

CHANGES FROM JULY

The Budget Message on the previous pages was presented on July 17th. Changes were made subsequent to that date that are summarized below and reflected in the remainder of this document.

The City's budget does change from July to the public hearings based upon revised revenue and expenditure projections as well as City Commission policy decisions. The proposed budget as described on pages 1-6 was based upon actual receipts and expenditures through May. The final projections were based upon year-to-date information through July. In compliance with State Statutes, the millage rates initially set in July provide a cap beyond which the final adopted rates cannot exceed. The most significant changes from July included the following adjustments:

- a reduction in the operating millage rate from 5.0696 to 4.8762 and a corresponding reduction in the appropriation for General Fund contingencies of \$2.2 million;
- a change in the way revenues and expenditures are accounted for at the War Memorial Auditorium resulting in a \$500,000 increase in projected revenue (gross amount) and a \$500,000 increase in the expenditure appropriation to reflect payments to concessionaires;
- an increase in the Sanitation Fund appropriation of \$500,000 due to projected savings in FY 2000/2001;
- an increase of \$5.2 million in the projected Water and Sewer Fund anticipated ending balance by fully reflecting the impact of the rate increases;
- a \$1.1 million increase in the Vehicle Rental Fund to reflect the carrying forward of unencumbered vehicle purchases originally planned for FY 2000/2001.

At final adoption, the City Commission reduced the final operating millage rate, which effectively reduced available General Fund resources by \$2.2 million. The budget was balanced by reducing contingencies by that same amount with the understanding that the City Manager would return at a later Commission meeting with a budget amendment. At the October 16, 2001 Regular Commission Meeting, the budget amendment was approved. This budget document reflects the adopted budget, as it existed on September 20. Because budget amendments can and do occur throughout the fiscal year, this document does not reflect the amendment approved in October.

The recommended FY 2001/2002 all funds budget totals \$345.4 million. This represents an increase of approximately \$8.1 million or 2.4 percent more than the FY 2000/2001 budget. This summary describes the budget by fund type.

GENERAL FUND

Overall, the General Fund revenue projection, including all sources, is an increase of \$13.3 million or 7.4% over the adopted FY 2000/2001 budget. The following table summarizes the revenue picture:

Table 1. Revenue Summary

Resources Available	FY 2000/2001	FY 2000/2001	FY 2001/2002
	Original Budget	Estimated Actual	Adopted Budget
Ad Valorem Taxes – Operating	\$ 61,908,270	61,961,278	66,880,942
Ad Valorem Taxes – Debt	6,454,097	6,455,965	6,787,604
Franchise Fees	12,800,000	12,791,202	10,715,000
Utility Taxes	28,369,000	27,660,000	33,060,773
Licenses & Permits	8,136,400	8,143,200	8,326,978
Intergovernmental	15,279,917	15,524,473	16,093,330
Charges for Services	15,646,555	15,286,652	15,918,006
Fines & Forfeitures	1,875,750	2,164,910	1,817,500
Miscellaneous:			
Interest	1,163,520	1,725,033	1,636,800
Leases/Rents	2,140,535	2,269,230	2,262,567
Special Assessments	5,985,000	5,985,000	6,286,889
Other Miscellaneous	14,153,957	14,623,715	16,169,564
Non-Revenues:			
Working Capital Reserve	1,500,000	1,500,000	2,000,000
Prior Year Balance	2,959,690	6,497,811	3,659,855
Transfers	368,695	493,943	425,000
Total Resources Available	\$ <u>178,741,386</u>	<u>183,082,412</u>	<u>192,040,808</u>

Ad Valorem Taxes – The adopted ad valorem or property tax millage rate for operating purposes is 4.8762 compared to the previous operating millage rate of 5.0415. In addition to the property tax levied for operating purposes, property taxes also include a separate debt levy which is used to pay debt service costs (principal and interest payments) on outstanding General Obligation (G.O.) Bonds. The current outstanding debt issues are 1987 bonds which were refunded in 1992 and again in 1998. Debt service for that issue will be \$3,934,738 in FY 2001/2002 which will require a levy of \$4,105,196 and a millage rate of 0.2869 compared to the previous millage rate of 0.2968. The 1997 bond issue requires a debt service payment in FY 2001/2002 of \$2,875,103, which requires a gross levy of \$3,003,418 and a millage rate of 0.2099 compared to the previous millage rate of 0.2281. The combined millage rate for operating and debt service for Fiscal Year 2001/2002 is 5.3730.

Property taxes from the debt levy are shown as revenue to the General Fund and then transferred to the debt service fund. Accordingly, transfers from the General Fund to the debt service fund are in the amount of \$6,787,477, which assumes a 95 percent collection rate as well as receipt of some delinquent taxes from prior years. The City expects to receive about \$290,000 in delinquent taxes from Broward County related to taxes levied against Port Everglades in prior years.

By state statute, the operating property tax rate is restricted to no more than 10 mills (\$10 per \$1,000 of taxable value) for municipalities. Adoption of any increase in the total levy beyond new construction or annexation is required to reference the rolled-back rate, which is the rate necessary to generate the same taxes as were received in the prior year. Compared to the rolled-back rate of 4.6112, the adopted operating rate is a 5.7 percent increase. As described in the City Manager's Budget Message, the "Save Our Homes" State Constitutional amendment limits the increase in assessed value to the Consumer Price Index. For this year, the limit is 3 percent. Over time the limit essentially shifts the tax burden from residential property to non-residential property.

