#### **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** 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 COMMUNITY** FUND. 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 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<br>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:

- <u>SECTION 1</u>. 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.
- <u>SECTION 2</u>. 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.
- <u>SECTION 3.</u> 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.
- <u>SECTION 4</u>. 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.

RESOLUTION NO. 20-163

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

#### FY 2021 Final All Funds Budget

| -  |         |                 | Water &   |              |                                    |                                      |            |            | ·                 |                              |                              |   |            |            |   |                       |                    |   |                               |  |                              |                       |  |                                 |                           |
|--|---------|-----------------|---|--------------|------------------------------------|--------------------------------------|------------|------------|-------------------|------------------------------|------------------------------|---|------------|------------|---|-----------------------|--------------------|---|-------------------------------|--|------------------------------|-----------------------|--|---------------------------------|---------------------------|
|  | Millage | General<br>Fund | Sewer/Central<br>Regional<br>Westewater<br>System | Debt Service | Self-Insured<br>Health<br>Benefits | Community<br>Redevelopment<br>Agency | Sanitation | Parking    | Bullding<br>Funds | Contral<br>Services<br>(ITS) | Vehicle<br>Rental<br>(Fleet) | City<br>Property &<br>Casualty<br>Insurance | Stormwater | Airport    | Housing &<br>Community<br>Development<br>Grants | Project<br>Management | Cometery<br>System | Arts &<br>Science<br>District<br>Garage | Comstery<br>Perpetual<br>Care | Beach<br>Business<br>Improvement<br>District | School<br>Crossing<br>Guards | Nulsance<br>Abatement | Suntise Key<br>Safe<br>Neighborhoo<br>d District | Police<br>Confiscation<br>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                       |         | 4,298,287       | _   |              |                                    |                                      |            |            | 21,602,750        |                              |                              |   |            |            |   |                       |                    |   |                               | 5.000  |                              |                       |  |                                 | 25,906,037                |
| Intergovernmental Revenue                |         | 20,710,175      |   |              |                                    | 9,644,300                            |            |            | 21,002,100        |                              |                              |   |            |            | 9,422,185                                       |                       |                    |   |                               | 5,000  |                              |                       |  |                                 | 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  | 3,422,103                                       | -                     |                    | 1,853,061                               |                               | -  |                              | 109,311               |  |                                 | 356,725,711               |
| Fines And Forfeits                       |         | 2,037,000       |   |              | 30,200,510                         |                                      | 21,430,710 | 1,424,142  | 104,250           | 24,307,231                   | 10,002,420                   | 22,510,435                                  | 21,330,001 | 4,010,403  |   |                       | •                  | 1,003,001                               |                               |  | 930,000                      |                       |  | •                               |                           |
| Miscellaneous                            |         | 85,008,789      | 5,799,368   | 454 674      | 568,556                            | -                                    | 131,099    | 603.720    | 1,312,231         | 237.716                      | 554.158                      | 2.426.490                                   | 552,934    | 4 868 629  | -   | 5.104.035             |                    | -                                       |                               |  |                              |                       | 10   | 35.048                          | 4,495,392                 |
