



Venice of America

CITY OF  
**FORT LAUDERDALE**

July 19, 2005

Mayor Jim Naugle  
Vice Mayor Christine Teel  
Commissioner Dean J. Trantalis  
Commissioner Carlton B. Moore  
Commissioner Cindi Hutchinson

Honorable Mayor and Commissioners:

It is my privilege to present the Proposed Budget for FY 2006, as is my duty under the City Charter. My objective is to provide you with a practical financial plan that builds on the successes of the past year and ultimately, leads to the long-term financial stability of the City.

This proposed budget is fiscally conservative. It continues our successful efforts to rein in the costs of City government and replenish depleted reserves. It provides for restoration and revitalization of needed services. It includes much needed tax relief for the citizens of our City. In fact, this proposal provides the largest percentage tax rate decrease in more than a decade.

The General Fund Proposed Budget is \$251,993,817\*, which represents a 3% increase over the current year's General Fund budget. The proposed budget including all funds totals \$435,722,913, which is 5% higher than the budget adopted for the current fiscal year. The proposed millage for operating and debt purposes is 5.4313, which is 6% lower than the current rate. In terms of requirements to finance the ongoing operations of the City (not debt service), the proposed operating millage is 5.0924.

### **Budget Philosophy**

This proposed budget advances the successes of the past fiscal year by focusing on "The Four Pillars:" replenish the depleted fund balance, restore needed services, stabilize taxes, and pay down the insurance deficit. Under your leadership and with the support of City staff and the community-at-large, the City has made considerable advances in each of these areas over the past year.

#### **A. Replenish the Depleted Fund Balance**

Through the implementation of strict budget accountability and spending control measures, it is anticipated that by the end of the present fiscal year, the City will have an

\*FY06 Total excludes projected fund balance of \$16.6 million.

OFFICE OF THE CITY MANAGER

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available fund balance of \$15-17 million. This indicates that the City has successfully reached the target national minimum reserve of 7% two years in advance of earlier projections. To put this in perspective, just two years ago, this fund balance was \$875,000. This proposed budget will continue to replenish the reserve. As a consequence of salary savings, additional cost-cutting measures, departmental restructuring, resolution of union contracts and the privatization of City services, the City's ability to weather unpredictable financial emergencies is greatly improved.

**B. Restore Needed Services**

Proposed service improvements include hiring additional police officers, replacing funding to provide for the necessary staffing levels to keep Engine 13 in service, and adding both a traffic and a transportation engineer to assist in planning for and managing the City's continued development.

**C. Stabilize Taxes**

The broader economic viability of the City has also helped bolster the City's financial outlook. A growing economy and building development has resulted in marked improvements in the City's financial stability. Property values continue to rise and controlled development has added thousands of new units to the tax rolls. The City's tax base grew 18% this year. As a result, this budget provides the citizens of the City with much needed tax relief. This budget proposal recommends a millage rate decrease of 6% from 5.4066 to 5.0924. This is the largest tax decrease in more than ten years.

**D. Pay Down the Insurance Deficit**

In FY 2003, the City's self-insurance fund deficit reached an unprecedented \$20.6 million. In FY 2005, significant improvements have been made to replenish that fund. Under your continued prudent financial direction, it is expected that the self-insurance fund will return to a positive balance by the end of FY 2006.

The City's efforts have not gone unnoticed by outside observers. In May 2005, Moody's Investors Service revised its outlook for the City noting "the steps taken by officials in a relatively short period of time, speak positively about recognizing the need for change to maintain financial stability". The improved outlook could not have been achieved without the concerted efforts of the Commission and the dedicated management team that has implemented the Commission's priorities to attain the level of financial stability the City will now enjoy. This budget continues to build on these successes.

The FY 2006 proposed budget provides for strict adherence to the fundamental principles that have led to the City's improved current financial stability. Continued practice of fiscal discipline and vigilance will fully restore the City's financial viability in the years to come. The guiding principles are: fiscal accountability on all purchases and hiring, and a focus on service – with special emphasis on quality of life issues and a shared commitment to professionalism, respect, integrity and teamwork by the Commission, staff and citizens of Fort Lauderdale.

**Conclusion**

I strongly believe spending controls taken in the current year, and the direction of my proposed budget for next year will serve to build a strong foundation upon which to

improve the City's fiscal condition. Together with your guidance and encouragement, the City's future is greatly improved from when I first arrived.

The public hearing dates recommended for the review of this budget are the regular meeting dates for Commission meetings of September 7th and 20th. The Proposed Budget will be presented to the Budget Advisory Board for its comments and suggestions, as well as any citizen group that would like to discuss these recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "George Gretsas", written in a cursive style.

