



Ft. Lauderdale, FL

FY 2022 Revenue Sufficiency Study

June 15, 2021





Financial Forecasts

- General Fund
- Airport
- Building
- Parking
- Regional Sewer
- Water & Sewer
- Stormwater
- Sanitation



Source Data & Key Assumptions:

- FY 2020 Audited Financials
- FY 2021 Amended Budget and FY 2022 Preliminary Budget
- FY 2022–FY 2026 Preliminary Community Investment Plan
- FY 2021 second quarter year-end projections
- Historical expenditure trends
- Collective bargaining agreements
- Pension estimating software
- Joint Governmental Facility \$16.4M all funds annual impact beginning in FY 2026 (does not include renewal and replacement)
- Includes replenishment of Insurance Fund due to settlement in FY 2021-2023 of \$6M per year



Why We Do This:

- Plan for future cost requirements and changes to ensure long-term financial sustainability
- Identify short-term and long-term impacts of current-year decisions
- Provide a framework for scenario evaluation and sensitivity tests
- True-up prior year assumptions based on current conditions



1. General Fund



Key Planning Observations & Considerations

Fire Assessment:

- Full cost recovery true-up every 3 years (planned for FY 2023)

Community Redevelopment Areas (CRAs):

- Northwest Progresso Flagler Heights CRA sunsets in FY 2026
 - Tax Increment Financing (TIF) transfer from the General Fund ends (approximately \$6M currently)
 - \$350K increase in operating expenses expected in the General Fund

City's Annual Required Pension Contribution:

- Planning for increased pension cost from the Police and Fire Pension Plan due to lower assumed rates of return in FY 2022-FY 2028

New Fire Station 88:

- \$1M estimated to be added in FY 2024 for staffing



Key Planning Observations & Considerations

Joint Government Center:

- \$9.9M added annual expense beginning in FY 2026

FY 2022 Taxable Value:

- Estimates as of June 1 indicate an increase of approximately 7% over FY 2020 final valuation

Covid Budget Impacts:

- The City's proactive budgetary actions in FY2020 and FY 2021 have resulted in greater financial flexibility for FY2022