Table 2. Impact of Property Tax Rates on Average Homeowner

	<u>Levied</u> <u>2000/2001</u>	<u>Adopted</u> <u>2001/2002</u>
Assessed Value	\$150,000	\$154,500
Homestead Exemption	(25,000)	(25,000)
Taxable Value	\$125,000	\$129,500
Operating Millage	5.0415	4.8762
Debt Service Millage	<u>0.5249</u>	<u>0.4968</u>
Total Millage	5.5664	5.3730
Total Tax Bill	\$695.80	\$695.80

Following is a comparison of current millage rates for Broward County taxing jurisdictions as well as larger Florida cities.

Table 3. Adopted Operating Millage Rates for FY 2001/2002

<u>Jurisdiction</u>	<u>Millage</u>	<u>Percentage</u>
Broward County Schools	8.7541	35.5%
Broward County	7.4005	30.0%
Fort Lauderdale	4.8762	19.8%
North Broward Hospital	2.4803	10.1%
S. Florida Water Mgmt.	0.6970	2.8%
Children Services	0.3055	1.2%
Hillsboro Inlet District	0.0951	0.4%
Florida Inland Navigation	<u>0.0385</u>	<u>0.2%</u>
	24.6472	100.0%

Table 4. Broward County Cities – Population and Millage Rates

City	Population	Rank	FY 2001/2002	
			Operating Millage	Rank
Pembroke Park	6,299	26	8.5000	1
Margate	53,909	13	7.0083	2
Lazy Lake Village	38	30	7.0000	3
Miramar	72,739	9	6.9226	4
Hollywood	139,357	2	6.8500	5
Hallandale	34,282	16	6.7480	6
Sea Ranch Lakes	1,392	29	6.5000	7
Deerfield Beach	64,583	10	6.3546	8
Sunrise	85,779	5	6.2750	9
Wilton Manors	12,697	23	6.2467	10
Dania	20,061	21	6.1000	11
Tamarac	55,588	12	5.9999	12
Oakland Park	30,966	19	5.9715	13
Cooper City	27,939	20	5.8570	14
North Lauderdale	32,264	17	5.6792	15
Lauderhill	57,585	11	5.6000	16
Davie	75,720	8	5.1086	17
Coconut Creek	43,566	15	5.0959	18
Lauderdale Lakes	31,705	18	4.9500	19
FORT LAUDERDALE	152,397	1	4.8762	20
Lauderdale-by-the Sea	2,563	27	4.7000	21
Pembroke Pines	137,427	3	4.4597	22
Pompano Beach	78,191	7	4.1261	23
Parkland	13,835	22	4.1000	24
Plantation	82,934	6	4.0000	25
Lighthouse Point	10,767	24	3.8984	26
Coral Springs	117,549	4	3.8715	27
Hillsboro Beach	2,163	28	3.6500	28
Southwest Ranches	8,243	25	3.0000	29
Weston	49,286	14	1.5235	30

Table 5. FY 2001/2002 Operating Millage Rates As Adopted Per \$1,000 Of Taxable Value For Selected Florida Cities

City	FY 2001/2002 Millage
Jacksonville*	10.3465
Miami	8.9950
Hialeah	7.5280
Miami Beach	7.2990
St. Petersburg	7.1400
Hollywood	6.8500
Tampa	6.5390
Orlando	5.6916
Clearwater	5.5032
Gainesville	4.9416
Fort Lauderdale	4.8762
Pembroke Pines	4.4597
Coral Springs	3.8715
Tallahassee**	3.2000

*Jacksonville, which is consolidated with Duval County, may levy up to \$20 per \$1,000 of value.

**Tallahassee operates its own power company. Revenues from that operation heavily subsidize their general fund.

Franchise Fees - Franchise fees are payments made by Florida Power and Light (FPL) and Peoples Gas for the privilege of constructing upon and operating within property owned by the City. The basis for the fees is provided for in long-term agreements, which do not expire for several years. FPL, which is projected to pay 96 percent of the estimated \$10,715,000, remits 6 percent of its gross revenue derived from accounts within the City limits, less property tax and minor fees previously paid to the City. In prior years, other franchise fee payers included BellSouth and AT&T Broadband. The new State communications services tax has replaced these fees along with some utility taxes discussed below. The projection for FY 2001/2002 reflects a 2.5% increase from the current year's budget due mainly to FPL rate increases in January and April of this year slightly offset by a rebate in June.

Utility Taxes - The City levies a 10 percent utility tax on electric, gas, and water utility bills for customers within the City. The largest source for this revenue category is the new State communications services tax which replaces former City utility and franchise fees on telephone and cable services. The new tax represents 50% of the projected revenue based upon estimates from the Florida Department of Revenue. FPL comprises 40% of the total. Water utility taxes are anticipated to increase due to the proposed water rate increase.

Charges for Services - This revenue is associated with revenue received from users of specific services. These services include user fees for police, building inspection, planning, and docks as well as parks and recreation. The revenue projected for FY 2001/2002 is anticipated to remain flat compared to the current fiscal year with no new user fees proposed in this revenue category.

License and Permit Fees - License and permit fees include occupational licenses issued to authorize businesses to operate within the City limits, and development permits issued to authorize building and construction within the City limits. While the occupational license revenue is fairly static, the development permits reflect the strong economic conditions and the market demand for office, retail, and residential construction. The permit revenue is projected to increase by 2.5% following an outside consultant fee review and the imposition of a zoning permit fee.

Intergovernmental Revenue - This revenue source is comprised of recurring State and County-shared revenue. The State of Florida shares motor fuel, alcoholic beverage license, and sales tax revenue with local government on the basis of population. Broward County provides gasoline and occupational license revenue. The revenue overall was projected to increase by 3.7% paced by a continuing strong return on State sales tax.

Fines and Forfeitures - This revenue category includes fines for traffic and other City Code violations. The revenue source has been stable but not growing. This category represents less than one percent of all General Fund resources.