George Gretsas  
City Manager

**GENERAL FUND**

Overall, the adopted General Fund revenue projection, including all sources, is an increase of \$23.6 million or 9.6% over the adopted FY 2004/2005 budget. The following table summarizes the revenue picture:

**Table 1. Revenue Summary**

<b><u>Resources Available</u></b>	<b>FY 2004/2005 Adopted Budget</b>	<b>FY 2004/2005 Estimated Actual</b>	<b>FY 2005/2006 Adopted Budget</b>
Ad Valorem Taxes – Operating	\$ 103,858,669	105,607,107	115,138,789
Ad Valorem Taxes – Debt	6,990,459	7,100,218	7,672,448
Franchise Fees	13,800,400	14,185,200	14,070,000
Utility Taxes	34,049,176	32,285,000	31,818,205
Licenses & Permits	10,955,700	10,594,000	11,038,100
Intergovernmental	16,843,545	16,365,000	16,575,000
Charges for Services	16,746,927	16,144,362	16,824,522
Fines & Forfeitures	2,371,000	2,250,100	2,060,000
Miscellaneous:			
Interest	368,500	616,042	830,500
Leases/Rents	2,388,933	2,480,486	2,510,691
Special Assessments	12,996,833	13,297,663	13,026,833
Other Miscellaneous	18,191,166	18,535,380	19,278,729
Non-Revenues:			
Balances and Reserves	4,509,477	11,155,757	17,617,636
Transfers	990,062	1,052,715	150,000
<b>Total Resources Available</b>	<b>\$ 245,060,847</b>	<b>251,669,030</b>	<b>268,611,453</b>

Ad Valorem Taxes – The adopted ad valorem or property tax millage for operating purposes is 5.0924. 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 Bonds (G.O.B.). The current outstanding debt issues are 1987 bonds, which were refunded in 1992 and again in 1998, and FY 2005 Fire Bonds. Debt service for the 1987 bonds will be \$3,757,791 in FY 2005/2006 which will require a levy of \$3,955,570 and a millage of 0.1664. The 1997 bond issue, which was refunded in 2002, requires a debt service payment in FY 2005/2006 of \$2,687,369, and requires a levy of \$2,828,809 and a millage of 0.1190. The debt service for the Fire Bonds issue will be \$1,208,033 in FY 2005/2006 which will require a levy of \$1,270,950 and a millage of 0.0535. The

adopted combined millage for operating and debt service for FY 2005/2006 is 5.4313, which amounts to a 6% decrease in the rate.

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 4.7581, the adopted operating rate is a 7% increase. The increase in the total operating and debt rate is 6% over the rolled-back rate. The "Save Our Homes" (SOH) State Constitutional Amendment limits the increase in assessed value to the Consumer Price Index. For this year, the limit is 3.0%. Over time, the limit essentially shifts the tax burden from residential property to non-residential property and newly purchased residential property. The average home was calculated from the 2005 tax roll for single-family dwellings divided by the number of parcels.

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 \$8.1 million. The total debt service is \$11.7 million.

The impact of the adopted City millage on the average homeowner is complicated by the Florida Constitution that provides for a limit on the assessed value of property that receives a homestead exemption. The Constitutional Amendment, "Save Our Homes," limits the increase in assessed value for those properties to the lesser of 3.00% or the year-over-year Consumer Price Index change. For calendar year 2005, the limit is 3.00%. Homes that were homesteaded since the beginning of the program reflect an assessed value that has been restricted since 1995. Therefore, there are great disparities for similar properties that may have the same market value but drastically different assessed values as described below.

- A property that has enjoyed the benefits of the assessed value limit since 1995 with and without homestead exemption. The one with homestead would pay \$(26.64) less in City taxes in FY 2006 compared to FY 2005. The same property without homestead would pay \$146.38 more.
- The Property Appraiser estimates that the market value of the average condominium in Fort Lauderdale is \$234,832. A condominium with homestead exemption would pay \$(26.63) less in FY 2006 compared to a non-homesteaded condominium, which would have an increased City tax bill of \$153.30.
- A similar comparison to the condominium above is provided for the average single family home estimated with a market value of \$337,717. The one with homestead would pay \$(41.74) less next year compared to \$220.46 more without homestead.

Market value is the estimated price that a home would sell for in the real estate market. The Property Appraiser's Office establishes the assessed value that generally lags behind the market values at any point in time. For homesteaded properties, the assessed value is limited by the State Constitution. The taxable value includes consideration of any exemption including homestead at \$25,000 that is subtracted from the assessed value amount. In addition to the usual homestead exemption, qualifying seniors may also receive an additional \$25,000 if they are 65 or older as of January 1, 2005 and have a combined household gross adjusted income of no more than \$22,693.

The following is a comparison of FY06 adopted millage rates for Broward County taxing jurisdictions, as well as larger Florida cities.

