



Memorandum

Memorandum No: 17-093

Date: June 9, 2017

To: Honorable Mayor and Commissioners

From: Lee R. Feldman, ICMA-CM, City Manager

Re: Fiscal Year 2018 Preliminary Budget Information

At the July 11, 2017 Regular Meeting, the City Commission will set the maximum millage rate for Fiscal Year (FY) 2018. In an effort to provide you with adequate time to review the requests and recommendations, the FY 2018 Preliminary Budget has been posted on the City's website at the following link:

www.fortlauderdale.gov/preliminarybudget

I am pleased to report that the Broward County Property Appraiser's 2017 estimate of the City of Fort Lauderdale's taxable property value increased by 9% from \$31 billion to \$33.8 billion. This increase is expected to yield approximately \$10.5 million in additional property tax revenue for the City's FY 2018 budget. The additional revenue will allow the City to fund commitments that include:

- \$2.8 million required payment to Broward County for beach nourishment
- \$2.2 million for salary increases
- \$2 million increase in the City's required contribution to the Police and Fire Pension Fund
- \$1.1 million increase to fund the City's required grant match for Riverland Road Complete Streets Improvement and the 2nd year of the COPS Hiring Grant for eight sworn police officers
- \$700 thousand increase in transfer to the Community Redevelopment Agency (CRA) due to increased taxable valuation within the CRA areas

Estimates for state revenues such as the Communications Service Tax and Half Cent Sales Tax have not been updated for FY 2018.

In addition to addressing the funding commitments mentioned above, the increase in property tax revenue will enable us to maintain our current low millage rate of 4.1193 for the eleventh consecutive year and produce a structurally balanced budget for the fifth straight year. It will allow for strategic new positions and enhanced programming that align with the goals of the City's Vision, Strategic Plan, and Commission Annual Action Plan.

I am proud of our inclusive and comprehensive budget process. I have personally met with each department over the past few months to discuss their challenges and budget requests for the upcoming year. In addition, departments have presented their budget and Community Investment Plan (CIP) requests to the Budget Advisory Board for additional guidance and input. The Budget Advisory Board will share their initial thoughts about the FY 2018 preliminary budget with you at a joint workshop on June 29, 2017.

As part of our commitment to open and transparent government, the Commission participated in a goal setting workshop to identify priorities for the upcoming year and, subsequently, adopted the sixth Commission Annual Action Plan that articulates our organization's highest priorities and strategic initiatives for the upcoming fiscal year.

While the budget information is still preliminary, it conveys the full breadth of departmental requests and justifications. Approximately \$17.4 million in additional funding requests were submitted for new positions, enhanced services, and capital equipment, covering numerous departments and priority areas including, but not limited to, public safety, transportation, parks and recreation, sustainability, and infrastructure. While I will only be recommending a fraction of these requests, it is important to carefully review each of them and weigh them against the other competing priorities of the City.

As part of the decision-making process, I also thoroughly examined key budgetary information such as community investment plan project requests and multi-year replacement schedules prior to making funding recommendations for FY 2018. These schedules have been provided as part of the preliminary budget information.

The FY 2018 Proposed Budget and Community Investment Plan are scheduled to be presented at the City Commission meeting on July 11, 2017. I encourage you to review the full scope of comprehensive departmental budget requests, and contact me directly with any questions, comments, or concerns.

Attachments:

- (1) FY 2018 General Fund Preliminary Budget Summary
- (2) Budget Modification Request Summary – All Departments
- (3) Position Vacancy Report as of May 31, 2017
- (4) Five- Year Fleet Replacement Plan
- (5) FY 2018 PC Replacement Plan
- (6) Five -Year Technology Infrastructure Upgrade Plan
- (7) Preliminary FY 2018 – FY 2022 Community Investment Plan

C: Stanley D. Hawthorne, Assistant City Manager
Christopher J. Lagerbloom, Assistant City Manager
Cynthia A. Everett, City Attorney
Jeffrey A. Modarelli, City Clerk
John C. Herbst, City Auditor
Community Building Leadership Team (CBLT)
Budget Advisory Board