Historical Millage Rate Adjustments in Broward County

| | | | | | | | | | | | | | | | Cumulative % Change (14 Years) |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------------------------------------|
| Broward County | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | |
| Weston | 1.3215 ▼ | 1.5235 ▲ | 1.7670 ▲ | 2.0000 ▲ | 2.0000 | 2.0000 | 2.0000 | 2.3900 ▲ | 2.3900 | 2.3900 | 2.3900 | 3.3464 ▲ | 3.3464 | 3.3464 | 153.2% |
| Lauderhill | 4.7340 ▼ | 5.0646 ▲ | 5.9574 ▲ | 5.9574 | 6.8198 ▲ | 7.4198 ▲ | 7.3698 ▼ | 7.3698 | 7.5898 ▲ | 7.5898 | 7.5898 | 7.9898 ▲ | 8.9898 ▲ | 8.4898 ▼ | 79.3% |
| Coral Springs | 3.3651 ▼ | 3.3651 | 3.8866 ▲ | 4.3559 ▲ | 4.3939 ▲ | 4.5697 ▲ | 4.5697 | 4.5697 | 4.7982 ▲ | 4.7982 | 5.8732 ▲ | 5.8732 | 5.8732 | 5.8732 | 74.5% |
| Hillsboro Beach | 2.1938 ▼ | 2.6121 ▲ | 2.9600 ▲ | 3.3900 ▲ | 3.3900 | 3.3900 | 3.3900 | 3.3900 | 3.5000 ▲ | 3.5000 | 3.5000 | 3.5000 | 3.5000 | 3.5000 | 59.5% |
| Lauderdale Lakes | 5.4309 ▼ | 5.7622 ▲ | 6.5500 ▲ | 7.0000 ▲ | 9.5000 ▲ | 9.5000 | 9.5000 | 8.9500 ▼ | 8.5000 ▼ | 8.5000 | 8.5000 | 8.6000 ▲ | 8.6000 | 8.6000 | 58.4% |
| Pompano Beach | 3.2788 ▼ | 3.4861 ▲ | 4.0652 ▲ | 4.4077 ▲ | 4.7027 ▲ | 4.9700 ▲ | 4.8712 ▼ | 4.7470 ▼ | 4.9865 ▲ | 4.8252 ▼ | 4.9865 ▲ | 5.1361 ▲ | 5.1875 ▲ | 5.1875 | 58.2% |
| Coconut Creek | 4.3796 ▼ | 4.8869 ▲ | 5.6837 ▲ | 6.4036 ▲ | 6.3857 ▼ | 6.3250 ▼ | 6.3250 | 6.2301 ▼ | 6.1803 ▼ | 6.1370 ▼ | 6.5378 ▲ | 6.5378 | 6.5378 | 6.5378 | 49.3% |
| Plantation | 3.9155 ▼ | 4.0925 ▲ | 4.5142 ▲ | 4.5142 | 4.6142 ▲ | 5.6142 ▲ | 5.6142 | 5.7500 ▲ | 5.9000 ▲ | 5.9000 | 5.7500 ▼ | 5.8000 ▲ | 5.8000 | 5.8000 | 48.1% |
| Tamarac | 5.0496 ▼ | 5.3215 ▲ | 5.9999 ▲ | 6.5000 ▲ | 6.6850 ▲ | 7.2899 ▲ | 7.2899 | 7.2899 | 7.2899 | 7.2899 | 7.2899 | 7.2899 | 7.2899 | 7.2899 | 44.4% |
| Hallandale Beach | 4.9818 ▼ | 4.9818 | 5.9000 ▲ | 5.9000 | 5.9000 | 5.6833 ▼ | 5.6833 | 5.1918 ▼ | 5.1918 | 5.1918 | 5.3093 ▲ | 6.3191 ▲ | 7.4074 ▲ | 7.0000 ▼ | 40.5% |
| Davie | 4.1215 ▼ | 4.2456 ▲ | 4.8124 ▲ | 4.8124 | 4.8122 | 4.8122 | 5.0829 ▲ | 5.0829 | 5.0819 ▼ | 5.0799 ▼ | 5.3220 ▲ | 5.6270 ▲ | 5.6270 | 5.6270 | 36.5% |
| Pembroke Pines | 4.1725 ▼ | 4.4312 ▲ | 5.1249 ▲ | 5.6880 ▲ | 5.6368 ▼ | 5.6368 | 5.6368 | 5.6368 | 5.6368 | 5.6736 ▲ | 5.6736 | 5.6736 | 5.6736 | 5.6736 | 36.0% |
| Miramar | 5.2975 ▼ | 5.4797 ▲ | 6.4654 ▲ | 6.4654 | 6.4654 | 6.4654 | 6.4654 | 6.7654 ▲ | 6.7654 | 6.7654 | 6.7654 | 7.1172 ▲ | 7.1172 | 7.1172 | 34.4% |
| North Lauderdale | 5.5307 ▼ | 6.1875 ▲ | 6.9185 ▲ | 6.9185 | 7.4066 ▲ | 7.6078 ▲ | 7.6078 | 7.5000 ▼ | 7.5000 | 7.5000 | 7.4000 ▼ | 7.4000 | 7.4000 | 7.4000 | 33.8% |
| Cooper City | 4.7704 ▼ | 4.7704 | 4.7704 | 5.0479 ▲ | 5.0526 ▲ | 5.6866 ▲ | 5.7087 ▲ | 5.7202 ▲ | 5.9293 ▲ | 6.3847 ▲ | 7.1347 ▲ | 7.1347 | 6.9258 ▼ | 6.2280 ▼ | 30.6% |
| West Park | 6.5239 | 6.5239 | 7.5697 ▲ | 8.5000 ▲ | 8.9900 ▲ | 9.4200 ▲ | 9.4200 | 8.9200 ▼ | 8.6500 ▼ | 8.6500 | 8.6500 | 8.6500 | 8.5500 ▼ | 8.5000 ▼ | 30.3% |
| Hollywood | 5.7380 ▼ | 5.6900 ▼ | 6.0456 ▲ | 6.7100 ▲ | 7.4479 ▲ | 7.4479 | 7.4479 | 7.4479 | 7.4479 | 7.4479 | 7.4479 | 7.4665 ▲ | 7.4665 | 7.4665 | 30.1% |
| Margate | 5.5591 ▼ | 6.7500 ▲ | 7.7500 ▲ | 7.7500 | 7.7500 | 7.5000 ▼ | 7.3300 ▼ | 6.2761 ▼ | 6.3402 ▲ | 6.4554 ▲ | 6.5183 ▲ | 6.5594 ▲ | 7.1171 ▲ | 7.1171 | 28.0% |
| Parkland | 3.4083 ▼ | 3.4083 | 4.0198 ▲ | 4.0198 | 4.0198 | 3.9999 ▼ | 3.9900 ▼ | 3.9890 ▼ | 3.9870 ▼ | 3.9800 ▼ | 3.9780 ▼ | 4.4000 ▲ | 4.4000 | 4.2979 ▼ | 26.1% |
| Oakland Park | 4.7662 ▼ | 5.1041 ▲ | 5.7252 ▲ | 5.7252 | 6.0138 ▲ | 6.3142 ▲ | 6.3995 ▲ | 6.2744 ▼ | 6.1995 ▼ | 6.1555 ▼ | 6.0985 ▼ | 5.9985 ▼ | 6.0880 ▲ | 5.8910 ▼ | 23.6% |
| Deerfield Beach | 4.9537 ▼ | 4.9072 ▼ | 5.3499 ▲ | 6.2482 ▲ | 5.1865 ▼ | 5.1856 | 6.2317 ▲ | 6.2745 ▲ | 6.1949 ▼ | 6.0493 ▼ | 6.0981 ▲ | 6.1267 ▲ | 6.0018 ▼ | 6.0018 | 21.2% |
| Sunrise | 5.1232 ▼ | 5.4397 ▲ | 6.0543 ▲ | 6.0543 | 6.0543 | 6.0543 | 6.0543 | 6.0543 | 6.0543 | 6.0543 | 6.0543 | 6.0543 | 6.0543 | 6.0543 | 18.2% |
| Lighthouse Point | 3.0887 ▼ | 3.2822 ▲ | 3.6188 ▲ | 3.6188 | 3.5893 ▼ | 3.5893 | 3.5893 | 3.5893 | 3.5893 | 3.5893 | 3.5893 | 3.5893 | 3.5893 | 3.5893 | 16.2% |
| Wilton Manors | 5.1340 ▼ | 5.3122 ▲ | 5.8000 ▲ | 6.0855 ▲ | 6.2068 ▲ | 6.2068 | 6.2166 ▲ | 6.0683 ▼ | 6.0683 | 5.9900 ▼ | 5.9837 ▼ | 5.9587 ▼ | 5.9587 | 5.9000 ▼ | 14.9% |
| Dania Beach | 5.4044 ▼ | 5.4044 | 5.8579 ▲ | 5.9998 ▲ | 5.9998 | 5.9998 | 5.9998 | 5.9998 | 5.9998 | 5.9998 | 5.9998 | 5.9998 | 5.9998 | 5.9998 | 11.0% |
| Fort Lauderdale | 4.1193 ▼ | 4.1193 | 4.1193 | 4.1193 | 4.1193 | 4.1193 | 4.1193 | 4.1193 | 4.1193 | 4.1193 | 4.1193 | 4.1193 | 4.1193 | 4.1193 | 0.0% |
| Average Millage Rate | 4.4755 | 4.6982 | 5.2802 | 5.5458 | 5.7362 | 5.8772 | 5.9197 | 5.8306 | 5.8419 | 5.8468 | 5.9446 | 6.0872 | 6.1777 | 6.1003 | 36% |



Interactive Model Review



2. Airport Fund



Key Planning Observations & Considerations

Transfer from General Fund to End after FY 2024:

- Loss of \$1.3 million in annual revenue from General Fund

Lease Revenues:

- Provide a stable base of revenues for the enterprise
- New leases are key drivers of additional revenues