**Table 2. Adopted Operating Millage Rates for FY 2005/2006**

<u>Jurisdiction</u>	<u>Millage</u>	<u>Percentage</u>
Broward County Schools	7.8410	34.47%
Broward County	6.2942	27.67%
<b>Fort Lauderdale</b>	5.0924	22.39%
North Broward Hospital	2.1746	9.56%
S. Florida Water Mgmt.	0.6970	3.06%
Children Services	0.4231	1.86%
Hillsboro Inlet District	0.1845	0.81%
Florida Inland Navigation	0.0385	<u>0.17%</u>
		100.0%

**Table 3. FY 2005/2006 Operating Millage Rates as Adopted per \$1,000 of Taxable Value for Selected Florida Cities**

Jacksonville*	9.6500
Miami	8.4995
Miami Beach	7.4810
Hialeah	6.9500
St. Petersburg	6.9163
Hollywood	6.8000
Tampa	6.5390
Clearwater	5.7530
Orlando	5.6916
<b>Fort Lauderdale</b>	<b>5.0924</b>
Gainesville	4.9416
Pembroke Pines	4.5990
Coral Springs	3.8715
Tallahassee**	3.7000

\*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.

**Table 4. Broward County Cities - Population and FY 2005/2006 Millage Rates**

<u>City</u>	<u>Population</u>	<u>Rank</u>	<b>Operating</b>	
			<u>Millage</u>	<u>Rank</u>
Pembroke Park	5,708	28	8.5000	1
Sea Ranch Lakes	727	30	6.9500	2
Hollywood	142,985	3	6.9163	3
Margate	54,455	15	6.7611	4
Miramar	101,813	5	6.6500	5
West Park	12,000	24	6.5239	6
Lauderdale Lakes	31,752	20	6.4007	7
Dania	58,080	12	6.3900	8
Wilton Manors	12,282	23	6.3800	9
Hallandale Beach	35,230	18	6.2838	10
Tamarac	57,726	14	6.2499	11
Sunrise	88,976	6	6.2100	12
Lauderhill	57,936	13	6.0200	13
Deerfield Beach	65,113	10	5.9949	14
Oakland Park	31,810	19	5.8868	15
Cooper City	28,993	21	5.6870	16
North Lauderdale	40,281	17	5.6792	17
Coconut Creek	47,922	16	5.3408	18
Davie	81,939	9	5.1000	19
<b>Fort Lauderdale</b>	<b>170,212</b>	<b>1</b>	<b>5.0924</b>	<b>20</b>
Lauderdale-By-The-Sea	6,278	27	4.7000	21
Pembroke Pines	149,882	2	4.5990	22
Plantation	84,604	8	4.5889	23
Lazy Lake	34	31	4.4736	24
Parkland	19,374	22	4.1000	25
Pompano Beach	87,132	7	4.0380	26
Coral Springs	126,711	4	3.8715	27
Lighthouse Point	10,857	25	3.5630	28
Southwest Ranches	7,443	26	3.0000	29
Hillsboro Beach	2,245	29	2.8159	30
Weston	60,636	11	1.5235	31

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 the rights of way owned by the City. The basis for the fees is provided for in long-term agreements. FPL, which is projected to pay \$13,700,000, which is 3% above the adopted budget of \$13,300,200, remits 6.0% of its gross revenue derived from accounts within the City limits, less property tax and minor fees previously paid to the City. The adopted FY 2005/2006 budget reflects a 3% increase over the current year's budget.

Utility Taxes - The City levies a 10.0% utility tax on electric, gas, and water utility bills for customers within the City. The largest source for this revenue category is the State communications services tax which replaced the utility and franchise fees on telecommunication and cable television services. The tax represents 49.0% of the adopted revenue based upon estimates from the Florida Department of Revenue, and is on a declining trend due to technological changes in the communications industries that have led to lower prices and lower usage rates for traditional telephone services. FPL comprises 40.0% of the total. Water utility taxes will increase as water rates increase.

Charges for Services - This is associated with revenue received from users of specific services, including fees for police, building inspections, planning, and docks, as well as parks and recreation. This category reflects no change from the current year.

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. This area is remaining stable.

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. There is no change in this revenue source.

Fines and Forfeitures - This revenue category includes fines for traffic and other violations collected by the County on our behalf through the judicial process. It is showing a 13% decline over the current year due to fewer traffic citations issued due to vacancies in the Police Department. 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. The investment market shows a slight rebound over last year's decline of about \$230,000. The fire assessment, which appears as a non-ad valorem charge on the tax bill, remains at \$94 per residential unit. The City will recover approximately 40% of its fire suppression expenses under this financing plan.

Non-Revenues - This source consisted of the working capital reserve, prior year balance, and transfers from other funds. Working capital reserve and prior year balance is now considered as fund balance and no budget amount is adopted for FY 2006.

