RESOLUTION NO. 17-200

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, BROWARD COUNTY, FLORIDA ADOPTING THE FINAL BUDGET OF THE CITY OF FORT THE LAUDERDALE. **FLORIDA** FOR **FISCAL** BEGINNING OCTOBER 1, 2017, AND ENDING SEPTEMBER 30. 2018. WHICH INCLUDES THE BUDGET FOR THE WATER AND SEWER/CENTRAL GENERAL FUND, REGIONAL WASTEWATER FUNDS. DEBT SERVICE FUNDS. SELF-INSURED HEALTH BENEFITS FUND, COMMUNITY REDEVELOPMENT AGENCY FUND, BUILDING FUNDS, SANITATION FUND, CENTRAL SERVICES FUND, VEHICLE RENTAL FUND. PARKING FUND. CITY PROPERTY & **INSURANCE** INSURANCE). CASUALTY FUND (CITY STORMWATER FUND. AIRPORT FUND. HOUSING AND COMMUNITY DEVELOPMENT FUND. SPECIAL ASSESSMENT FUND. ARTS AND SCIENCE DISTRICT GARAGE FUND, CEMETERY PERPETUAL CARE FUND. BEACH BUSINESS IMPROVEMENT DISTRICT SCHOOL CROSSING GUARD FUND, STATE HOUSING IMPROVEMENT PROGRAM FUND, POLICE CONFISCATION FUNDS, NUISANCE ABATEMENT FUND, AND SUNRISE KEY NEIGHBORHOOD IMPROVEMENT DISTRICT FUND.

WHEREAS, in accordance with the applicable provisions of the law, the City Commission of the City of Fort Lauderdale 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, Central Services Fund, Parking Fund, City Property & Casualty Insurance Fund (City Insurance), Building Funds, Vehicle Rental Fund, Stormwater Fund, Airport Fund, Housing And Community Development Fund, Special Assessment Fund, Arts And Science District Garage Fund, Cemetery Perpetual Care Fund, State Housing Improvement Program Fund, Beach Business Improvement District Fund, School Crossing Guard Fund, Police Confiscation Funds, Nuisance Abatement Fund, and Sunrise Key Neighborhood Improvement District Fund, for the fiscal period beginning October 1, 2017 and ending September 30, 2018, 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 period; and

WHEREAS, a "Notice of Proposed Tax Increase" advising the public that a public hearing on the final millage rate and final budget would be held on September 13, 2017 at 6:00 P.M. in the City Commission Room at City Hall, 100 North Andrews Avenue, Fort Lauderdale, Florida has been published as required by Florida Statute 200.065; and

WHEREAS, said public hearing has been held as stated above and comments from the public concerning said final millage rates and final budget have been heard and considered; and

WHEREAS, as set forth during the final budget hearing the City Commission acknowledges that said final budgets reflect the following revenue and expenditure estimates for Fiscal Year starting October 1, 2017 and ending September 30, 2018 for all funds that total \$770,353,226;

Fund (s)	FY 2018 Final All Funds Budget
General Fund	\$362,924,925
Water and Sewer/Central Regional Wastewater	\$147,860,794
Debt Service	\$32,950,706
Self-Insured Health Benefits	\$31,194,779
Community Redevelopment Agency	\$24,948,287
Building	\$24,289,066
Sanitation	\$23,769,826
Central Services (ITS)	\$21,546,309
Vehicle Rental (Fleet)	\$18,400,309
Parking	\$18,176,204
City Property & Casualty Insurance	\$16,377,651
Stormwater	\$14,805,327
Airport	\$14,147,763
Housing and Community Development	\$9,415,305

Special Assessment	\$2,146,821
Arts and Science District Garage	\$1,703,530
Cemetery Perpetual Care	\$1,452,500
Beach Business Improvement District	\$1,242,952
School Crossing Guard	\$950,987
State Housing ImprovementProgram	\$787,930
Police Confiscation	\$391,958
Nuisance Abatement	\$757,867
Sunrise Key Neighborhood Improvement District	\$111,430
Total FY 2018 Final All Funds Budget	\$770,353,226

Fund(s)	ROI Rate	FY 2018 Return on Investment (ROI) Budget
Central Regional Wastewater	3.90%	\$4,146,066
Parking	4.45%	\$2,275,124
Sanitation	0.00%	\$ -
Stormwater	0.00%	\$ -
Water and Sewer	3.90%	\$16,235,798
Total FY 2018 ROI Final Budget		\$22,656,988

and;

WHEREAS, it is the desire of the City Commission of the City of Fort Lauderdale to adopt a final budget for the fiscal year beginning October 1, 2017 and ending September 30, 2018;

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

RESOLUTION NO. 17-200

<u>SECTION 1</u>. That the final budget, titled "FY 2018 FINAL ALL FUNDS BUDGET" as amended, is hereby adopted and approved as the final budget of the City of Fort Lauderdale, as Exhibit "1", for the fiscal period beginning October 1, 2017 and ending September 30, 2018.