| Total Revenues                           | _       |                 |   | _            |                                    |                                      |            |            |                   |                              |                              |   |            | .,,        |   |                       | 2,872,983          | -                                       | 1,281,357                     | 1,082,581                                    | 4,958                        |                       |  |                                 | 112,939,124               |
| I dial revenues                          | _       | 369,296,676     | 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                     | 1,087,581                                    | 934,950                      | 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                      |                              |   | -          |            |   |                       |                    |   | 315,630                       |  |                              |                       |  | 45,914                          | 6,206,023                 |
| Total Other Sources                      |         |                 | 2,700,000   | 30,902,971   | 27,000                             | 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            | _       | 368,296,876     | 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                   | 24,934,929                                  | 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               | 136,862  | 90,962                          | 847,858,597               |
| Expenditures by Department:              | _       |                 |   |              |                                    |                                      |            |            |                   |                              |                              |   |            |            |   |                       |                    |   |                               |  |                              |                       |  |                                 |                           |
| Cornetenes                               |         | -               |   |              |                                    |                                      |            |            | -                 |                              |                              | -   | -          | -          |   |                       |                    |   | 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  |            |   |                       |                    |   |                               |  |                              |                       |  |                                 | 85,107,706                |
| 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       |   |              | 968,627                            |                                      |            |            |                   |                              |                              | 4,208,409                                   |            |            |   |                       |                    |   |                               |  |                              |                       |  |                                 | 9,342,674                 |
| Information Technology Services Departms |         | -               |   |              |                                    |                                      |            |            |                   | 21,449,692                   |                              | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,     |            |            |   |                       | _                  |   |                               |  | _                            |                       |  |                                 | 21,449,692                |
| Office of Management and Sudget          |         | 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       |   |              |                                    |                                      |            |            |                   |                              |                              |   |            |            |   |                       |                    |   |                               | -  |                              |                       | 110,000  | -                               | 5,511,848                 |
| Parks and Recreation Department          |         | 53,226,729      |   | _            | _                                  |                                      | 12,405,601 |            | -                 | -                            | -                            | -   | -          | -          | -   | •                     | 4 387 767          |   |                               | •  |                              |                       | 110,000  | •                               | 70,020,097                |
| Police Department                        |         | 134,261,643     | _   | -            |                                    |                                      | 12,403,001 | -          |                   |                              |                              |   |            |            |   |                       | 4,307,707          |   |                               |  |                              |                       |  | -                               |                           |