## GENERAL FUND

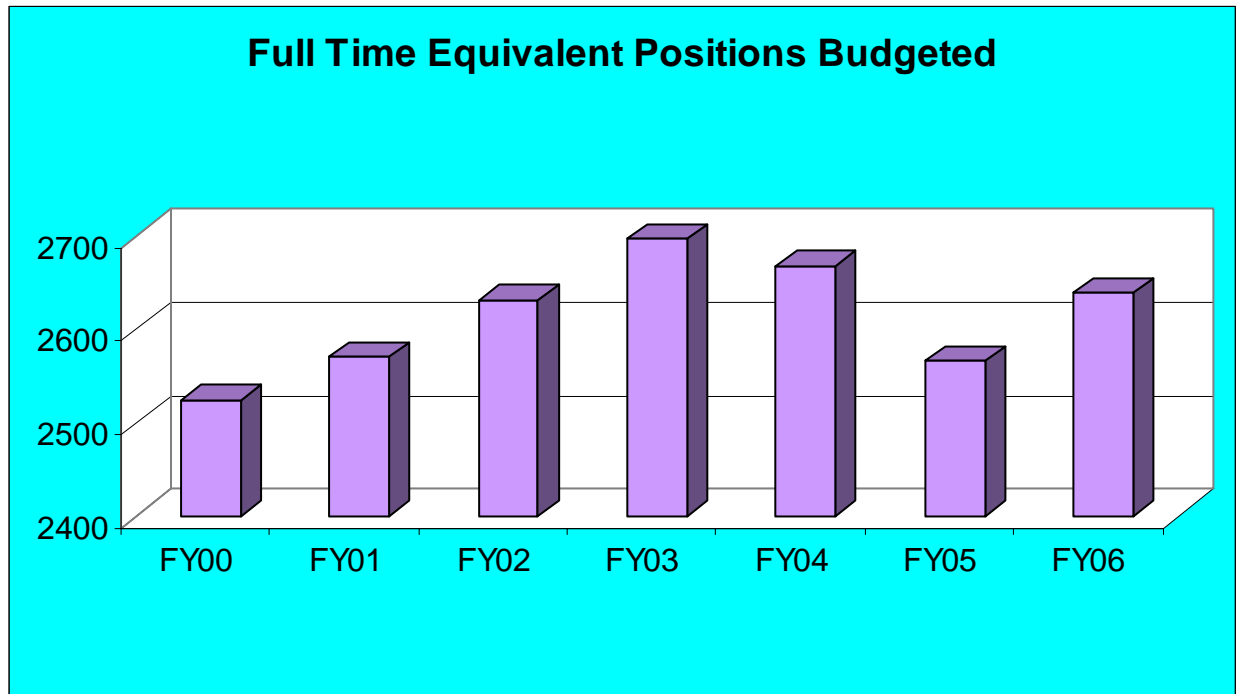
**Table 5. Expenditure Summary by Department**

<b>Resources Allocated</b>	<b>FY 2004/2005 Adopted Budget</b>	<b>FY 2004/2005 Estimated Actual*</b>	<b>FY2005/2006 Adopted Budget</b>
Building Services	\$ 10,084,436	8,919,257	9,871,498
Business Enterprises	5,303,881	5,167,189	5,582,167
City Attorney	2,822,406	2,797,176	3,120,811
City Auditor	-	-	400,000
City Clerk	1,279,980	1,060,528	1,385,039
City Commission	306,958	323,968	828,311
City Manager	1,745,936	1,633,283	1,511,428
Economic Development	1,099,972	619,753	738,572
Finance	3,625,850	3,493,675	3,641,107
Fire-Rescue	49,459,127	49,695,393	53,832,817
Human Resources Department	2,507,991	2,594,757	2,559,739
Information Systems	4,474,434	4,606,371	4,439,960
Office of Management & Budget	1,212,077	882,061	1,358,429
Office of Professional Standards	455,146	415,883	556,498
Parks and Recreation	24,821,286	25,036,898	25,744,109
Planning and Zoning	2,903,353	3,016,468	4,178,119
Police	77,058,949	75,474,921	82,255,642
Procurement	980,621	894,977	1,088,556
Public Information	2,197,472	1,275,816	1,310,978
Public Works	15,789,937	15,204,748	16,564,106
Other General Government	10,981,371	11,432,994	11,018,233
<b>Total Departmental</b>	<b>\$ 219,111,183</b>	<b>214,546,116</b>	<b>231,986,119</b>
<b>Non Departmental</b>			
Transfer to CRA - Tax Increment	2,006,627	2,022,198	2,677,184
Transfer to Miscellaneous Grants	112,238	314,664	330,285
Transfers to Debt Funds	13,218,933	13,611,681	11,650,229
Transfer to General Capital Improvements	4,306,000	4,350,000	4,350,000
Transfer to Vehicle Rental	281,563	206,735	0
<b>Total Non Departmental</b>	<b>\$ 19,925,361</b>	<b>20,505,278</b>	<b>19,007,698</b>
<b>Balances and Reserves</b>	<b>5,024,303</b>	<b>16,617,636</b>	<b>16,617,636</b>
<b>Reserves for Contingencies</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>
<b>Total Expenditures</b>	<b>\$ 245,060,847</b>	<b>251,669,030</b>	<b>268,611,453</b>

\*Actual expenditures include projections or spending against prior year encumbrances that are not included in the adopted budget.

