-	-	-	24,566,255
Total Operating Expenditures		343,821,495	127,312,356	37,868,464	36,883,874	15,019,314	28,796,084	19,417,223	23,530,986	22,453,927	18,448,065	19,971,394	21,191,105	8,420,918	8,922,185	5,104,035	4,387,767	1,853,061	82,403	1,087,581	930,300	144,530	110,000	59,782	745,816,849	
Other Resources Allocated:																										
Required Transfers Out		15,553,040	-	-	-	12,687,606	-	-	2,067,000	-	-	-	-	-	-	-	-	-	-	1,514,784	-	-	-	-	-	31,822,430
Discretionary Transfers Out		350,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	350,000
Transfer to Fund Balance		-	5,332,899	2,172,957	-	-	1,241,725	-	56,072	-	998,519	4,965,535	4,376,990	2,214,449	-	-	-	-	-	-	4,658	4,573	26,662	21,180	-	21,416,219
Transfer to Community Investment Plan		8,572,141	31,213,608	-	-	-	-	2,775,000	-	2,600,000	-	-	2,339,900	452,450	500,000	-	-	-	-	-	-	-	-	-	-	48,453,099
Total Other Resources		24,475,181	36,546,507	2,172,957	-	12,687,606	1,241,725	2,775,000	2,123,072	2,600,000	998,519	4,965,535	6,716,890	2,666,899	500,000	-	-	-	1,514,784	-	4,658	4,573	26,662	21,180	102,041,748	
TOTAL EXPENDITURES & OTHER RESOURCES		368,296,676	163,858,863	40,041,421	36,883,874	27,706,920	30,037,809	22,192,223	25,654,058	25,053,927	19,446,584	24,936,929	27,907,995	11,087,817	9,422,185	5,104,035	4,387,767	1,853,061	1,597,187	1,087,581	934,958	149,103	136,662	80,962	847,858,597	

City of Fort Lauderdale Personnel Complement*

	Fiscal Year 2018 Adopted				Fiscal Year 2019 Adopted				Fiscal Year 2020 Adopted				Fiscal Year 2021 Tentative Final			
	Regular Full-Time	Regular Part-Time	Temporary Full-Time	Total FTE	Regular Full-Time	Regular Part-Time	Temporary Full-Time	Total FTE	Regular Full-Time	Regular Part-Time	Temporary Full-Time	Total FTE	Regular Full-Time	Regular Part-Time	Temporary Full-Time	Total FTE
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
General Fund Total	1,774.0	107.3	8.0	1,889.3	1,786.0	106.1	7.0	1,899.1	1,747.0	96.9	3.0	1,846.9	1,745.0	96.3	3.0	1,844.3
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	-	-	-	-
Grants Funds Totals	20.0	-	2.0	22.0	20.0	-	2.0	22.0	21.0	-	2.0	23.0	21.0	-	-	21.0
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
Building Permit Fund Total	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
Sanitation Fund Total	100.0	8.4	-	108.4	102.0	8.4	-	110.4	99.0	8.4	-	107.4	92.0	8.4	-	100.4
Cemetery System - Operations Fund:																
Parks & Recreation	-	-	-	-	-	-	-	-	34.0	-	-	34.0	35.0	-	-	35.0
Cemetery System - Operations Fund Total	-	-	-	-	-	-	-	-	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
Water & Sewer Fund Total	341.0	1.0	-	342.0	349.0	1.8	-	350.8	371.0	1.8	-	372.8	373.0	1.8	-	374.8
Central Regional Fund:																
Public Works	37.0	-	-	37.0	37.0	-	-	37.0	37.0	-	-	37.0	37.0	-	-	37.0
Central Region Fund Total	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
Parking Fund Total	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	-	-	-	-
Airport Fund Total	20.0	0.8	-	20.8	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
Stormwater Fund Total	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
Project Management Fund Total	-	-	-	-	-	-	-	-	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
City Insurance Funds Total	14.0	0.8	-	14.8	14.0	0.8	-	14.8	14.0	0.8	-	14.8	14.0	0.8	-	14.8
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
Central Service Fund Total	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
Vehicle Rental Fund Total	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
Arts & Science Garage District Fund Total	1.0	1.6	-	2.6	1.0	1.6	-	2.6	1.0	1.6	-	2.6	1.0	1.6	-	2.6
ALL FUNDS TOTALS	2,594.0	144.8	10.0	2,748.8	2,653.0	147.6	9.0	2,809.6	2,698.0	138.4	5.0	2,841.4	2,711.0	137.8	3.0	2,851.8

*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 2020 tentative 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 tentative 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 Tentative 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