



CITY MANAGER  
**RECOMMENDED  
ANNUAL BUDGET**



FISCAL YEAR 2019-2020

[WWW.COHB.ORG](http://WWW.COHB.ORG)

### Special Revenue Funds

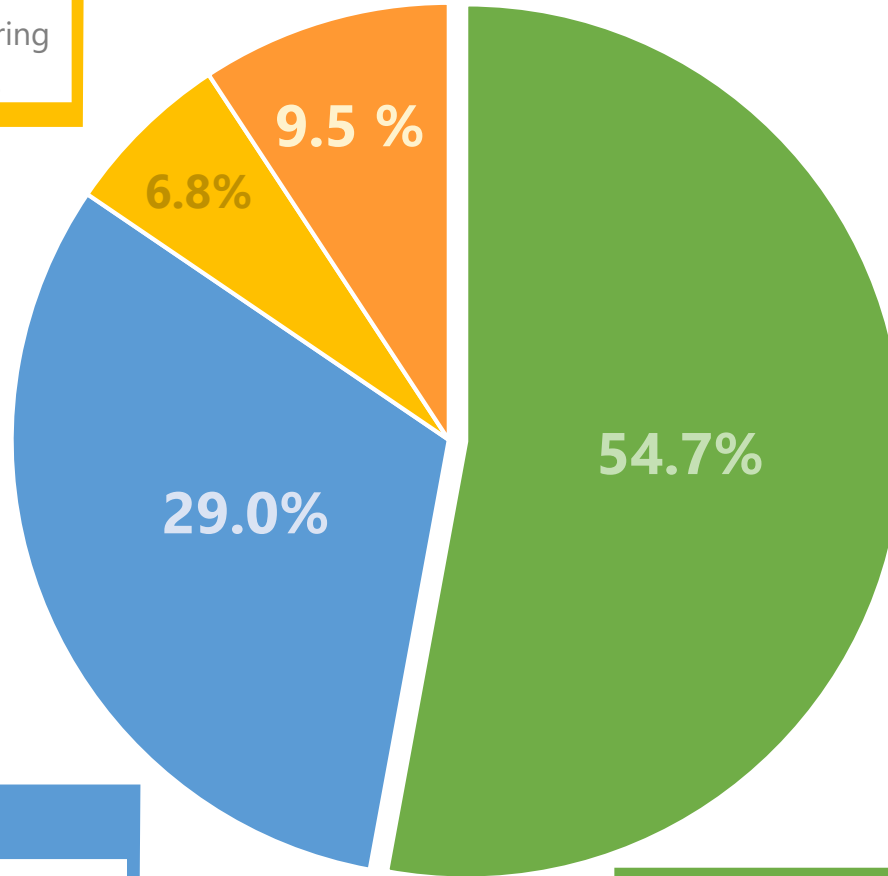
**\$9,194,769**

Law Enforcement Trust Fund,  
Transportation, GISND, TISND, Grant,  
PD Outside Services, Police  
Training, Police Equitable Sharing  
and Permits & Inspections

### Other Fund Types

**\$12,800,790**

Debt Service, Capital Fund,  
Internal Service Fund



## Total City Budget \$134.8 Million

The Recommended Budget for FY 2020 is \$134.8 Million and is comprised of six fund types – the General Fund, Enterprise Fund, Special Revenue Funds, and Other Funds that support the Parks GO Bond Debt, Debt Service for Capital, Internal Service Funds (Fleet, General Liability, Worker’s Comp.), and Capital Project Fund.