| Public Works Department                  |         | 5,011,863       | 87,500,699  | -            |                                    |                                      | 16,390,483 | -          |                   |                              | 18 448 085                   |   | 44 004 405 |            | _   |                       | •                  |   |                               | -  | 930,300                      | , .                   |  | 59,782                          | 135,251,725               |
| Self Insurance                           |         | 5,011,000       | 01,300,000  | •            | 35,915,247                         | •                                    | 10,390,463 |            |                   | •                            | 18,448,000                   |   | 11,391,105 | -          | -   | 5,104,035             | -                  |   | •                             |  | •                            |                       |  |                                 | 143,846,250               |
| Sustainable Development Department       |         | 14,632,538      | -   | •            | 33,913,247                         |                                      | -          | -          |                   | -                            |                              | 15,762,985                                  |            | -          |   |                       |                    |   |                               |  |                              |                       |  |                                 | 51,678,232                |
| Transportation and Mobility Department   |         | 3,416,739       |   | •            | -                                  |                                      | -          |            | 23,530,986        |                              |                              |   |            | -          | -   |                       | •                  |   |                               | -  |                              | 144,530               |  | -                               | 38,308,054                |
| Total Operating Expenditures             | _       | 343,821,495     | 127,312,356                                       | 37,868,464   | 36,883,874                         | 15,019,314                           | 28,796,084 | 19,296,455 | 23,530,986        | 22,453,927                   | 18,448,065                   | 19,971,384                                  | 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                          | 24,566,255<br>745,816,949 |
| Other Resources Allocated:               | _       |                 | ,   |              | 40,000,014                         | 10/010/374                           | 497.00     | 10,411,223 | 23,300,000        | 138,000,32                   | 10,000,003                   | 19,911,394                                  | 21,181,105 | 0,420,818  | 8,824,183                                       | 3,100,035             | 9,301,767          | 1,853,081                               | ez,403                        | 1,007,361                                    | 130,300                      | 144,530               | 119,000  | 59,782                          | /43,816,849               |
| Required Transfers Out                   |         | 15 553,040      |   |              |                                    | 12,687,606                           |            |            | 2.067.000         | _                            | _                            | _   |            |            |   |                       |                    | _                                       | 1 514,784                     | _  | _                            |                       |  | _                               | 31,822,430                |
| Discretionary Transfers Out              |         | 350.000         |   |              |                                    | .2,20.,000                           |            |            | 2,000,000         |                              |                              |   |            |            |   |                       |                    |   | 1 314,704                     |  |                              |                       |  |                                 | 350,000                   |
| Transfer to Fund Balance                 |         | -54.444         | 5,332,899   | 2 172,957    |                                    |                                      | 1,241,725  |            | 56,072            |                              | 996,519                      | 4,965,535                                   | 4,376,990  | 2,214,449  | •   |                       |                    |   |                               |  | 4,658                        | 4,573                 |  | 21,180                          |                           |