<u>SECTION 2</u>. That the City of Fort Lauderdale Staffing Levels, as amended, is hereby adopted as Exhibit "2", for the fiscal period beginning October 1, 2017 and ending September 30, 2018.

SECTION 3. That the Return on Investment (ROI) policy in support of the FY 2018 Final Budget, is hereby adopted as Exhibit "3", for the fiscal period beginning October 1, 2017 and ending September 30, 2018.

<u>SECTION 4</u>. That the adopted final operating budget for Fiscal Year 2018 establishes limitations on expenditures/expenses by fund total. Said limitation meaning that the total sum allocated to each fund for total expenditures/expenses may not be increased without specific authorization by a duly enacted resolution effecting such amendment or transfer.

<u>SECTION 5</u>. That during the course of the 2018 fiscal year the City Commission may transfer budgeted amounts from one department, fund or project to another department, fund or project and otherwise amend the budget by Motion in accordance with Section 9.04 of the City Charter. For all other amendments of the budget not falling within the provisions of Section 9.04 of the City Charter, the budget shall be amended by Resolution.

<u>SECTION 6</u>. That this resolution will take effect immediately upon its adoption.

ADOPTED this the 13th day of September, 2017.

Mayor

JOHN P. "JACK" SEILER

ATTEST:

City Clerk
JEFFREY A. MODARELLI

FY 2018 Final All Funds Budget

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Community Redevelopment Agency			11,236,123									•				,						9,622,705
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Total Operating Expenditures 318,376,790 127,909,931 32,855	32,855,238 33	31,194,779	11,298,125	17,714,146 2	23,769,826 23	21,145,050	17,413,072	16,244,285	15977,651	8,401,198	9,240,106	8,915,305	2,146,821	1,703,530	872,445	1,242,952	950,987	787,930	391,958	257,867	100,000	669,515,993
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Required Transfers Out 17,607,413			6,602,398			657165				100						٠.						1.615.408
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westment Plan 25.325.314 19.950,863			6,847,566	593,636			847,789	1,234,451		2,945,796	4,907,657	200,000									,	63,153,072
44,548,135 19,950,863	95,468		13,650,162	6,574,920		397,259	987,237	1,931,919		6,404,129	4,907,657	200,000			580,054					200,000	11,430	101,039,233
TOTAL EXPENDITURES & OTHER 362,924,925 147,860,794 32,950	32,950,706 3:	31,194,779	24,948,287 2	24,289,066	23,769,826 2	23,546,309	18,400,309	18,176,204	16,377,651	14,805,327	14,147,763	9,415,305	2,146,821	1,703,530	1,452,500	1,242,952	950,987	787,930	391,958	757,867	111,430	770,353,226