### Enterprise Fund

**\$39,160,022**

Cemetery, Sanitation, Utility,  
Stormwater, Utility Impact Fee

### General Fund

**\$73,688,155**

### Special Revenue Funds

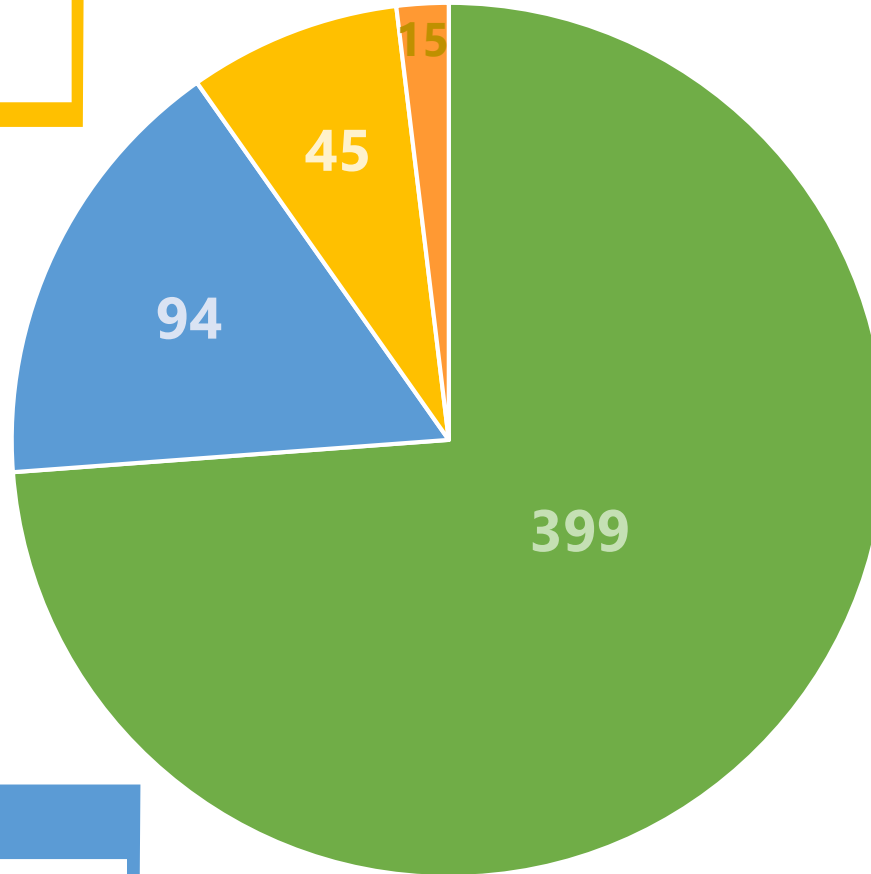
**45**

Grants Fund (19), Transportation Fund (11), Permits and Inspections Fund (15)

### Additional Funds

**15**

Risk (2), Fleet (9),  
GO Bond Capital Fund (4)



## Workforce by Fund

### 553 Positions

A bulk of our workforce is sustained by the General Fund. The majority of the General Fund is sustained by Property Taxes and Other Revenues.

### Enterprise Fund

**94**

Cemetery (3), Sanitation (23),  
Utility (59), Stormwater (9)

### General Fund

**399**

HR, Finance, CM Office, Procurement,  
City Attorney, Parks & Rec, Budget,  
Development Services, IT, PD, Fire  
Rescue, DPW, Human Services