Airport FAMS Model

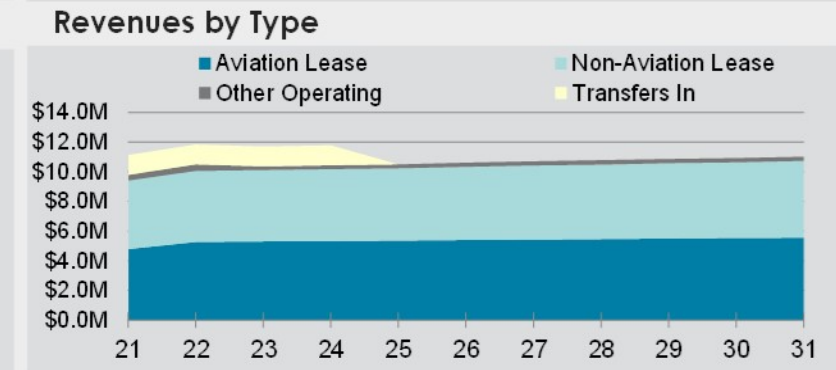
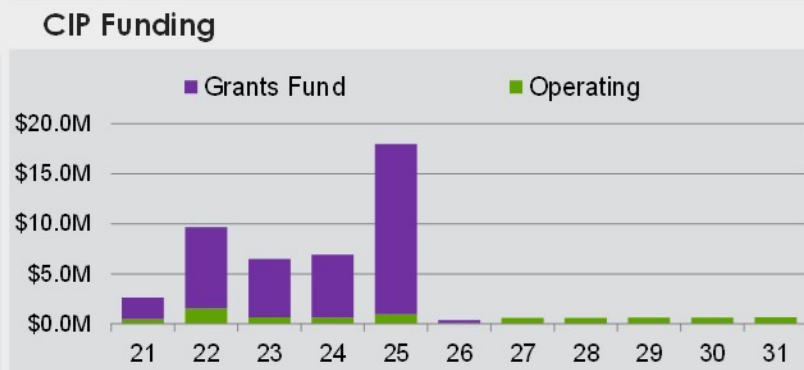
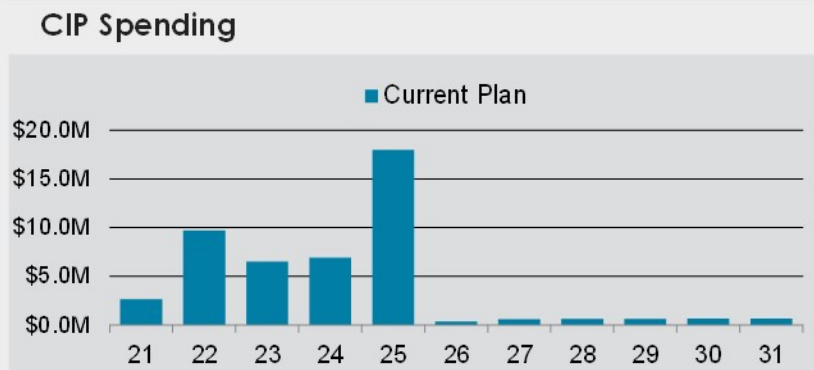
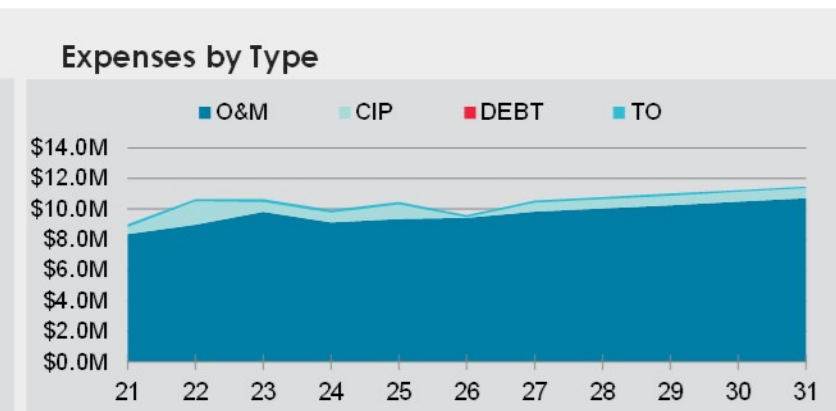
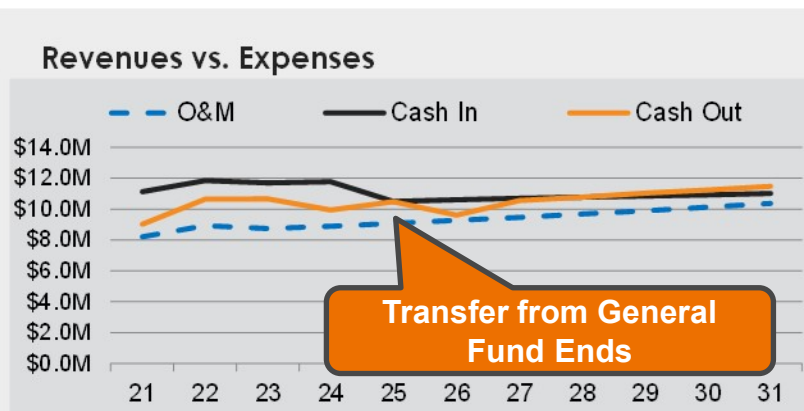
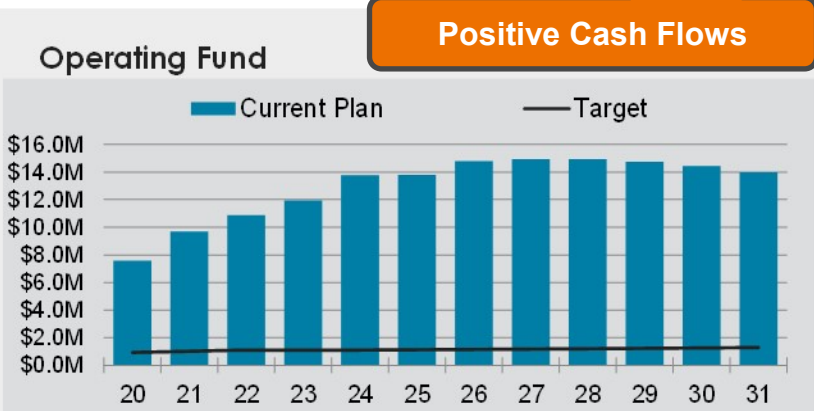
**FAMS**
Financial Analysis & Management System | By Stantec