### CITY OF FORT LAUDERDALE STAFFING LEVELS

The number of full-time equivalent (FTE) positions is a primary factor in determining the adopted budget. The adopted all funds staffing level for FY 2006 is 2,641 FTE positions. This is approximately the same level as authorized four years earlier in FY 2002 of 2,631.55.



Program highlights are listed below. Please note that when costs are given for new positions, the figure includes salary, benefits, capital equipment, and/or operating expenses, as needed.

Building Department – Two Code Enforcement Officers and one Service Clerk have been added to serve the newly annexed area of Rock Island and Twin Lakes North for a total cost of \$173,443.

Business Enterprises – Due to the annexation of Rock Island, additional School Crossing Guards are included for \$41,160. An existing Messenger position has been transferred into the General Fund from the Central Services Fund at a cost of \$41,030. Three new positions have been added including an Administrative Assistant for \$64,572, a Senior Accounting Clerk for \$44,969 and a Service Clerk for \$40,312.

City Attorney's Office – The adopted budget includes funding for a new Senior Assistant City Attorney position for \$146,953 due to additional workload responsibilities.

City Auditor – This is a new department established via a November 2004 voter approved City Charter change. A budget of \$400,000, which includes two new positions of a City Auditor and an Administrative Assistant, has been added for this purpose.

City Clerk – In order to provide an educational session for advisory board/committee memberships, \$700 has been added to the budget. Another \$9,000 was added to replace the three televisions for the City Commission meetings. Due to the upcoming Primary and General City Commission elections in March 2006, \$875,451 is also included. Seven positions have been transferred out to the City Commission Office due to the City Charter change that was approved by the voters in November 2004, for a net reduction of (\$475,898).

City Commission – In order to provide adequate funding levels for various operating expenses such as memberships, print shop, procurement card, meetings, etc., \$31,900 was added to this budget. Other increases include \$475,898 to transfer in the seven positions from the City Clerk's Office as noted above.

City Manager – This request includes \$120,000 for a Federal Lobbyist.

Economic Development – A Real Estate Officer has been added for \$85,000.

Finance – The adopted budget includes \$13,200 for twenty-two laser printers in the Treasury Division, \$3,500 for overtime to implement the new Utility Billing System and \$1,400 for site visits concerning this system, all of which are completely offset by revenue. Another \$65,000 has been added for temporary Accounting Services due to current workload demands and existing vacancies.

Fire-Rescue – New funding includes \$28,450 for a Receptionist position for the Fire Administration building, \$524,822 for eight firefighters to serve the annexed areas of Rock Island and Twin Lakes North, plus an additional \$120,000 to purchase 20 computers to place in the fire apparatuses. Another \$524,822 has been added for the eight firefighter positions that were un-funded in FY04/05, which will restore the staffing levels needed to keep Engine 13 in service.

Human Resources – A temporary Clerk Typist II is included for \$34,298, as well as \$21,750 for overtime, both due to the increased workloads. To assist with filling vacancies, \$23,000 has been added for advertising. A computer software upgrade is also included for the Employee Photo Identification Suite/Support for \$3,180.

Information Systems – Three Geographic Information Specialist (GIS) positions that were funded by the GIS Capital Improvement Plan are now funded in the General Fund for a total of \$262,543. The budget also includes \$10,000 for PC license upgrades, \$7,000 for Anti-Spyware software, \$74,793 for a new Technical Report Writer position, and \$30,000 for a Citizen Response Message/Survey System.

Office of Management and Budget – A new Financial Management Analyst is included for \$68,573 to focus on the Capital Improvement Plan.

Office of Professional Standards – The budget includes a new Office of Professional Standards Specialist for \$84,196, \$10,000 for temporary clerical services, \$12,575 for professional services to provide mandatory training, \$1,000 for a rent increase, \$4,000 for research and background investigations databases, and \$3,000 for conferences.

Parks and Recreation – Additional lifeguards, a pool equipment mechanic, electric, water, and chemicals are included for the new interactive water playground at Riverland Park for a cost of \$210,918. Twenty-four radios are to be replaced for \$38,784, \$10,000 is being added for a Twin Lakes annexation tree trimming contract, and \$43,168 for a new Senior Accounting Clerk.

Planning and Zoning – This budget includes \$100,000 for the Comprehensive Plan Evaluation and Appraisal Report Amendments, \$65,000 for the Unified Flex Zone study consultant, \$300,000 for the Downtown Campus study consultant with offsetting revenue of \$150,000, and \$75,000 for the Area-Wide Plan consultant. A Historical Resource Planner has also been added for \$75,000.