City of Fort Lauderdale Personnel Complement*

		city	01 FC	/I C LC	iuuc	- aut	c i ci	30111								
	Fi	scal Year 2	015 Amend	ed	Fis	cal Year 20	016 Amend	ed	Fi	scal Year 20	17 Amend	ed	Fig	scal Year 20)18 Tentati	ve
									10.115							
	idenius PESImer		Ton lock by Sub-Time	704) 1710			Temperary Full-Time	16.7 1111	e he		Trebester Statistics	170		Regular Park Time		Tores
GENERAL FUND:	69888	0.6		29.6	30.0	0.6	1.0	31.6	30.0	0.6	1.0	31.6	31.0	0.6	1.0	32.6
City Attorney City Auditor	29.0 6.0	0.6		6.0	6.0	0.6	-	6.0	6.0	-	- 1.0	6.0	6.0	-	-	6.0
City Clerk	5.0	2.4	-	7.4	5.0	2,4	-	7.4 12.0	5.0 12.0	2.4		7.4 12.0	5.0 12.0	2.4		7.4 - 12.0
City Commission City Manager	12.0 34.0	0.5	3.0	12.0 37.5	12.0 36.0		4.0	40.0	38.0	-	7.0	45.0	40.0		7.0	47.0
CRA Administration	-	-	-		-	-]			15.0	-	-	15.0	15.0	-	-	15.0 45.0
Finance Fire-Rescue	41.0 444.0	10.8	0.5	41.5 454.8	42.0 444.0	10.8		42.0 454.8	44.0 462.0	10.8	1.0	45.0 472.8	45.0 474.0	10.8		484.8.
Human Resources	19.0	0.6	0.5	20.1	27.0	0.6	-	27.6	25.0	0.6	-	25.6	24.0	0.6	-	24.6 300.1
Parks & Recreation Police	224.0 663.0	69.5 20.3	1.0	294.5 683.3	218.0 680.0	68.0 22.3	1.0	287.0 702.3	228.0 696.0	71.1 19.9	1.0 -	300.1 715.9	229.0 707.0	71.1 19.9		726.9
Public Works	56.0	•	-	56.0	57.0	-		57.0	58.0	-		58.0	70.0 95.0	1.9	-	70.0 96.9
Sustainable Development Transportation & Mobility	63.0 11.0	2.4 0.5	0.5 0.5	65.9 12.0	77.0 14.0	1.9 0.5	1.0 1.0	79.9 15.5	89.0 15.0	1.9		90.9 15.0	21.0	-		21.0
General Fund Total	1,607.0	307.6	6.0	1,720.6	1,648.0	107.1	840	TO PROSPE	1723.0	107.2	10,0	28403	1,774.0	107/3	8.0	1,889.3
Community Redevelopment Agency	2011/1001/01/01/01	Elatificative productive control			Sylva Decade and India			dan selection for the several selection								
Fund (CRA):																
Sustainable Development**	9.0	-	-	9.0	9.0	-		9.0	-	-	-	-	-	-	-	-
Community Redevelopment Agency			KOLEH GURUN MESE		6.0	-	-	6.0		-		-		-	- Solutar Associ	Laster and the
Community Redevelopment Fund	9.0			90	5.0							1000				
Grants and Confiscation Funds:																
Sustainable Development	11.0	_	-	11.0		-	-	-	-	-	-	. •	-	-	-	-
City Manager***		[12.0	-	-	12.0	10.0	-	-	10.0	11.0	-	-	11.0
Police	8.0	-	· -	8.0	7.0	-	-	7.0	9.0	-	-	9.0	9.0	-	-	9.0
Transportation Mobility	-	-		- 1	-	-	-	-	-		2.0	2.0	-		2.0	2.0
Grams Funds Totals	19.0	4002	i in in	190	19,0	相關果		190	19.0	18. SULS	2.0	11,210	20.0		2.0	22.0
Building Permit Fund:																
Sustainable Development	75.0	0.7		75.7	95.0	9.6	-	104.6	100.0	9.6	-	109.6	101.0	9.6	-	110.6
Building Permit Fund Total	75.0	6.7		75.7	99.0	9.6		104.6	100.0	9.6	11.04	109.6	2010	9.6	1000	110.6
Sanitation Fund:																
Parks & Recreation	82.0	8.4	-	90.4	92.0	8.4	-	100.4	93.0	8.4	-	101.4	95.0	8.4	-	103.4
Public Works	5.0	-	-	5.0	5.0	-		5.0	5.0	_	-	5.0	5.0	-		5.0
Sanitation Fund Total	87.0	8,4		95.4	97.0	8.6		105,4	98.0	8.4		106.4	100.0	8.4		108.4
Water & Sewer Fund:	180000000000000000000000000000000000000		de parquegarea a manara a manara			SACOND MANAGEMENTS	5-12-11-11-11-11-11-11-11-11-11-11-11-11-									
Finance	23.0			23.0	25.0	•		25.0	25.0		-	25.0	26.0	-	-	26.0
Public Works	301.0	-	1.0	302.0	305.0	1.0	1.0	. 307.0	316.0	1.0		317.0	315.0	1.0	_	316.0
Water & Sewer Fund Total	324.0		10	325.0	130.0	a a a	11.110	1, 332.0	341.0	1.0	10000	342.0	841.0	1.0		Si 342.0
Central Regional Fund:	GEORGE HUMANIAN		100111111111111111111111111111111111111		Service and a service	STREET, SEPT.										
Public Works	35.0	_		35.0	36.0	-		36.0	36.0			36.0	. 37.0		-	37.0
Central Region Fund Total	35.0			35.0	aeō.			36.0	36.0			36.0	37.0			37.0
Parking Fund:	S-21000000000	(Aceta mineral menal dans			and the state of t	***************************************	A Section of the Control of the Cont	angersment maron chees.								