Miscellaneous Revenue - This revenue source includes interest earnings, rents, the special assessment for fire-rescue, and interfund charges. Significant changes include an additional \$1.4 million in revenue to the General Fund from the various capital improvement programs that are contemplated in the next twelve months including the Water and Sewer Master Plan, the Accelerated Recapitalization Plan, and Executive Airport improvements. Another change in this revenue category is the planned five percent increase in the special assessment to recover a portion (26%) of the costs for fire-rescue services.

Non-Revenues - Non-revenues consist of the working capital reserve, prior year balance, and transfers from other funds. The working capital reserve was created in FY 1993/1994 to provide additional protection against economic downturns and is projected to begin FY 2002 with a \$2 million balance. The prior year balance represents available funds from the current year to fund next year's budget. The FY 2000/2001 amount of \$6,497,809 differs from the budgeted amount in that the estimate reflects encumbrances incurred in the previous year which were outstanding at September 30, 2000 as well as any additional balance available after the final closing of the books from the previous fiscal year.

GENERAL FUND

Table 6. Expenditure Summary By Department

<u>Resources Allocated</u>	<u>FY 2000/2001 Original Budget</u>	<u>FY 2000/2001 Estimated Actual</u>	<u>FY 2001/2002 Adopted Budget</u>
Administrative Services	\$ 7,694,150	8,396,195	8,285,052
City Attorney	1,730,714	1,795,473	2,116,775
City Clerk	801,182	938,782	851,172
City Commission	206,185	201,827	206,027
City Manager	2,634,879	2,971,491	3,232,311
Community & Economic Development	6,796,875	6,901,684	7,299,318
Finance	3,268,250	3,325,478	3,526,403
Fire-Rescue	31,451,293	33,250,708	36,189,110
Parks and Recreation	23,910,250	24,335,621	26,599,338
Police	58,061,022	60,067,303	64,037,767
Public Services	16,485,645	17,204,904	18,572,562
Other General Government	1,243,362	1,480,316	2,360,657
Contingencies	7,517,884	75,002	547,501
Transfers Out	15,439,695	16,477,773	16,152,652
Working Capital Reserve	1,500,000	2,000,000	2,064,163
Year End Balance	-	3,659,855	-
Total Resources Allocated	<u>\$ 178,741,386</u>	<u>183,082,412</u>	<u>192,040,808</u>

Program highlights include:

Administrative Services – The budget includes \$26,000 for increased hours for part time Information Technology interns, \$68,000 for another Geographic Information Specialist, the conversion of a temporary Clerk II to permanent status, a fault-tolerant/data recovery system for NT servers for \$120,000, and \$7,000 for an additional school crossing guard at Walker Elementary School. The Personnel Division has changed its name to Human Resources.

City Attorney's Office – An additional City Attorney and support staff are included for the Water and Sewer Master Plan, which will provide offsetting revenues to cover the \$150,000 cost of these

positions. The budget also includes the full year's cost of another legal secretary requested at the end of the last fiscal year.

City Clerk – An additional \$7,300 is included to increase the hours budgeted for a part time Secretary, as well as \$4,500 for a new computer and office equipment.

City Manager's Office – Two new auditors are included, one for revenue audits with a \$25,000 revenue offset to the \$60,000 cost, and the other for the Water and Sewer Master Plan which will fully offset that \$60,000 cost. Additionally, a Web Engineer for the City's intranet (starting mid year for \$50,000) has also been included.

Community and Economic Development – The budget includes \$70,000, with a \$220,000 revenue offset, for expenses associated with the opening of eight t-head mega yacht slips at the Las Olas Marina. One third of the cost for a new deputy director position has been added for \$40,000, with the remaining costs funded by the Executive Airport and Housing and Community Development. Two part-time code compliance officers are included for \$15,000. A total of \$100,000 has been added for the City's share of a consultant study to determine residential build-out density for the downtown, northwest, and south Regional Activity Center. Also included is \$245,000 for anticipated economic incentive payments. Six planning staff have been transferred to Public Services which has taken over the Planning functions related to the Development Review Committee and to updates to the State's Comprehensive Plan.

Finance – This budget reflects an additional accountant for \$60,000, which will be completely offset by revenues from the Water and Sewer Master Plan.

Fire-Rescue – The budget includes \$652,000 for nine new positions as well as equipment for a new rescue unit added late in the last fiscal year for the Barrier Island; \$132,000 for replacement of twenty percent of bunker gear and boots; and another \$55,000 included for vaccinations and medical testing. Fifty percent of the self contained breathing apparatuses (150 complete sets) and 300 spare bottles need replacement, however the full cost to do this would be \$590,000. Therefore this will be financed over a 5-year period with a debt service payment of \$135,000 included in FY 2001/2002.

Parks and Recreation – This budget addresses the need to staff and operate the new parks bond projects that will be coming on line during this fiscal year. Eleven full time equivalents plus operating costs have been added for a total of \$428,000, with \$31,000 in offsetting revenue, for Croissant Park Recreation Center, a new Beach Community Center, Lauderdale Manors Pool and Water Playground, and Warfield Park expansion. Other parks that will be newly constructed or expanded include the 17th Street Causeway, Snyder Park, Floranada Park, Holiday Park Phase III, George English and Palm Aire. For these locations, four full time equivalents for maintenance, plus supplies and equipment, are included for \$203,000. Contract services for median maintenance of additional locations such as Powerline Road, Northeast 13th St, and the Oakland Park, Sunrise, Broward, and Davie boulevards, is included for \$130,000.