Police – Included in the adopted budget is \$339,311 for staff, equipment, and building repairs due to increases in costs for hiring and recruitment efforts. Thirteen Police Officer positions have been added for \$1,600,000; \$500,000 added for Booking and Action Plans overtime, and \$200,000 for three part time Reserve Police Officer positions.

Procurement – Computer software to streamline the travel process is included for \$16,500 and \$25,000 is added for computer software to process vendor applications and notifications, as well as bid tabulations.

Public Information – The adopted budget continues the existing operation.

Public Works – A Traffic Engineer and a Transportation Engineer has been added for \$85,000 apiece, along with \$18,000 for overtime associated with air conditioning and carpentry repairs. Also included is \$800,000 to sandblast and paint the wave wall at the beach and \$100,000 for City Hall security.

Other General Government – This category includes items that are considered a citywide expenditure such as the General Fund portion of retiree health benefits, telecommunications, tuition reimbursements, and disability health benefits. The budget has funding for Area Agency on Aging (\$37,050), Family Central (\$38,000), and Sister Cities Program (\$19,000). A citywide computer replacement plan is funded here for \$200,000, along with \$250,000 for anticipated consulting fees for a best practices/performance based budgeting study. Also included is \$1,400,000 for cost-of-living adjustments for management and confidential employees, as well as for employees covered by union contracts. This would allow for a 2% increase in October 2005 and a 1% increase in April 2006, which matches what the Police and Fire unions have agreed upon.

Year-End Balance/Reserves – The total Balance/Reserves is \$17.6 million. This includes \$1 million for contingencies, as well as \$16.6 million for fund balance. Fund balance has increased greatly over the FY04/05 adopted amount of \$5 million. This is due to increased budget controls and other cost savings measures to meet a national target of having a fund balance of 7-10% of the budget.

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, the City's portion of the tax increment for the two Community Redevelopment areas, grant matching funds, and reserve funding.

**Table 6. General Fund Transfers**

		<b>FY 2004/2005</b>	<b>FY 2004/2005</b>	<b>FY 2005/2006</b>
		<b>Adopted</b>	<b>Estimated</b>	<b>Adopted</b>
<b>TRANSFERS IN</b>		<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>
CRA	\$	829,128	827,136	150,000
GOB 1997/2002 Debt Service		160,934	160,934	-
General Capital Projects		-	64,645	-
<b>Total Transfers In</b>	\$	<b>990,062</b>	<b>1,052,715</b>	<b>150,000</b>
<b>TRANSFERS OUT</b>				
CRA	\$	2,006,627	2,022,198	2,677,184
Miscellaneous Grants		112,238	314,664	330,285
General Obligation Bonds		6,825,849	7,100,171	7,672,498
Sunshine State		2,287,718	2,347,719	927,045
Excise Tax Bonds		1,487,941	1,490,741	1,479,136
General Capital Projects		4,306,000	4,350,000	4,350,000
Parking		127,129	-	-
Central Services		29,157	-	-
Vehicle Rental		125,277	206,735	-
Transfer to FIFC		2,617,425	2,673,050	1,571,500
<b>Total Transfers Out</b>	\$	<b>19,925,361</b>	<b>20,505,278</b>	<b>19,007,648</b>

**SANITATION FUND**

The Sanitation Fund provides the City with residential household garbage and yard waste collection, lot clearing, canal cleaning, bulk trash collections, recycling and street cleaning services. Since the implementation of new service levels in early FY 1998/1999, we have continued to maximize the separation of clean yard waste in our programs. These service levels continue to work well with our existing customers.

The remediation of the old Wingate Landfill and Incinerator site is finalized and based on the agreements between the City, other Potential Responsible Parties and the Environmental Protection Agency, and continues to be financed with the 6.0% rate increase approved by the City Commission for this purpose in April 1995.

FY 2005/2006 adopted budget for Sanitation Fund is \$20,067,897, which is a \$1,554,299 decrease from the FY 2004/2005 budget. This decrease was managed through the privatization of the remaining residential curbside garbage collection routes.

With these operational changes, the City will maintain its compliance with the covenants of the Sanitation Revenue Bonds, which require the net revenues to be at least equal to 135.0% of the principal and interest requirements for each fiscal year. There is no sanitation rate increase for FY 2005/2006.

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 2005/2006 adopted operating budget for the Water and Sewer Fund is \$46,033,719 which is a decrease of \$1,624,054 million from the FY 2004/2005 adopted budget. Although the operating budget has decreased, the WaterWorks 2011 financial model still requires 2.5 % rate increase this year.