| Transfer to Community Investment Plan    |         | 8,572,141       | 31,213,608  | - 172,307    |                                    |                                      | 1,241,120  | 2.775.000  | 30,012            | 2.600.000                    | 390,019                      | 4,800,030                                   | 2,339,900  | 452,450    | 500,000   | :                     | :                  | :                                       |                               | - 1  | 4,636                        | 4,5/3                 | 26,662   | 21,180                          | 21,416,219<br>48,453,099  |
| Total Other Resources                    | _       | 24,475,181      | 36,548,507  | 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  | 2,666,898  | 500,000   |                       |                    |   | 1,514,784                     | -  | 4,050                        | 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                               | 1,587,187                     | 1,087,581                                    | 934,958                      | 148,103               | 136,662  | 90,962                          | 847,858,597               |

# **City of Fort Lauderdale Personnel Complement**\*

| Police Police Policy Po |   | •           |              |               |        | -     |            |          |       |       |            |          |       |       |            |           |       |
|--|---|-------------|--------------|---------------|--------|-------|------------|----------|-------|-------|------------|----------|-------|-------|------------|-----------|-------|
| Cor Attorney (Cry Attorney (Cr |   | Fisc        | at Year 20   | 718 Adop      | red    | Fisc  | at Year 20 | J19 Adop | ted   | Fisc  | al Year 20 | J20 Adop | ted   | Fisc  | al Year 20 | 021 Final |       |
| Cor Attorney (Cry Attorney (Cr | General Fund                                |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Cry Audior  Chy Au |   | 21.0        | 0.6          | 1.0           | 22.6   | 21.0  | 0.6        | 1.0      | 27.6  | 20.0  |            |          | 20.0  | 22.0  |            |           | 20.0  |
| CT: Cere   |   |             |              |               |        |       |            | 1.0      |       |       |            | - 1      |       |       | -          |           |       |
| Cert Commission  | City Clerk                                  |             | 2.4          |               |        |       |            | .        |       |       |            | 1        |       |       | 1.7        |           |       |
| Corp Mediger 44.0 - 72 470 470 470 470 470 470 470 470 470 470   | City Commission                             | 12.0        | -            | -             | 12.0   |       | -          | - 1      | 12.0  |       |            |          |       |       | -          |           |       |
| Finance (Finance 1998)  Financ |   |             | i -          | 7.0           |        | 43.0  | -          | 6.0      | 49.0  | 44.0  | - 1        | 3.0      | 47.0  |       | -          | 3.0       | 31.0  |
| Friendlesser (174 - 174  |   |             | 1 1          |               |        |       | - 1        | - 1      |       |       |            |          |       |       | -          |           |       |
| Human Reserves   246   06   246   240   06   246   240   06   246   240   06   246   240   06   246   240    |   |             | 1 1          |               |        |       | -          |          |       |       |            |          |       |       | - '        | -         |       |
| Office of Management and Sulgett    100   110   120   120   120   121   120    |   |             |              | 1             |        |       |            | - 1      |       |       |            |          |       |       |            | -         |       |
| Parks & Reversion Parks & Reve |   |             | - 0.0        |               | 24.0   | 24.0  | 0.0        | - 1      | 24.0  | 27.0  | 1.4        |          | 20.4  |       | 1.4        |           |       |
| Figlical Principle Component   | Parks & Recreation                          | 229.0       | 71.1         |               | 300.1  | 235.0 | 70.1       |          | 305.1 | 234.0 | 70.1       |          | 304.1 |       | 70.1       |           |       |
| Public Works  Pu | Police                                      | 707.0       | 19.9         | -             | 726.9  |       | 20.4       | - [      |       |       |            |          |       |       |            |           |       |
| Transportation & Mobility 210 - 220 180 - 180 170 - 170 120 120 - 170 120 120 - 170 120 120 - 170 120 120 - 170 120 - 170 120 120 - 170 120 120 120 120 120 120 120 120 120 12   |   |             |              |               |        | 69.0  |            | .        | 69.0  | 22.0  | -          |          | 22.0  |       | -          | - '       |       |
| Commission Funds:   110  |   |             |              |               |        |       |            | -        |       |       | 1.9        |          |       | 95.0  | 1.9        | -         |       |
| Cly Manager  110   | Transportation & Mobility                   | 21.0        | -            | -             | 21.0   | 18.0  | -          |          | 18.0  | 17.0  | -          | -        | 17.0  | 12.0  | -          |           | 12.0  |
| Cly Manager  110   |   |             |              |               |        |       |            |          | _     |       |            |          |       |       |            |           |       |