Police – Additional funding of \$555,000 is included for maintenance of computers that are coming off warranty. A total of \$243,000 is provided for grant employees who will be transferred to the General Fund as the grants expire, and \$180,000 is included for an Information System Manager, a Technical Support Analyst, a Secretary and a Clerk Typist II. Replacement of six existing boats and twelve existing engines plus two new boats and 4 new engines are included for the Marine Unit. If this equipment was purchased outright, \$522,800 would need to be added to the budget. Therefore, the boats will be financed over a 6-year period and the engines for 2 years with a combined debt service payment of \$150,518 in FY 2001/2002.

Public Services – In Construction Services, a Building Inspector II, a Building Inspector I, a Service Clerk, and a Secretary I upgrade to full time status is included for a total of \$176,000 which will be totally offset with additional revenues. A total of \$60,000 from the Construction Trust Fund account will be used to purchase computer equipment for enhanced customer service. An Administrative Aide and an Engineer have been added for Airport support which will cover the \$103,000 cost, and a Real Estate Clerk II was upgraded to full time status for a cost of \$3,000. Eight existing GOB parks bond staff were transferred into the accelerated recapitalization program and 4 new staff (a Chief Architect, an Assistant City Engineer, and two Engineering Technicians) have been added to that program with the costs totally offset by additional revenues. One existing GOB parks bond employee plus 8 new staff (two Engineering Assistants, two Party Chiefs, and four Engineering Aide II's) were added for the Water and Sewer Master Plan which will cover these costs. For Special Assessment Projects, one existing GOB parks bond employee plus two new staff (an Administrative Assistant and an Engineering Technician) are included for a cost of \$123,000. Other additions to the budget include \$60,000 for maintenance of ballfield lighting, and \$40,000, which is offset by revenue, for additional traffic consultant fees. Six planning staff have been transferred in from Community and Economic Development to take over the Planning functions related to the Development Review Committee and to updates to the State's Comprehensive Plan.

Other General Government - This category includes items that are not attributable to City departments. Funding is provided for various social service, cultural, and promotional organizations in the community. The Community Services Board has evaluated the social and cultural applications for this funding and the Economic Development Advisory Board has reviewed the promotional proposals. This budget also includes funding for City mission related expenditures, \$65,000 for contract services for grants, \$49,000 for a National Urban Fellow Sponsorship, \$30,000 for the Information Technology Fund, \$10,000 for the tuition refund program, and the General Fund portion of the overhead charge for telecommunications and central stores.

Table 7. Social, Cultural and Promotional Funding

<u>SOCIAL ORGANIZATIONS</u>	Budget	Budget	Request	Adopted
	<u>FY 1999/2000</u>	<u>FY 2000/2001</u>	<u>FY 2001/2002</u>	<u>FY 2001/2002</u>
7th Avenue Recovery	\$ 0	0	10,000	8,451
A Child is Missing	2,500	4,375	6,000	5,721
Abandoned Pet Rescue, Inc.	0	0	5,000	5,375
Alzheimer's	5,864	0	0	0
Area Agency On Aging	38,756	39,000	N/A*	39,000
Boy Scouts Of America	2,500	0	0	0
Brookwood, A Young Woman's Residence	0	0	10,000	0
Broward Coalition for the Homeless	0	7,708	25,000	15,087
Broward Grandparents	0	0	25,000	9,701
Broward Homebound	5,250	0	7,000	6,413
Children's Diagnostic Center	2,500	4,948	0	0
Covenant House	0	11,875	30,000	0
Evergreen Baptist Church	0	18,182	25,000	0
Family Central	40,339	40,000	N/A*	40,000
First Call For Help	2,500	6,816	14,228	9,685
Florida Alliance for Progress, Inc.	0	0	10,000	0
Girl Scouts of Broward County, Inc.	2,500	7,420	13,500	10,413
HANDY, Inc.	0	0	10,000	0
Holiday Park Optimist Club	0	9,479	35,000	13,067
Justice for Children	0	2,084	0	0
Kids In Distress	3,409	4,479	5,000	0
Kids Voting Broward	0	2,084	2,000	4,413
Lighthouse of Broward County	3,636	5,677	10,000	9,028
McCloud Temple Church of God	0	0	30,000	0
Sharlene's Angels on Earth, Inc.	0	0	115,717	0
Sickle Cell Association	2,500	0	0	0
Starting Place	2,500	0	15,000	0
United Hearing & Deaf	4,091	6,094	7,500	8,548
United Residential Council	0	19,791	60,000	11,721
Urban League	6,496	10,750	23,000	0
Women In Distress	4,659	8,239	13,950	12,377
SOCIAL SERVICE TOTAL	\$ <u>130,000</u>	<u>209,000</u>	<u>507,895</u>	<u>209,000</u>