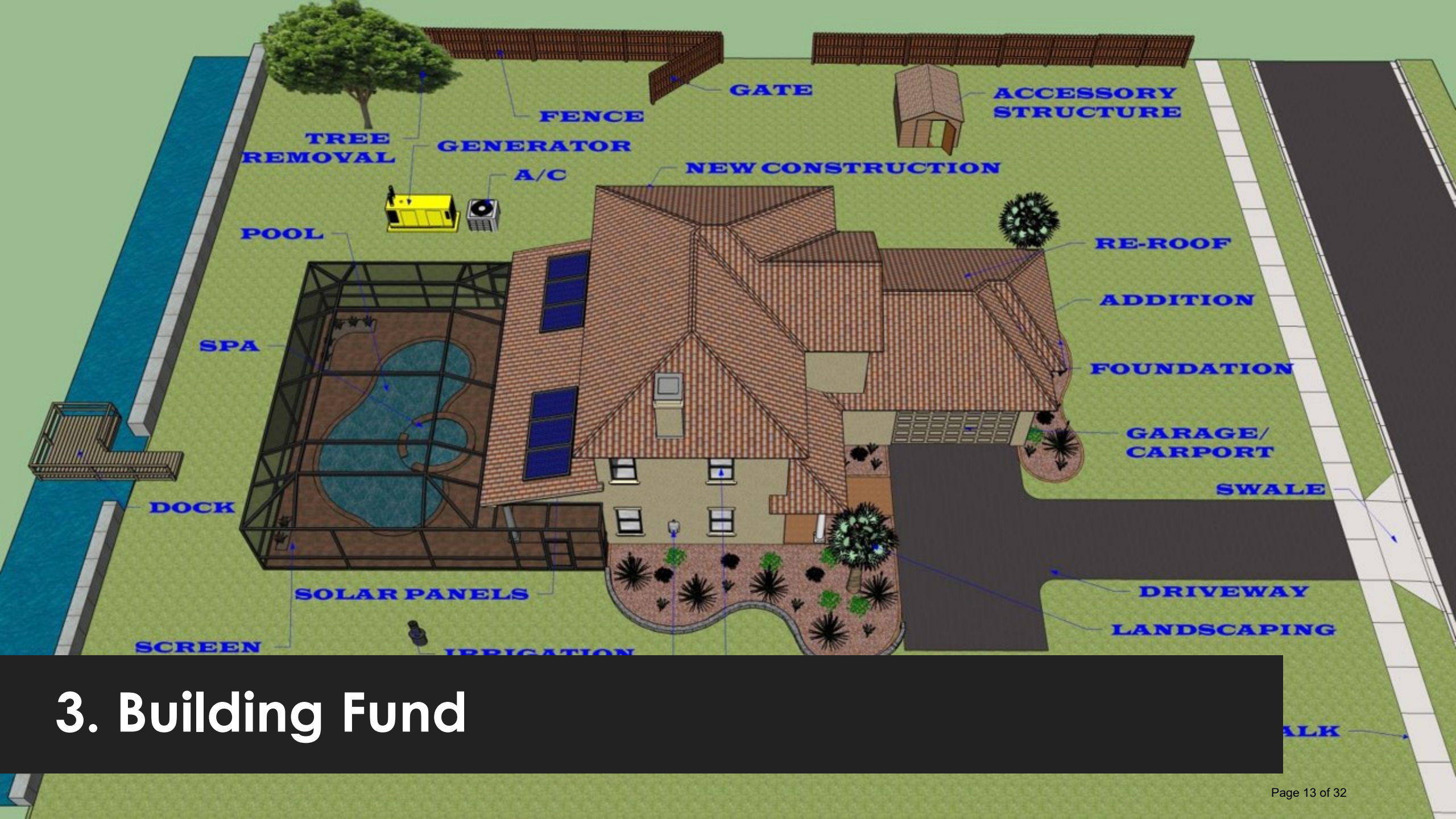
FT. LAUDERDALE - AIRPORT

**Stantec**

[CALC](#) [SAVE](#) [CTRL](#) [LAST](#) [OVR](#)

| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | | |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|---|
| Net Cash Flow | 2.11 | 1.20 | 1.04 | 1.84 | 0.03 | 1.00 | 0.15 | (0.01) | (0.18) | (0.32) | (0.45) | Check | - |





3. Building Fund



Key Planning Observations & Considerations

Continue to Monitor Fees Periodically and Scale Costs/Resources to Activity Levels

House Bill 447 Put New Limits on Fund Balance:

- May not carry forward an amount exceeding the average of operating budget for the previous 4 fiscal years

FY 2020 Transfer of Building Ownership from General Fund

Purchase of Land from the Sanitation Fund Planned for Additional Parking in FY 2021:

- \$2M use of operating reserves

Joint Government Center:

- \$200K in added costs beginning in FY 2026



Building FAMS Model



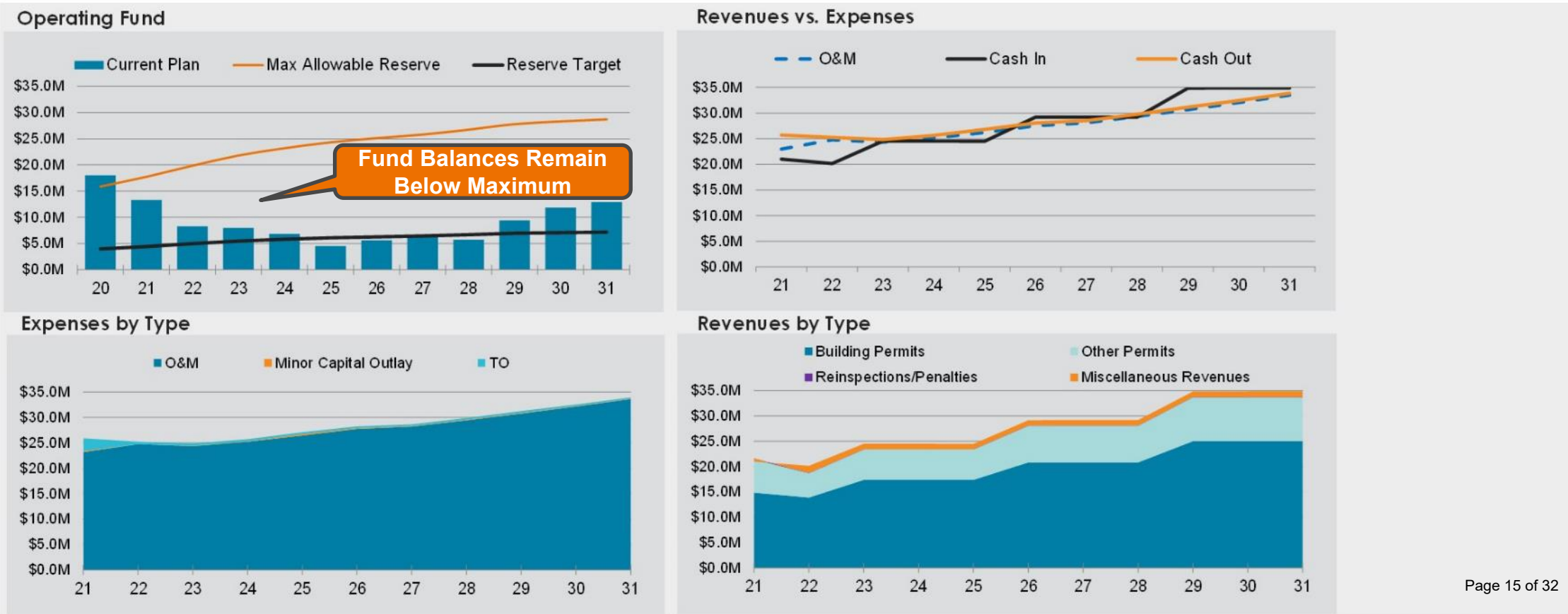
FT. LAUDERDALE - BUILDING

Assumed Fee Realignment Every 3-5 Years



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| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2026 | FY 2031 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Building Permits Revenue Plan | 0.00% | 0.00% | 25.00% | 0.00% | 0.00% | 20.00% | 0.00% | 0.00% | 20.00% | 0.00% | 0.00% | 45.00% | 65.00% |
| Other Permits Revenue Plan | 0.00% | 0.00% | 25.00% | 0.00% | 0.00% | 20.00% | 0.00% | 0.00% | 20.00% | 0.00% | 0.00% | 45.00% | 65.00% |
| Reinspections/Penalties Rev. Plan | 0.00% | 0.00% | 25.00% | 0.00% | 0.00% | 20.00% | 0.00% | 0.00% | 20.00% | 0.00% | 0.00% | 45.00% | 65.00% |
| Combined Fund Cash Flow | (4.67) | (5.04) | (0.26) | (1.07) | (2.28) | 1.16 | 0.71 | (0.54) | 3.75 | 2.50 | 1.10 | Check | - |





4. Parking Fund



Key Planning Observations & Considerations

Parking Lot Revenues:

- Parking revenues experienced significant volatility due to Covid
- Revenues are expected to normalize over the next year and appear to be sufficient over the short-term based upon the increased rates implemented in FY 2020
- Projections include uncertainty due to limited experience with reopening of businesses at the new rates

Joint Government Center:

- \$1.3M in added ongoing costs beginning in FY 2026

Federal Courthouse Parking Garage Operational in FY 2026:

- \$140K net revenue impact (revenues - debt service and operations)

CIP Assumes R&R Funding in FY 2021 and Forward

Parking FAMS Model

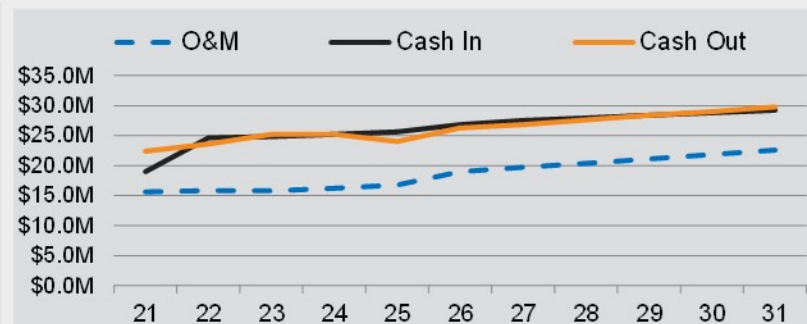
No Rate Increases

| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2026 | FY 2031 |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------------|---------|
| Metered Parking Rate Plan | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Permit Parking Rate Plan | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Citations Rate Plan | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Senior-Lien DSC | 0.00 | 0.00 | 0.00 | 0.00 | 12.59 | 11.16 | 11.14 | 10.78 | 10.38 | 9.94 | 9.45 | Scenario Manager | |
| Net Cash Flow | (3.44) | 1.03 | (0.37) | (0.01) | 1.62 | 0.55 | 0.69 | 0.36 | (0.01) | (0.18) | (0.56) | Check | - |