| Police Transportation Mobility   |   |             |              |               |        |       |            | - 1      |       | 1 1   |            |          |       |       |            |           |       |
| Transportation Mobility  |   | 11.0        | - 1          | -             | 11.0   | 11.0  | -          | - 1      | 11.0  | 12.0  | -          | 1.0      | 13.0  | 12.0  | -          |           | 12.0  |
| Designar Purmit Funds   1010   9.5   110.6   130.0   12.0   142.0   134.0   12.0   146.0   148.0   12.0   12.   |   | 9.0         | •            | - 1           |        | 9.0   | -          | -        | 9.0   | 9.0   | -          | -        | 9.0   | 9.0   | -          | -         | 9.0   |
| Sustainable Development   101,0   9.6   1116   1300   12.0   1420   1340   12.0   1460   1480   12.0   1600   Santiation Funds   55.0   8.4   101.4   95.0   8.4   101.4   92.0   8.4   100.4   85.0   8.4   91.4   Parks & Recreation   55.0   8.4   101.4   95.0   8.4   101.4   92.0   8.4   100.4   85.0   8.4   91.4   Parks & Recreation   55.0   8.4   101.4   95.0   8.4   101.4   92.0   8.4   100.4   85.0   8.4   91.4   Parks & Recreation   55.0   8.4   101.4   95.0   8.4   101.4   92.0   8.4   100.4   85.0   8.4   91.4   Parks & Recreation   55.0   8.4   101.4   95.0   8.4   101.4   92.0   8.4   100.4   85.0   8.4   91.4   Parks & Recreation   55.0   8.4   101.4   95.0   8.4   101.4   92.0   8.4   100.4   85.0   8.4   100.4   Parks & Recreation   76.0 | Transportation Mobility                     |             |              | 2.0           | 2.0    |       | -          | 2.0      | 2.0   |       |            | 1.0      | 1.0   |       |            | -         | -     |
| Sustainable Development   101,0   9.6   1116   1300   12.0   1420   1340   12.0   1460   1480   12.0   1600   Santiation Funds   55.0   8.4   101.4   95.0   8.4   101.4   92.0   8.4   100.4   85.0   8.4   91.4   Parks & Recreation   55.0   8.4   101.4   95.0   8.4   101.4   92.0   8.4   100.4   85.0   8.4   91.4   Parks & Recreation   55.0   8.4   101.4   95.0   8.4   101.4   92.0   8.4   100.4   85.0   8.4   91.4   Parks & Recreation   55.0   8.4   101.4   95.0   8.4   101.4   92.0   8.4   100.4   85.0   8.4   91.4   Parks & Recreation   55.0   8.4   101.4   95.0   8.4   101.4   92.0   8.4   100.4   85.0   8.4   91.4   Parks & Recreation   55.0   8.4   101.4   95.0   8.4   101.4   92.0   8.4   100.4   85.0   8.4   100.4   Parks & Recreation   76.0 |   |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Sentestion Fund; Parks & Recreation 95.0 8.4 . 103.4 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 50 50 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.  | Building Permit Fund:                       |             |              |               |        |       |            |          |       | T     | 7          |          |       |       |            |           |       |
| Sentestion Fund:  Parks & Recoration  \$50 8.4 . 103.4 95.0 8.4 . 103.4 95.0 8.4 . 103.4 95.0 8.4 . 103.4 95.0 8.4 . 103.4 95.0 8.4 . 103.4 95.0 8.4 . 103.4 95.0 8.4 . 103.4 95.0 8.4 . 103.4 85.0 8.4 . 93.4 Packs Williams Sentesting System - Operations Fund:  Parks & Recoration  White & Sewert Fund:  Finance  \$60  | 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 |
| Parks Recreation 95.0 8.4 103.4 95.0 8.4 103.4 95.0 8.4 103.4 95.0 8.4 103.4 95.0 8.4 193.4 Public Works 5.0 - 5.0 70 70 - 70 70 - 70 70 - 70 70 - 70 70 70 - 70 70 70 70 70 70 70 70 70 70 70 70 70   |   |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Parks Recreation 95.0 8.4 103.4 95.0 8.4 103.4 95.0 8.4 103.4 95.0 8.4 103.4 95.0 8.4 193.4 Public Works 5.0 - 5.0 70 70 - 70 70 - 70 70 - 70 70 - 70 70 70 - 70 70 70 70 70 70 70 70 70 70 70 70 70   | Sanitation Fund                             |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Public Works 5.0 - 5.0 7.0 - 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0   |   |             |              | 1             |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Remeter System - Operations Fund:  Parks & Recreation  Water & Sewer Fund: Finance  78.0   |   | i i         | 1 1          |               |        |       | 8.4        | -        |       |       | 8.4        | -        |       |       | 8.4        | -         | 1 1   |
| Parks & Recreation   | Public Works                                | 5.0         |              | -             | 5.0    | 7.0   |            | -        | 7.0   | 7.0   | - 1        |          | 7.0   | 7.0   | -          | -         | 7.0   |
| Parks & Recreation   |   |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Parks & Recreation   | Cemetery System - Operations Fund:          |             |              |               | 1      |       |            |          |       | I     | Ţ          |          | 1     |       |            |           |       |
| Marter & Sewer Fund: Finance   |   |             |              | _             |        |       |            | .        |       | 34.0  | . 1        |          | 34.0  | 35.0  |            | _         | 35.0  |