*Funding Levels are Pre-Set

<u>CULTURAL ORGANIZATIONS</u>	Budget FY 1999/2000	Budget FY 2000/2001	Request FY 2001/2002	Adopted FY 2001/2002
A Child's First Impression	\$ 2,606	0	0	0
All Florida Youth Orchestra	0	5,000	10,000	8,328
Ancestral Legacies, Inc.	0	0	10,000	6,980
Bonnet House	2,606	5,000	5,000	0
Curtain Call Playhouse	0	4,800	4,800	0
Florida Philharmonic Orchestra	2,606	5,000	5,000	4,000
Ft Laud Children's Theatre	5,720	0	0	0
Naval Airstation of Ft. Lauderdale	0	10,200	0	0
Old Dillard Museum	7,947	0	0	0
Opera Guild	3,515	0	10,000	7,942
Sharlene's Angels On Earth, Inc.	0	0	25,000	0
Stranahan House	5,000	0	5,000	2,750
CULTURAL TOTAL	\$ 30,000	30,000	74,800	30,000
<u>TOTAL SOCIAL & CULTURAL</u>	\$ 160,000	239,000	582,695	239,000
<u>PROMOTIONAL ORGANIZATIONS</u>				
Broward Ctr. for the Performing Arts	\$ 3,711	10,000	25,000	10,000
Broward County Film Society	7,227	10,000	15,000	9,358
Chamber of Commerce	17,410	0	13,000	0
Dillard High School Task Force	5,900	0	0	0
Florida Philharmonic	0	0	15,000	10,000
Florida Regional Minority Purchasing	5,424	10,000	20,000	3,500
Fort Lauderdale Children's Theatre	0	0	10,000	3,000
Fort Lauderdale Community Dev. Corp	0	0	15,000	0
International Business Council	0	0	38,055	0
Jimmy Evert Tennis Center - USTA	0	2,000	6,000	0
Jimmy Evert Tennis Ctr. – International	0	0	15,000	0
Las Olas Association, Inc.	3,299	0	40,000	0
Museum of Art	0	6,000	12,000	5,000
Navy League	3,236	3,000	5,000	1,000
Old Town at Riverwalk Merchants	0	4,000	15,000	8,142
Riverwalk Fort Lauderdale, Inc.	2,299	0	5,500	0
Smart Growth Solutions Group, Inc.	0	0	12,500	0
Sunshine Football Classic (MICRON PC)	4,486	5,000	0	0
Winterfest	7,908	10,000	25,000	10,000
PROMOTIONAL TOTAL	\$ 60,900	60,000	287,055	60,000
<u>TOTAL ALL CONTRIBUTIONS</u>	\$ 220,900	299,000	869,750	299,000

Contingencies - This appropriation is designed to cover expenditures not anticipated at the time of budget adoption. At the final budget hearing, the Commission adopted an operating millage rate that effectively removed \$2.2 million in resources from the General Fund contingencies. Given the uncertainties of the timing of obtaining grant funding and other policy decisions still to be determined regarding the PAVe (Personally Assigned Vehicles for police) program, \$443,000 for debt service and for cash match is being added here. The adopted funding level also includes an amount for cost-of-living adjustments for management and confidential employees.

Transfers - A transfer is an interfund transaction. Transfers out of the General Fund include resources for debt service (principal and interest) payments, contributions to the capital improvement program, and grant matching dollars.

Table 8. All Funds Proposed Transfers

	FY 2000/2001 Original Budget	FY 2000/2001 Estimated Actual	FY 2001/2002 Adopted Budget
<u>TRANSFERS IN</u>			
From Sunshine State for Geo. Info. Systems	\$ 68,695	68,695	-
From Water and Sewer Fund	-	67,096	-
From Parking Fund	-	58,152	-
Community Redevelopment Agency	300,000	300,000	425,000
Total Transfers In	\$ 368,695	493,943	425,000
<u>TRANSFERS OUT</u>			
Capital Improvement Plan	\$ 4,359,933	4,920,637	4,100,000
Community Redevelopment Agency	733,238	733,238	1,087,377
General Obligation Bond Debt Svc.	6,454,097	6,451,801	6,787,477
Excise Tax Debt Service	2,725,491	2,725,491	2,733,848
Sunshine State Debt Service	703,375	703,375	1,014,304
Vehicle Rental Fund	125,277	498,547	125,277
Grant Matching Funds	200,000	143,643	177,240
Insurance Fund	-	162,757	-
Parking Fund	138,284	138,284	127,129
Total Transfers Out	\$ 15,439,695	16,477,773	16,152,652

Year-End Balance/Working Capital - Savings in the current fiscal year (revenues minus expenditures) represent a significant resource for funding future budgetary requirements. The City has traditionally appropriated all identified resources for service delivery except for working capital reserve which is proposed to be \$2 million for FY 2001/2002. This represents a \$500,000 increase in order to maintain a responsible reserve for fiscal stability.

SANITATION FUND

The Sanitation Fund provides the City with refuse collection, a trash transfer station, lot clearing, bulk trash collections, recycling and street cleaning services. In early FY 1998/1999 we proceeded with enhancing our level of service in this program by providing once a week yard waste cart service to our customers. This enhanced level of service has resulted in the twice-monthly bulk service to be adjusted to once a month. In addition, we have reduced the size of the refuse containers to encourage recycling. These service levels are working well.

The remediation of the old Wingate Landfill and Incinerator site has begun and based on the agreements between the City, the other Potential Responsible Parties and Environmental Protection Agency, it has been financed with the 6% rate increase approved by the City Commission for this purpose in April 1995.

The FY 2001/2002 budget for Sanitation is \$18,834,390 an increase of \$1,470,776 or 8.5% from the FY 2000/2001 budget. This increase results primarily from an increase in operational costs as well as increased contractual costs. Monies are also included to move the maintenance of the Sanitation trucks into the fleet. The City expects to get an \$890,000 rebate from the County during FY 2001/2002 from the refinancing of the incinerator bonds that will help offset the budget increases. Therefore no rate increase is needed.

WATER AND SEWER FUND

The City of Fort Lauderdale supplies water and sewer services on a regional basis for over 300,000 residents of central Broward County. Areas serviced by the City's water treatment and distribution system include Fort Lauderdale, Port Everglades, Sea Ranch Lakes, Lauderdale-by-the-Sea, Oakland Park, Wilton Manors, Davie, Tamarac and portions of unincorporated Broward County.