Transportation & Mobility	69.0	10.1		79.1	71.0	7.0	-	78.0	73.0	7.8	-	80.8	73.0	11.2		84.2
Parking Fund Total	69.0	10,1	in francisco	79.1	71.0	7.0		78.0	73.0	7.8		60.8	73.0	1112	1112	84.2
Airport Fund:		one of the same of	a consequence (Consequence (Con		30030000000000000000000000000000000000							The state of the s				
Transportation & Mobility	20.0	0.8		20.8	21.0	0.8		21.8	20.0	0.8	_	20.8	20.0	0.8		20.8
Airport Fund Total	20.0	0.8		20.8	zito	0.8		2.0	20.0	6.8		20.8	20.0	0.8		20.9
			100000000000000000000000000000000000000				urius si solidos dis								and the second s	
Stormwater Fund: Public Works	26.0			26.0	28.0		_	28.0	29.0			29.0	31.0			31.0
Stormwater Fund Total	25.0		15.121	26.0	28.0			28.0	29.0			29.0	31.0			31.0
	TANK DISTRICT	08.559960(02)			A CONTRACTOR AND A STATE OF THE	* H (2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		enaukitan kanan	40800000000000000000000000000000000000			s summing strike see		- THE OF THE RESERVE DECEMBER		
City Casualty Insurance Fund: Human Resources	13.0		.	13.0	. 14.0		1.0	15.0	14.0	0.8	1.0	15.8	9.0	0.8	_	9.8
City Health Insurance Fund:	15.0			1	1-7.0				14.0	0.8	1		3.0	1	1	
Human Resources					-			-	-			-	5.0	<u> </u>		5.0
City Insurance Funds Total	# 13.0		Acres 1	13.0	14,0	1	1.0	15.0	14.0	, 0.8	1.0	15.8	14.0	0.8	figure 1	14.8
Central Services Fund (ITS):	***************************************			CONTRACTOR DESCRIPTION			- control traction days			The state of the s				- Contraction		
Information Technology Services	66.0		_	70.7	74.0	4.2	-	78.2	74.0		-	78.2	77.0	4.2	-	81.2
Central Service Fund Total	66.0	4.7		70.7	74.0	4.2	1712	78.2	74.0	42		78.2	77.0	4.2		81.2
Vehicle Rental Fund (Fleet):							-				-					
Public Works	- 4.0		<u> </u>	4.0	5.0			5.0	4.0		-	4.0	5.0		-	5.0
Vehicle Rental Fund Total	4,0		1000	4.0	5.0			5.0	4.0	19.11.12		4.0	5.0		100	5.0
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Arts & Science District Garage Fund:		1				1	· .							1		
Transportation & Mobility Arts & Science Garage District Fund	ermani ka	1.6	100000000000000000000000000000000000000	1.6		1.6	-	1.6	-	1.6		1.6	1.0	1.6		2.6 2.6
Total	(1016). *	1.6		1.6		1.6	1 3 1	1.6		1::- 16		1.6	1.0	1.6		2.6
ALL FUNDS TOTALS	2,354.0	133.9	7.0	2,494.9	2,453.0	139.7	10.0	2,602.7	2,531.0	141.4	13,0	2,685.4	2,594.0	144.8	10.0	2,748.8
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^{**}Community Redevelopment Agency Division city employees were transferred to Other General Government Department in FY 2017

***Housing and Community Development Division transferred to City Manager's Office from Sustainable Development Department in FY 2016

Enterprise Fund Return on Investment (ROI)

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

3.04%

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 sets the rate annually with the proposed budget. The ranges are reviewed at least every 3 years. The rate of return included for the FY 2018 budget is presented below.

City of Fort Lauderdale FY 2018 Return on Investment (ROI) Budget

Fund(s)	ROI Rate	FY 2018 ROI Tentative Budget
Central Regional Wastewater	3.90%	\$4,146,066
Parking	4.45%	\$2,275,124
Sanitation	0.00%	\$ -
Stormwater	0.00%	\$ -
Water and Sewer	3.90%	\$16,235,798
Total FY 2018 ROI Tentative Budget		\$22,656,988

Return on Investment Calculation

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

<u>Rate Base</u> - 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 is currently used.

<u>Range</u> — 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.

<u>Minimum Rate</u> - 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 3, 2017, this rate would be **3.04 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 below:

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