| Finance 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 26.0 - 26.0 26.0 26.0 26.0 26.0 26.0 26.0 26.0  |   |             |              |               |        |       |            |          |       | 3.110 |            |          | 34.0  | 33.0  |            |           | 33.0  |
| Finance 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 - 26.0 26.0 26.0 - 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 . 348.8 347.0 1.8 . 37.0 37.0 37.0 37.0 37.0 37.0   | Water & Sewer Fund:                         |             |              |               |        |       |            |          |       |       |            | 7        |       |       |            |           |       |
| Public Works 315.0 1.0 - 316.0 323.0 1.8 - 324.8 345.0 1.8 - 346.8 347.0 1.6 - 348.8 346.0 1.8 - 346.8 347.0 1.6 - 348.8 346.0 1.8 - 346.8 347.0 1.6 - 348.8 347.0 1.8 - 348.8 | Finance                                     | 26.0        | -            | - 1           | 26.0   | 26.0  |            | -        | 26.0  | 26.0  | .          |          | 26.0  | 26.0  | -          |           | 26.0  |
| Rentral Regional Fund:   | Public Works                                | 315.0       | 1.0          | -             | 316.0  | 323.0 | 1.8        | -        | 324.8 | 345.0 | 1.8        |          |       |       | 1.8        |           |       |
| Parkling Fund: Transportation & Mobility  73.0 11.2  |   |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Parkling Fund: Transportation & Mobility  73.0 11.2  | Central Regional Fund:                      |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Parking Fund: Transportation & Mobility  73.0 11.2   |   | 37.0        |              |               | 37.0   | 37.0  |            |          | 27.0  | 37.0  |            |          | 37.0  | 37.0  |            |           | 27.0  |
| 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 86.2 75.0 11.2 - 86.2 Airport Fund: City Manager City Manager City Manager Public Works 31.0 - 31.0 37.0 - 37.0 39.0 - 39.0 41.0 - 41.0 41.0 41.0 41.0 41.0 41.0 41.0 41.0   |   | 37.0        |              |               | 37.0   | 37.0  | -          |          | 37.0  | 37.0  | -          | -        | 37.0  | 37.0  | •          | _         | 37.0  |
| 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 86.2 75.0 11.2 - 86.2 Airport Fund: City Manager City Manager City Manager Public Works 31.0 - 31.0 37.0 - 37.0 39.0 - 39.0 41.0 - 41.0 41.0 41.0 41.0 41.0 41.0 41.0 41.0   |   |             | ·            |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Airport Fund: City Manager Trynsportation & Mobility  200  0.8  20.8  20.0  20.8  20.0  20. |   |             |              |               |        |       |            | ]        |       |       |            |          |       |       |            |           |       |
| City Manager Transportation & Mobility  20.0  0.8  - 20.8  20.0 | 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  |
| City Manager Transportation & Mobility  20.0  0.8  - 20.8  20.0 |   |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Transportation & Mobility 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 - 20.8 20.0 0.8 20.0 20.0 20.0 20.0 20.0  | Airport Fund:                               |             | i            | 1             |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Stomwater Fund:  | City Manager                                |             |              |               |        | -     | -          |          | - 1   | -     | -          |          |       | 20.0  | 0.8        | -         | 20.8  |
| Public Works 31.0 - 31.0 37.0 - 37.0 39.0 - 39.0 41.0 - 41.0 - 41.0 - 41.0 - 70.0 - 31.0 37.0 - 37.0 39.0 - 39.0 41.0 - 4 | Transportation & Mobility                   | 20.0        | 0.8          | -             | 20.8   | 20.0  | 0.8        | -        | 20.8  | 20.0  | 0.8        |          | 20.8  | -     | -          | -         | -     |
| Public Works 31.0 - 31.0 37.0 - 37.0 39.0 - 39.0 41.0 - 41.0 - 41.0 - 41.0 - 70.0 - 31.0 37.0 - 37.0 39.0 - 39.0 41.0 - 4 |   |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Public Works 31.0 - 31.0 37.0 - 37.0 39.0 - 39.0 41.0 - 41.0 - 41.0 - 41.0 - 70.0 - 31.0 37.0 - 37.0 39.0 - 39.0 41.0 - 4 | Stormwater Fund:                            |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Project Management Fund: Public Works  | Public Works                                | 31.0        |              |               | 31.0   | 37.0  | _          |          | 37.0  | 39.0  | .          |          | 39.0  | 41.0  |            |           | 41.0  |
| Public Works   |   |             |              |               |        |       |            |          |       | - 3.0 |            |          | 23.0  | - 1.0 |            |           | 72.0  |
| Public Works   | Project Management Form                     |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| City Casualty Insurance Fund: Human Resources 9.0 0.8 - 9.8 9.0 0.0 0.8 - 9.8 9.0 0.0 0.8 - 9.8 9.0 0.0 0.8 - 9.8 9.0 0.0 0.8 - 9.8 9.0 0.0 0.8 - 9.8 9.0 0.0 0.8 - 9.8 9.0 0.0 0.8 - 9.8 9.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0  |   |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Human Resources 9.0 0.8 - 9.8 9.0 0.8 9.0 0.8 - 9.8 9.0 0.8 9.0 0.8 - 9.8 9.0 0.8 9.0 0.8 9.0 0.8 9.0 0.8 9.0 0.8 9.0 0.8 9.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0  | r done works                                |             |              | _             |        |       | -          |          |       | 22.0  |            | •        | 22.0  | 26.0  | -          |           | 26.0  |