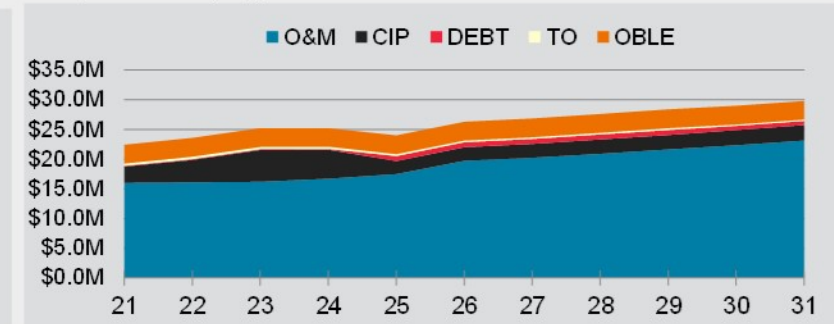
Operating Fund



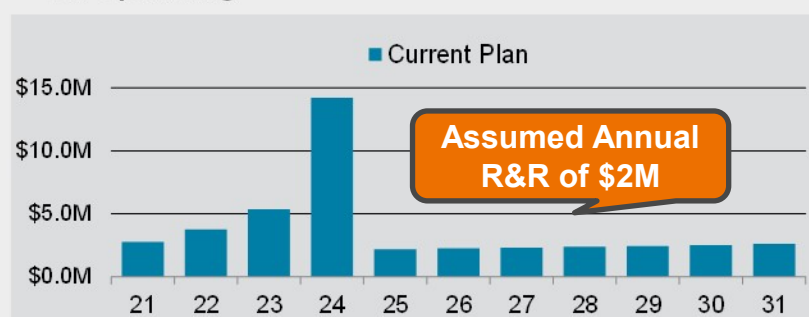
Revenues vs. Expenses



Expenses by Type



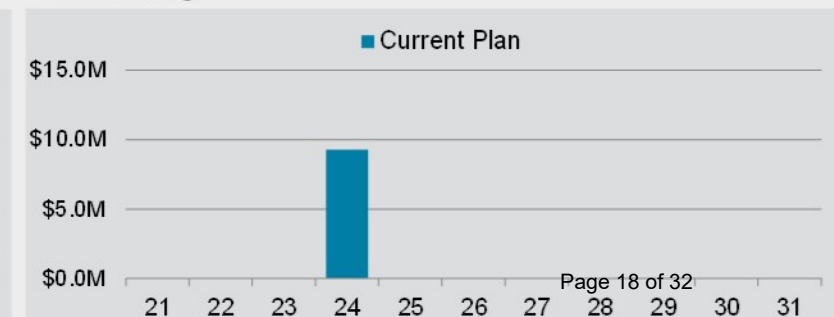
CIP Spending



CIP Funding



Borrowing



Assumed Annual R&R of \$2M



5. Regional Sewer Fund



Key Planning Observations & Considerations

This fund is supported by the Large Users based upon agreements with members of the Central Region. The volume rate is estimated with a true-up at year end to actual costs.

Large Users:

- **City of Fort Lauderdale - 83%**
- **Oakland Park - 13%**
- **Other Users (Wilton Manors, Tamarac, Davie) - 4%**

Assuming \$38M Bond Issuance in FY 2023 & \$30M in FY 2028

Renewal and Replacement Expense Growth (FY 2017- FY 2022)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Renewal & Replacement | \$7.8M | \$9.4M | \$14.3M | \$10.6M | \$14.2M | \$15.3M |
| <i>Cumulative % Change</i> | | <i>20.5%</i> | <i>83.3%</i> | <i>35.9%</i> | <i>82.1%</i> | <i>96.2%</i> |

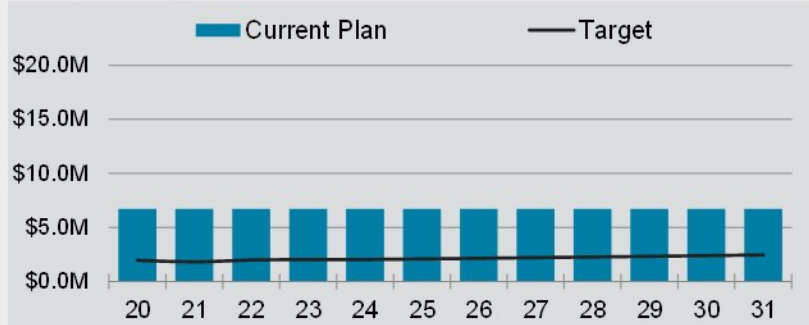
Regional FAMS Model



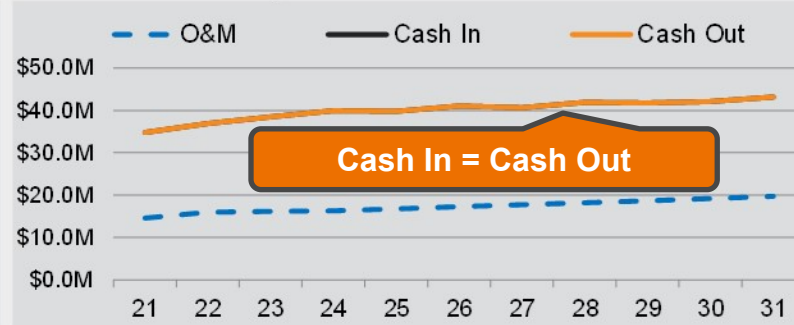
CALC SAVE CTRL LAST OVR

| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2025 | FY 2030 |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|---------|
| Bulk Wastewater Rate Plan | 0.00% | 5.28% | 6.28% | 3.67% | -0.33% | 3.32% | -1.01% | 3.00% | -0.29% | 0.70% | 2.60% | 19.40% | 25.42% |
| Bulk Wastewater Rate | \$2.48 | \$2.61 | \$2.77 | \$2.88 | \$2.87 | \$2.96 | \$2.93 | \$3.02 | \$3.01 | \$3.03 | \$3.11 | Refunding | Yes |
| Net Cash Flow | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | |

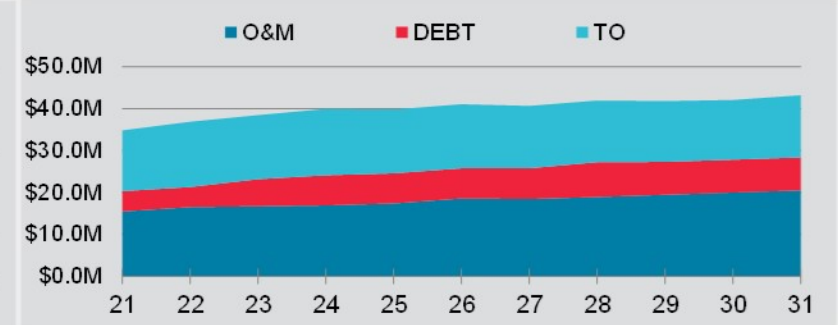
Operating Fund



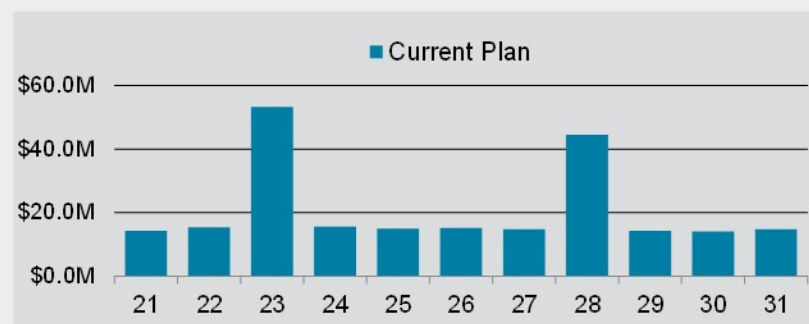
Revenues vs. Expenses



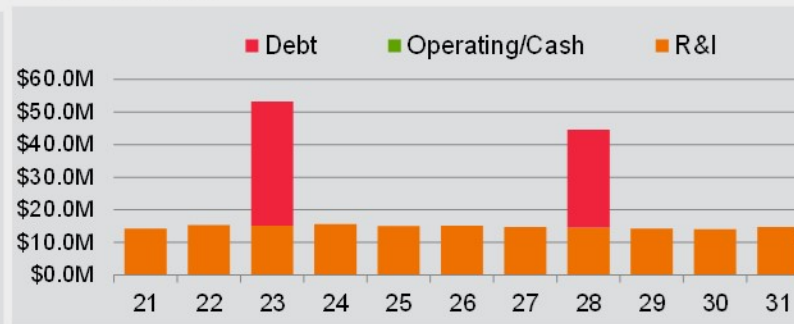
Expense by Type



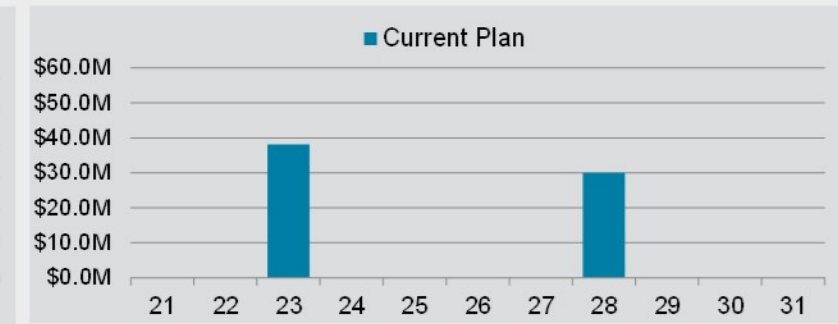
CIP Spending



CIP Funding



Borrowing





6. Water & Sewer Fund





Key Planning Observations & Considerations

Minimum Reserve Level:

- Target 3 months of operations and maintenance

Capital Investments:

- Targeting \$20M cash funded capital annually
- \$162M bond in FY 2023 & \$170M bond in FY 2028

Joint Government Center:

- \$1.5M added in ongoing costs beginning in FY 2026

Debt Refinancing:

- \$.5M in savings beginning in FY 2022



Key Planning Observations & Considerations

Water Plant Option (Not Included in Revenue Sufficiency Model):

- \$432M bonded in FY 2026 (includes annual debt service estimate \$26M)
- Conceptual annual operation and maintenance cost increase of \$16.7M in FY 2029

Advanced Metering Infrastructure (AMI) Costs:

- \$30M borrowing in FY 2022 (includes annual debt service estimate \$2.5M)
- \$250k in contractual savings starting in FY 2024



Interactive Model Review



7. Stormwater Fund



Key Planning Observations & Considerations

Non-ad Valorem Assessment:

- Implemented in FY 2021

Stormwater Bond:

- FY 2022 - \$200M (\$98M WIFIA loan & \$102M revenue bond)
- FY 2027 - \$200M
- Assumes interim financing in FY 2020 – FY 2021 for \$70M until bonds are issued

Operations and Maintenance Cost:

- New investments expected to lead to increased O&M
 - Approximately \$850K added each year as a placeholder for each issuance
- Joint Government Center \$100K in added annual costs beginning in FY 2026

Capital Investments:

- Targeting \$4M cash funded capital annually

Stormwater FAMS Model



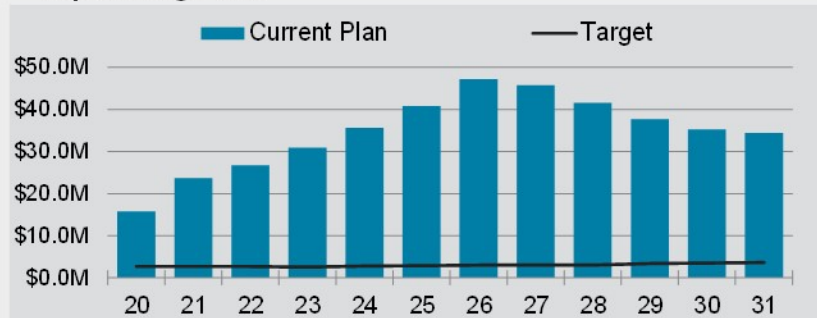
FT. LAUDERDALE STORMWATER



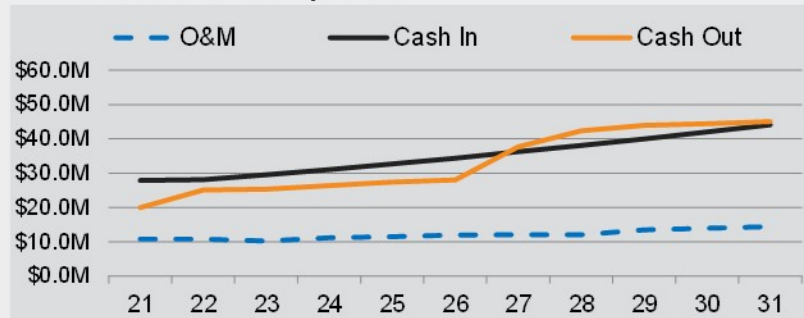
CALC SAVE CTRL LAST OVR

| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2026 | FY 2031 |
|-------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|------------------|---------|
| Stormwater Revenue Plan | 0.00% | 0.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 21.54% | 55.11% |
| Senior-Lien DSC | 0.00 | 1.78 | 2.01 | 2.08 | 2.21 | 2.34 | 1.23 | 1.08 | 1.10 | 1.16 | 1.23 | Scenario Manager | |
| Residential Assessment | \$258.26 | \$258.26 | \$271.19 | \$284.74 | \$298.97 | \$313.90 | \$329.55 | \$346.06 | \$363.36 | \$381.49 | \$400.58 | WIFIA | Yes |
| Net Cash Flow | 7.95 | 3.02 | 4.19 | 4.69 | 5.27 | 6.38 | (1.44) | (4.22) | (3.89) | (2.40) | (0.88) | | |