The total FY 2001/2002 operating budget for the Water and Sewer Fund is \$39,583,586, an increase of \$7,685,624 or 21% above the FY 2000/2001 budget. Most of this increase is due to the creation of a Utilities Engineering Division to work on the Water and Sewer Master Plan which is offset by reimbursement from the Water and Sewer Capital Improvement Program. There is no debt service included for FY 2001/2002 since the issuance of revenue bonds is not contemplated until the following year and all outstanding revenue bonds will be fully matured by 9/30/01. Initial costs for the implementation of the Master Plan will be funded with operating revenue. Additional increases are due to employee payroll increases and general operational costs. A 2.5% rate increase has been included to cover these costs.

Last year, the Public Services Department presented the Water and Sewer Master Plan to the Commission. The Plan entails spending approximately \$550 million over the next twenty years. It was discussed that a 2.5% increase in rates would be added in years one, seven, and fourteen specifically for the Water and Sewer Master Plan. For FY 2001/2002 this gives a total rate increase of 5%.

The impact of a 5% rate increase on a residential customer using 10,000 gallons of water monthly amounts to \$2.51 illustrated as follows:

5% Effect on Water and Sewer Rates

<u>5/8 inch meter</u>	<u>Old Rate</u>	<u>New Rate</u>	<u>Increase</u>
Water Fixed Charge	\$ 2.82	\$ 2.96	\$ 0.14
Water Commodity			
0-3,000 gals	0.92	0.97	0.05
4-7,000	1.58	1.66	0.08
> 8,000	2.33	2.45	0.12
Sewer Fixed Charge	3.28	3.44	0.16
Sewer Commodity			
0-3,000 gals	2.13	2.24	0.11
> 4,000	2.96	3.11	0.15

5% Effect on Average Customer (10,000 gallons/month)

<u>5/8 inch meter</u>	<u>Old Rate</u>	<u>New Rate</u>	<u>Increase</u>
Water Charge	\$18.89	\$19.86	\$ 0.97
Sewer Charge	<u>30.39</u>	<u>31.93</u>	<u>1.54</u>
Total	\$49.28	\$51.79	\$ 2.51

CENTRAL REGIONAL WASTEWATER SYSTEM FUND

The City of Fort Lauderdale, through Large User Agreements, operates the Central Wastewater Region to provide treatment services for Fort Lauderdale, Oakland Park, Wilton Manors, Port Everglades, and parts of Tamarac. These agreements, necessitated by federal funding requirements, establish the methodology for setting rates to large users. The City Commission establishes a billing rate based upon estimated expenses for the coming fiscal year. At the close of each fiscal year, the fund is audited and the actual rate determined. If necessary, lump sum rebates or charges are made to adjust the amounts paid during the year. In the past, the rate calculated at year-end has been less than the budgeted rate resulting in rebates instead of charges.

The FY 2001/2002 operating budget for the Central Regional Wastewater System is \$8,136,964 an increase of \$273,120 which translates to a 3.5% increase over the FY 2000/2001 budget. A meeting of the Wastewater Large Users Committee was held in August 2001 to set the rates for FY 2001/2002. The Large User rate was reduced from the current \$0.77 to \$0.73 per 1,000 gallons of wastewater treated.

STORMWATER MANAGEMENT SYSTEM FUND

The City's Stormwater Management program is entering its tenth year of operation. Revenues collected are used for operating expenses and capital improvements directly related to the management of stormwater, including improvements designed to increase water quality in the City's waterways. Stormwater capital funds were used, for example, to fund those improvements

in the Executive Airport/Fiveash Wellfield area, which are directly related to water quality improvements.

The FY 2001/2002 Stormwater operating budget is \$2,304,014 a decrease of \$8,978 or a 0.5% decrease from the FY 2000/2001 budget. This decrease results from small adjustments to the operating budget. Stormwater rates have not increased since FY 1993/1994. The last few years, the City's been spending down the Stormwater reserves. In order to continue the current level of service we are recommending a 5% rate increase.

Billing is based on the following rate schedule:

- Residential property with three units or less is billed \$2.35 per month (\$0.11 per month increase).
- Commercial and industrial properties as well as multifamily residential with four units or more are billed \$23.92 per acre per month (\$1.14 per acre per month increase).
- Property with low runoff characteristics, such as vacant land, parks and wellfields are billed \$7.58 per acre per month (\$0.36 per acre per month increase).

PARKING SERVICES FUND

The City's parking system provides 10,242 parking spaces located in four parking garages and numerous parking lots as well as on-street parking. The FY 2001/2002 Parking Services operating budget is \$6,599,521, an increase of \$877,810 or 15% from the FY 2000/2001 budget.

During this fiscal year, public parking will be developed under the deck area of the new 17th Street Causeway Bridge and at Cooley's Landing Marine Facility. The City is currently negotiating the development of the Las Olas Intracoastal lot. This will result in a 1,000 space public parking facility(s). Metered parking is being explored in the City's North Beach area along both sides of the road on A1A north of Sunrise Boulevard to just beyond N.E. 18th Street. Public parking is also being explored at the former helistop and homeless sites in downtown Fort Lauderdale.

The new BridgeSide Square development parking facility was opened in February 2001 and provides 524 public parking spaces. This parking facility is operated without attendants since the City installed multi-space parking meters on all three levels of the public parking garage area and also sells monthly parking permits for this parking facility.

Parking Services has reorganized its management structure and restructured the duties of two vacant, former Assistant Manager positions.

AIRPORT FUND

The Executive Airport Division of the Community and Economic Development Department develops, operates and promotes Fort Lauderdale Executive Airport and Industrial Airpark, the Downtown Heliport, and the new Foreign-Trade Zone #241. The Airport is self-sustaining, with revenue generated by land leases and fuel flowage fees. The Division administers 47 land leases for both aviation-related and Industrial Airpark land on the 1,200-acre property.