| Human Resources 9.0 0.8 - 9.8 9.0 0.8 9.0 0.8 - 9.8 9.0 0.8 9.0 0.8 - 9.8 9.0 0.8 9.0 0.8 9.0 0.8 9.0 0.8 9.0 0.8 9.0 0.8 9.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0  |   |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| 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 79.0 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 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 2.6   |   |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| 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 79.0 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 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 2.6   |   | 9.0         | 0.8          | -             | 9.8    | 9.0   | 0.8        | .        | 9.8   | 9.0   | 0.8        |          | 9.8   | 9.0   | 0.8        |           | 9.8   |
| 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 79.0 5.0 - 83.0  Vehicle Rental Fund (Fleet): Public Works  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 2.6   |   |             |              |               |        |       | ļ          |          |       |       | 1          |          |       |       |            |           |       |
| Information Technology Services  | Human Resources                             | 5.0         | _            | -             | 5.0    | 5.0   | -          | -        | 5.0   | 5.0   |            |          | 5.0   | 5.0   |            |           | 5.0   |
| Information Technology Services  |   |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Information Technology Services  | Central Services Fund (ITS):                |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| Vehicle Rental Fund (Fleet):         Public Works         5.0         -         -  |   | 77.0        | 4.2          |               | 81.2   | 79.0  | 5.0        | .        | 84.0  | 79.0  | 5.0        | .        | 84 n  | 78 N  | 5.0        | _         | 83 U  |
| Public Works 5.0 -   |   |             |              |               |        |       | 5.0        |          | 3     | , 5.0 | 5.0        |          | 54.5  | 70.0  | ال.و       |           | 33.0  |
| Public Works 5.0 -   | Vahida Bandal Francisco                     |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| 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 2.6   |   |             |              |               |        |       |            |          |       |       | 1          |          |       |       |            |           |       |
| Fund:         Transportation & Mobility         1.0         1.6         -         2.6         1.0         1.6         -         2.6         1.0         1.6         -         2.6  | rudiic works                                | 5.0         |              | -             | 5.0    | 5.0   | -          |          | 5.0   | 5.0   | -          |          | 5.0   | 5.0   |            |           | 5.0   |
| Fund:         Transportation & Mobility         1.0         1.6         -         2.6         1.0         1.6         -         2.6         1.0         1.6         -         2.6  |   |             |              |               |        | ,     |            |          |       |       |            |          |       |       |            |           |       |
| 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  |   |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
|  |   |             | 1            | - 1           |        |       |            |          |       |       |            |          |       |       | l          |           |       |
| "Seasonal positions, which are utilized for events or seasonal arganomorphic are not included."  | ransportation & Mobility                    | 1.0         | 1.6          |               | 2.6    | 1.0   | 1.6        | -        | 2.6   | 1.0   | 1.6        | - 1      | 2.6   | 1.0   | 1.6        |           | 2.6   |
| "Seasonal positions, which are utilized for events or seasonal arganomorphic are not included.   |   |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
| *Seasonal positions, which are utilized for events or seasonal programming are not included  |   |             |              |               |        |       |            |          |       |       |            |          |       |       |            |           |       |
|  | "Seasonal positions, which are utilized for | s or season | l proprama : | on are set i- | cluded |       |            |          |       |       |            |          |       |       |            |           |       |



## **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<br>Rate | ROI Charges<br>FY 2021 Fina<br>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.

<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 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<br>Allowable Return on Equity<br>(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%  |  |  |  |  |  |

<sup>\*</sup>Formerly Progress Energy Florida