The impact of a 2.5% rate increase on a residential customer using 10,000 gallons of water monthly amounts to \$1.53 illustrated as follows:

2.5% 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	\$ 3.37	\$ 3.46	\$ 0.09
Water Commodity			
0-3,000 gals	1.10	1.13	0.03
4-7,000	1.90	1.95	0.05
> 8,000	2.80	2.87	0.07
Sewer Fixed Charge	3.93	4.03	0.10
Sewer Commodity			
0-3,000 gals	2.57	2.64	0.07
> 4,000	3.55	3.64	0.09

2.5% 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	\$22.67	\$23.26	\$ 0.59
Sewer Charge	<u>36.49</u>	<u>37.43</u>	<u>0.94</u>
Total	\$59.16	\$60.69	\$ 1.53

CENTRAL REGIONAL WASTEWATER SYSTEM FUND

The City of Fort Lauderdale, through Large User Agreements, operates the Central Regional Wastewater System 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 2005/2006 operating budget for the Central Regional Wastewater System is \$11,080,610, a decrease of \$173,561 from the FY 2004/2005 budget. A meeting of the Wastewater Large Users Committee was held in September to set the rates for FY 2005/2006. The Regional Advisory Board, as established by City Code, serves in an advisory capacity to the City Commission and the Central Wastewater Region for the purpose of making recommendations to each regarding rates and modifications to wastewater facilities. At the meeting, the Board approved a rate of \$0.95 per 1,000 gallons.

#### STORMWATER MANAGEMENT SYSTEM FUND

The revenues collected for the City's Stormwater Management Program 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. The adopted FY 2005/2006 Stormwater operating budget is \$2,619,704, which is a \$37,029 increase over the FY 2004/2005 adopted budget.

We are still spending down the reserves. Additionally, there are greater demands for new stormwater projects. Therefore, a 5% rate increase has been approved.

Billing will be based on the following rate schedule:

- Residential property with three units or less will be billed \$2.76 per month (\$0.14 per month increase).
- Commercial and industrial properties, as well as multifamily residential with four units or more will be billed \$27.97 per acre per month (\$1.34 per acre per month increase).
- Property with low runoff characteristics, such as vacant land, parks and well fields, will be billed \$8.87 per acre per month (\$0.43 per acre per month increase).

#### PARKING SERVICES FUND

The City's administrative reorganization at the beginning of FY 2004/2005 moved Parking Services out of the dismantled Administrative Services Department and combined it with Fleet Services to create the new Parking and Fleet Services Department under one Director. The organization of both sections of the new department remained intact and Parking Services continues to be operated in a fund separate from Fleet Services. The City's parking system provides approximately 9,214 parking spaces located in four parking garages and 33 parking lots, as well as on-street parking. The FY 2005/2006 Parking Services operating budget is \$8,535,766, a decrease of \$440,704 from the FY 2004/2005 adopted budget. The Parking Enforcement component of the Parking Fund resides in the Police Department budget but is part of the total Parking Services operating budget listed above. The FY 2005/2006 Parking Enforcement total is \$1,403,492.

Continuing vacancies in the Police Department parking enforcement section, coupled with a five month citation warning program on Sundays in the downtown core area aimed at providing visitors with a more positive parking experience, are reflected in the downturn in citations issued in FY 2004/2005, and the subsequent decrease in citation revenues. The FY 2005/2006 citation revenue budget reflects a \$597,000 decrease from the \$3,305,000 budgeted in FY 2004/2005.

The old and obsolete multi-space meters in the Birch/Las Olas Intracoastal Lot, and the George English and 15th Street Boat Ramp Lots were replaced with new multi-space meters that offer customers coin, currency, and credit card payment options, and the parking lot across the street from the Aquatic Complex was converted from all single space meters to a multi-space metered lot. The twenty (20) replacement multi-space meters for Las Olas Boulevard will be ordered by the end of FY 2004/2005 with new meters that incorporate the newest payment-option technologies, plus newly emerging technologies for convenient cashless parking.

In the area of new technology, Parking Services and Information Technology Services implemented the City's first pay-by-phone Interactive Voice Response (IVR) system to complement the Internet Web Based parking citation payment system already installed for the convenience of our parking customers. In addition, we implemented a new geographic information system (GIS)/Meter Management system, which we believe is the first of its kind in the country, that integrates all meter related operational information with the graphic display to assist our parking employees and customer service representatives to better serve our customers. Finally, we implemented a new auditing system for all single space meters using handheld devices to strengthen our revenue controls.

Phases I and IB of the major rehabilitation of the City Park Garage and the Mall Area have been completed, including structural strengthening and exterior power-washing and painting. The second phase, the replacement of the four (4) hydraulic elevators with new traction-type elevators will commence in FY 2005/2006. Phase III includes a façade renovation above 2nd Street, upgrade of the way-finding signage, and lighting enhancements above 2nd Street under the garage and will commence in FY 2006/2007. Parking Services has also recently completed a self-evaluation of all City parking facilities under the jurisdiction of Parking Services to bring them into full ADA compliance. This study will be the basis for subsequent projects to implement the compliance between FY06 through FY08.