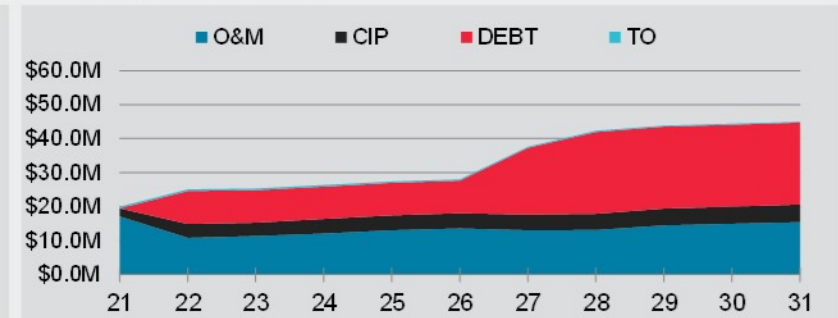
Operating Fund



Revenues vs. Expenses



Expenses by Type



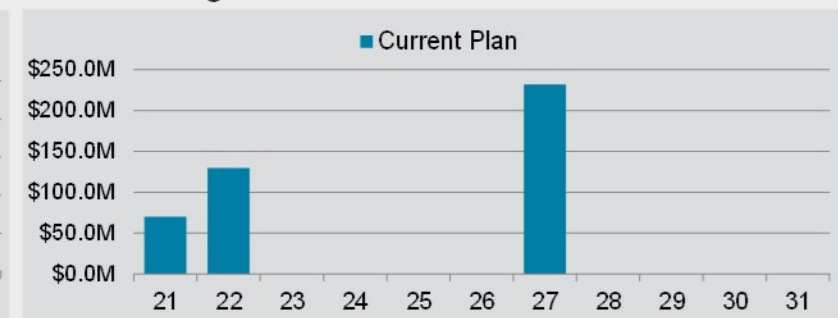
CIP Spending



CIP Funding



Borrowing





8. Sanitation Fund



Key Planning Observations & Considerations

Sanitation Rates:

- 4% annual increase included in ordinance through FY 2024

Sale of Land to Building Fund:

- \$2M in proceeds in FY 2021 from sale of land

Hauler Contracts:

- FY 2023 will include contract negotiations

Reserve Target:

- Currently minimum is 1.5 months of operating costs
- The City's Target is 3 months (included in projections)

Joint Government Center:

- \$100K in additional annual costs beginning in FY 2026

Plant A Remediation Cost of \$900K in FY 2021

- Expenditure is subject to the sale of the Plant A property

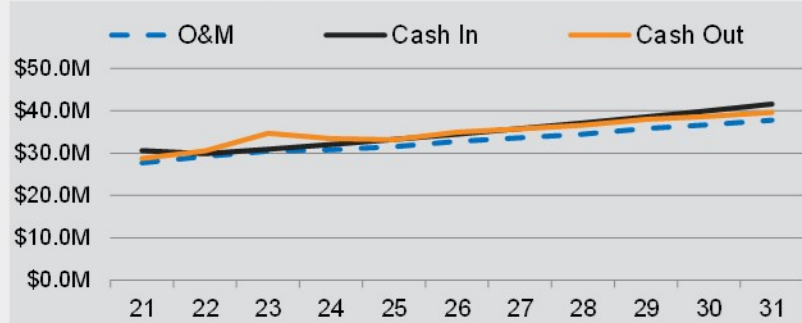
Sanitation FAMS Model

| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2026 | FY 2031 |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------|---------|
| Rate Plan | 0.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 21.67% | 48.02% |
| Single Family Sanitation Bill | \$42.33 | \$44.02 | \$45.78 | \$47.61 | \$49.52 | \$51.50 | \$53.56 | \$55.70 | \$57.93 | \$60.24 | \$62.65 | Gov. Center | Yes |
| Net Cash Flow | 1.83 | (0.65) | (3.74) | (1.38) | 0.10 | (0.43) | 0.08 | 0.57 | 0.61 | 1.32 | 1.95 | | |

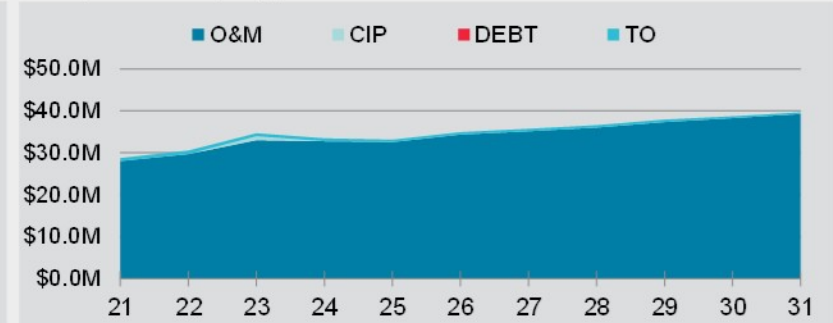
Operating Fund



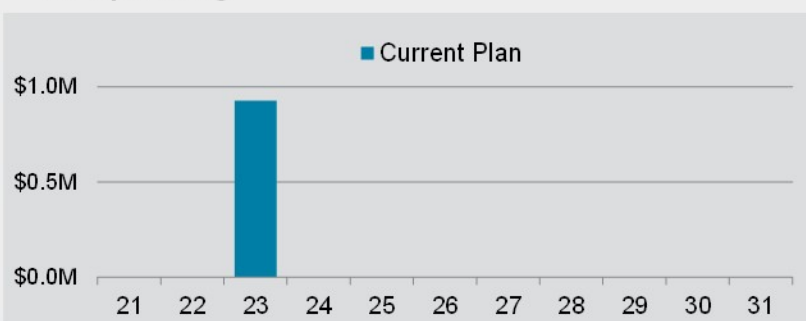
Revenues vs. Expenses



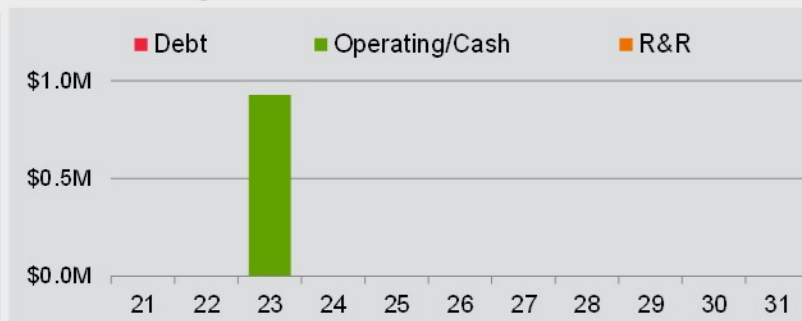
Expenses by Type



CIP Spending



CIP Funding



Borrowing





Questions?