Airport revenues are expected to increase by 8.5% from \$4,676,866 in FY 2000/2001 to \$5,082,409 in FY 2001/2002. Expenses are predicted to decrease by \$113,875 or 2.5% from \$4,303,905 in FY 2000/2001 to \$4,190,048 in FY 2001/2002.

Fort Lauderdale Executive Airport continues to play a key role in the City of Fort Lauderdale's economic development efforts by offering the types of facilities and amenities essential to business travelers. Executive Airport is unique in the Southeast in that it offers a 24-hour FAA Air Traffic Control Tower, an Instrument Landing System, a 6,000-foot runway, Aircraft Rescue and Fire Fighting services, U.S. Customs, 24-hour security and a police substation on the property.

This award-winning Airport is home to over 700 aircraft, including 110 jets and 42 helicopters, more than any other airport in the Southeastern United States. Six Fixed Base Operators provide a full spectrum of services, including fueling, avionics, maintenance, charters, aircraft sales and leasing, and air ambulance. Eighty-four percent of the over 9 million gallons of fuel pumped at the Airport in 2000 was jet fuel.

A number of Capital Improvement Projects are under development to prepare the Airport to meet the future aviation needs of the area. One of the most significant projects currently underway is the \$4 million Airfield Electrical Rehabilitation Project, which will bring the airfield electrical system and guidance signs up to current FAA standards and will enhance safety by reducing runway deviations, which have become a matter of national priority.

The Airport is also completing construction of an elevated Downtown Heliport, which will provide a vital transportation link to the City's Central Business District. The new facility will offer one landing and one parking position and a fully furnished lobby. The Heliport will be a convenient option to surface transportation for people traveling from Miami, West Palm Beach, and as far away as Orlando and Tampa.

As a means of continuing to promote economic development opportunities in the area, the entire Airport and six other sites were recently designated as Foreign-Trade Zone #241. This designation will help Airport tenants conducting international business to defer, reduce, or even eliminate costly duties or excise taxes, thus making the tenants financially stronger and more competitive.

The Airport's mission is to attract business to the area and help those businesses prosper while being a benefit to the community. As part of that mission, the Airport will complete the Master Plan and Part 150 Study Updates this coming year. These studies involve the efforts of the Airport tenants, the community, the Federal Aviation Administration and Florida Department of

Transportation, and the City staff to set a course for the future that meets the needs of both the aviation community and the needs of the residential community.

SUNRISE KEY NEIGHBORHOOD IMPROVEMENT DISTRICT

In accordance with State Statute regarding safe neighborhood districts, the following budget is based upon a millage rate of 1 mill.

Security & Other Services	\$37,400
Professional Services	4,200
Vehicle Expenses	4,200
Repair and Maintenance	2,500
General/Liability Insurance	3,500
Contingencies	7,000
Matching Funds	<u>1,200</u>
Total	\$60,000

LOOKING AHEAD

As part of the budget process, departments were asked to look ahead and identify what they should be doing over the next two years and what the future budgetary impact will be. Outlined below are areas they have specified that should be addressed.

Administrative Services

Purchasing and Central Stores will continue to leverage the use of technology and make greater use of the Internet. Within the Purchasing area, vendors will have greater access to their records and orders. Technology is available for Purchasing to electronically submit purchase orders to web enabled vendors. Efforts will continue to upgrade Purchasing software, strive to provide a full interface with the accounting system to include on-line receiving, and leverage the Internet for sources of vendors and commodities. The budgetary impact of leveraging technology is approximately \$50,000 over the next two years.

Purchasing would also like to begin the process of researching and implementing a document scanning system for the tremendous volume of paper records which we are required to maintain and access. This is a large capital project that could have a budgetary impact of over \$200,000, but the savings in staffing and productivity, as well as in records management, would be well worth the investment.

There has been a significant increase in the number of alternative competitive solicitation methods that are used, such as Requests For Proposals and Requests For Letters of Interest. There is also more involvement in contract negotiation for these more complex procurements. Therefore, it may be requested to add a staff buyer position for a total cost of approximately \$50,000 - \$60,000.

Fleet Services will need to monitor the Federal Government's position on alternate fuel mandates for cities and private fleets. A natural gas refueling station could cost the City between \$300,000 and \$500,000 if no outside funding sources such as grants, cost sharing funds, etc, were available. The growth in the fleet is making the existing garage maintenance and repair facility obsolete and inadequately sized to handle all sizes and types of fleet vehicles and equipment. A long term solution should be incorporated into the City's plans for a new operation center.

City Manager's Office

Administration will strive to complete the implementation of the Citizen Response system with ongoing staff training and software installation and upgrading. In addition, efforts will continue to actively monitor legislative issues and to implement a strategic planning process that will carry the City forward in the 21st century.

Internal Audit will step up its coverage of audits/reviews of the City's franchise fees, utility tax, license collector fees, and the review of various grants and contracts the City has entered into. Based on the results of the reviews, the City could recover revenues which could affect the City's General and Enterprise funds. Due to all the new technology and management use of computer programs for decision-making, the Division should secure contract services to perform audits of the City's computer environment.

The Office of Equal Opportunity would continue the City's education and awareness programs through training initiatives which will require contract professional services (\$25,000). Additional resources will also be needed in the future to provide clerical assistance to the staff and increase the level of service and effectiveness of the City's Disadvantaged Business Enterprise Program.

Public Information's most significant initiative for the coming years will be the expansion of electronic government communications and service delivery. The City's Internet presence, maintenance and enhancements to the web site will increase immensely, which will require additional staff resources. The City's redevelopment efforts are expected to bring new projects to the community in the coming months. Communicating the progress of projects to the community will be a critical element for their success.

Community and Economic Development

Under Community/Neighborhood Services, programs and support should be expanded to educate, empower, and sustain neighborhoods.