#### AIRPORT FUND

The Executive Airport Division of the Business Enterprises Department develops, operates and promotes Fort Lauderdale Executive Airport and Industrial Airpark, the Downtown Helistop, and 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.

The FY 2005/2006 Airport operating budget is \$5,704,191, which is a \$309,155 increase over the FY 2004/2005 budget due primarily to an increase in the "payment in lieu of taxes" charge to the General Fund.

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 Federal Aviation Administration (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 115 jets and 40 helicopters, more than any other airport in the Southeastern United States. Five Fixed Base Operators provide a full spectrum of services, including fueling, avionics, maintenance, charters, aircraft sales and leasing, and air ambulance.

Jet fuel accounted for 89% of the 11.7 million gallons of fuel pumped at the Airport in 2004. The total gallons pumped in 2004 increased by over 612,947 gallons over the total pumped in 2003.

A number of Capital Improvement Projects are under development to enable the Airport to be operated in a safe and efficient manner. The projects include: fiber optic communication cable being deployed to enhance the Airport security project; construction of the \$2.8 million Aircraft Rescue and Fire Fighting/Emergency Operations Center/Fire Station #88 facility; design and construction of Runway 13/31 Rehabilitation; and over \$700,000 for installation of identification and directional signage around the airport roadways and entrances.

The Airport recently celebrated the third-year anniversary of the elevated Downtown Helistop, which provides a vital transportation link to the City's Central Business District. The facility offers a helicopter landing, a fully furnished lobby, and car parking spaces. The Downtown Helistop is 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 have been 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 Executive Airport Division will continue to maintain the airport in a way to provide the facilities necessary for the safe operation of aircraft using the Airport. In addition, the Executive Airport Division will also maintain the new Downtown Helistop facility in a similar manner, as well as actively market and promote the use of the facility and the Downtown Fort Lauderdale Business District.

#### SUNRISE KEY NEIGHBORHOOD IMPROVEMENT DISTRICT

In accordance with State Statute regarding safe neighborhood districts, the following budget is based upon a millage rate of 1.0000 mil.

Insurance	\$ 5,000
Accounting, Audit & Administration	3,000
Vehicle Expenses	4,200
Repair and Maintenance	6,000
Security	35,000
Landscaping/Pest Control	5,000
Contingencies	<u>3,000</u>
Total	\$61,200

### LAUDERDALE ISLES WATER MANAGEMENT DISTRICT

Accompanying the annexation of the Riverland Road area in September 2002, the Lauderdale Isles Water Management District is a special district authorized by Section 197.3632, Florida Statutes to address water quality issues. This district, currently composed of 549 properties adjoining the waterways that run through the Riverland area, continues to levy an assessment of \$15 per property for enhancement of their aquatic weed control efforts in their canals. The district adopted their budget in the amount of \$8,235 based upon an assessment of \$15 per property for FY 2006 at their July 7, 2005 meeting. The TRIM (Truth in Millage) notifies the property owners of this assessment. The City of Fort Lauderdale approved their budget as part of the First Public Hearing held on Wednesday, September 7, 2005.

### CAPITAL IMPROVEMENT BUDGET

Expenditures for capital improvements are not included directly in the operating budget. The Annual Operating Budget includes and identifies amounts to be transferred to capital project funds from operating sources. The appropriations for capital improvements are budgeted as part of the Capital Improvement Plan (CIP) and prepared and approved separately. This year the proposed General Fund transfer to the General CIP is \$4,350,000. See page E-1 in the Capital Improvement Plan section for the schedules that provide the sources of funding for the General Capital Project Budget as well as the Enterprise funds. The list of projects utilizing these funding sources will be provided for Commission review in a future Conference meeting when the CIP proposed plan is presented.

### COMMUNITY REDEVELOPMENT AGENCY

The City of Fort Lauderdale has one Community Redevelopment Agency (CRA) with two redevelopment areas: the Central Beach and Northwest Progresso Flagler Heights (NWPFH). The purpose of the CRA is to spur redevelopment in areas that would not move forward economically without public investment. The primary source of revenue for the CRA is the tax increment, which is the millage rates of the City, Broward County, the Hospital District, and the Children's Services Council applied to the increase in the taxable value of property within the CRA since the creation of the Agency.

For FY 2006, the Property Appraiser has provided the following net taxable value amounts compared to last year:

<u>Area</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>% Change</u>
Central Beach	\$279.9 M	\$334.6 M	20%
NWPFH	\$445.5 M	\$548.9 M	23%

The tax increment from the City's millage rate is taken in as General Fund revenue and is reflected as a transfer out to the CRA. While the City postpones its General Fund revenue from the growth of property value within the CRA, it benefits from spin off of development adjacent to the CRA areas triggered by the CRA efforts. Increases in population translate into additional State-shared revenue tied to number of residents, and the City benefits overall by the elimination of blight and the improvements that make the City better as a whole.