Under Marine Facilities, if the proposed issuance of a bond for the enhanced Capital Improvement Plan for building/facilities recapitalization is endorsed, the needs will be addressed. If not, then additional resources from the General Fund will be needed.

The Community Inspections Division will continue to focus on and build upon its relationship with the community. High priority is placed on the commitment and ability to maintain neighborhoods, protect property and preserve the value of our public and private investments. With this commitment comes the continued expenditure relating to demolishing and securing buildings. We will build on last year's efforts to educate the public through the schools, neighborhoods and civic associations, and the Neighborhood Leadership College. Such actions will continue to create an

awareness and understanding of the code. The budgetary impact relates to required educational materials. Revenue relating to such enforcement is expected to decline as communication increases and a level of understanding is recognized prior to an enforcement hearing process. Staffing at the administrative and inspector levels is expected to increase due to annexations and the expansion of enforcement beyond just trash violations to include issues such as landscaping, boarded structures, house painting, general aesthetics and environmental issues. Traditional enforcement of the South Florida Building Code and the City Code of Ordinances will continue over the next two years. The South Florida Building Code will be enforced until it is replaced by the State of Florida Building Code at which time our focus will shift to the new code. The Division will continue to train staff at all levels.

The new Redevelopment Division will leverage private sector investment to facilitate grants and/or payment to fund public improvements on or near City owned land. We intend to capture over \$4 million in infrastructure grants over the next 16 months as a result of this development activity. Over the same period, we expect to facilitate development of over \$60 million with various tax revenues in excess of \$1.2 million and job creation of over 1,500. The future budgetary impacts will be the cost of staff services.

The Community Redevelopment Agency (CRA) Board recently approved a strategic financial plan to leverage private sector investment in the CRA district. The \$45 million plan will focus on specific project areas and provide the foundation for infrastructure support and development of parcels. The plan contemplates the sale of Tax Increment Financing bonds and possibly an infusion of general funds, should the tax increment generation lag behind capital investment and related debt service payments. The amounts are preliminarily identified within the finance plan, however as projects become more detailed, flexibility is necessary. The plan can be revised as needed. The objective is to minimize the amount of funds, if any, needed from the General Fund to initiate redevelopment in the CRA district.

The Airport Division will focus on implementing a number of new programs and initiatives including continuation of our 24 hour Air Traffic Control Tower, rehabilitating the entire electrical system, and developing a program to extend the hours of operation of the Executive Airport U.S. Customs facility. An update has been initiated to the Airport Master Plan and Noise Compatibility Study which will establish FAA approval and funding for future airfield development projects and noise abatement measures. The new Downtown Helistop will be operational in the next year, requiring aggressive marketing to the aviation industry and to corporations targeted by the City for relocation. Aggressive staff effort will also be put forth to complete a multi-million dollar project to construct a permanent Airport Administration Building and design a Fire Rescue Station and an Emergency Operations Center with partial FDOT funding. Future phases will include U.S. Customs and Airport Maintenance facilities. This project will be paid for by Airport Division funds and FDOT grant funding.

Finance

The Governmental Accounting Standards Board (GASB) has issued Statement 34, "Basic Financial Statements for State and Local Governments" which establishes new accounting and financial reporting standards for state and local governments. This statement is effective for financial statement periods beginning after June 15, 2001. The City is in the process of

implementing GASB 34. In the Insurance Fund, medical inflation costs and premium collections will have to be carefully monitored in order to maintain a stabilized self-funded health program.

Fire-Rescue

Current initiatives to reduce overhead and operational costs should continue. These include reducing medical supply costs working with Central Stores on inventories, reducing inventories at fire stations and apparatus where appropriate, and developing processes that improve control and purchase. Other systems or process changes, such as the Traffic Control Devices, EMS Field Data Devices, and Emergency Medical Dispatch will provide ability to increase workloads by reducing the time for dispatch, response, and report writing of emergency personnel.

Parks and Recreation

The final phase of the General Obligation Bond projects will be coming on line in FY 02/03. Over the next year, the County will finalize the county parks plan and the City should be receiving challenge grants with matching funds for various park sites. Additional funds will become necessary to maintain these new facilities and enhancements.

Police

The next phase of the PAVe (Personally Assigned Vehicles) will be requested for FY 2002/2003 at a cost of about \$653,000. Also, in FY 2002/2003 the remaining two employees from the Civilianization Grant will be transferring into the General Fund with an estimated cost of \$100,000.

Public Services

Efforts are underway to move towards a fully online permitting system in the Building Services Division. Such efforts may result in the need for improvements in the database, as well as hardware and software to implement such high tech systems. Comprehensive Planning will need funding for the Urban Design Plan that will be presented to the Commission in 2001. This Plan will require resources to implement various studies and capital projects.

General

As the extent and quality of City services continues to rise, so too do the geographical boundaries of these service areas. To that end, the issue of annexation and the potential effect that joining areas will ultimately have on the City's budget is a very important issue in upcoming fiscal years.

Representatives from all City departments have joined to form the Annexation Core Team to project among other issues, the economic effects of annexation. The team has developed five-year cost projections for two adjacent unincorporated Broward County neighborhoods, Melrose Park and the Riverland/Southwest Areas, that have each passed a bill listing the City of Fort Lauderdale as a potential municipality into which they may incorporate. The cost estimates are developed to determine if an unincorporated neighborhood is at least economically neutral so that the City may provide adequate services to the area. Therefore, all expenditures required to service the newly incorporated area, including one-time capital costs, are subtracted from all sources of the neighborhood's revenue.

On November 6, 2001, Melrose Park residents voted for incorporation into the City effective September 15, 2002. The Riverland/Southwest areas are scheduled to vote on March 12, 2002.