# General Fund Staffing By Department



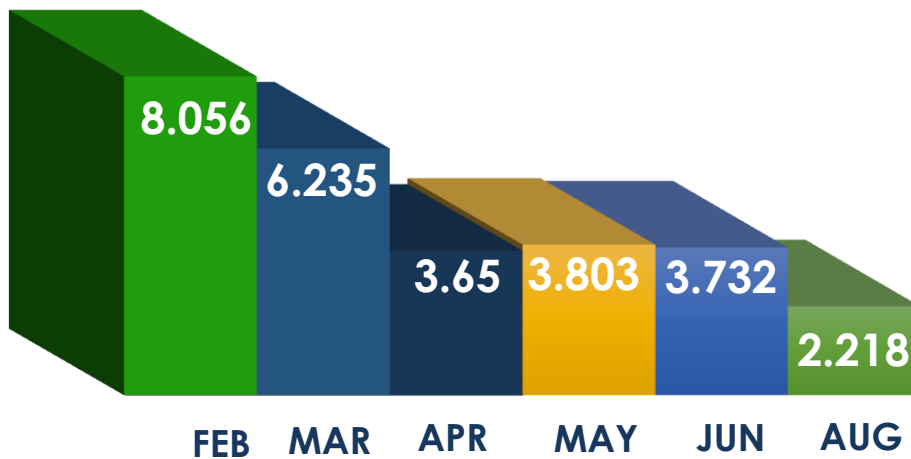
DEPARTMENT	FY 18/19 POSITIONS	FY 19/20 POSITIONS	FY 19/20 GEN. FUND DEPT COST	FY 19/20 % SALARY/ BENEFITS
CITY COMMISSION	5	5	489,521	78 %
CITY MANAGER'S OFFICE	9	7	1,232,736	88 %
BUDGET	4	3	471,427	93 %
PROCUREMENT	5	5	560,409	94 %
CITY ATTORNEY	5	5	1,136,760	69 %
FINANCE	12	10	1,165,704	93 %
INNOVATION TECHNOLOGY	7	6	2,238,806	37 %
HUMAN RESOURCES	7	6	863,723	88 %
CITY CLERK OFFICE	3	3	357,402	81 %
POLICE	146	145	23,437,695	95 %
FIRE RESCUE	92	91	16,443,551	92 %
PUBLIC WORKS	22	19	1,829,953	74 %
DEVELOPMENT SERVICES	18	16	1,898,601	89 %
HUMAN SERVICES	23	22	1,444,110	75 %
PARKS AND RECREATION	87	56	3,808,996	71 %
<b>Total</b>	<b>445</b>	<b>399</b>	<b>57,379,394</b>	<b>% SALARY/ BENEFITS</b>

\*NOTE\* 46 positions removed from the General Fund from prior year. 44 were vacancies and 2 were moved to another fund



# COST REDUCTION EFFORTS

## ANTICIPATED DEFICIT STATUS



FY 19/20 DEFICIT (\$M)

- RIGHT SIZE / RIGHT FIT**  
Re-Organization of Staff. Review of Operation expenditures, over 10% Reduction in staff. **No Layoffs**. Eliminate 44 Vacancies from current FY
- EMPLOYEE BENEFIT STABILIZATION**  
Propose perspective for Benefits, through labor contracts. FRS, 4 Day Work Week, COLAs
- REVIEW OF EXISTING USE RATES**  
Review fees and rates for programs, services. Increase moderately for cost recovery
- MINIMIZE VEHICLE REPLACEMENT**  
Prioritize Vehicle Replacements and hold off on replacements for 1 year
- PRIORITIZATION OF FACILITIES**  
Limit use of 2 Parks on Sunday, Minimize use of City Hall to 4 Days
- IMPROVE FUND BALANCE FY18/19**  
Purchase Freeze, prioritize expenditures to sustain \$9.3 Million Fund Balance. One-time revenues/reserves will not be used for FY 19/20
- SUSPEND/REDUCE UNDERUTILIZED PROGRAMS**  
Reduce or suspend programs if not performing to expectations

# General Fund Highlights



## **Fire Assessment Rates**

Propose increase with the residential rate increasing from \$251.11 to \$265.06 as well as increases to the other property types generating an additional \$461,506 of revenue in FY 19/20 as a result of increasing the collection rate from 90% to 95%

## **Fees Changes**

The increases and changes to the fees in the General Fund include, but not limited to, Police and Fire Alarm Fees Fees. (See Fee Booklet Tab in the budget binder)

## **Public Safety Improvements**

Expenses increased due to BSO Fire Rescue Merger (\$665K), Equipment Room Improvements at Station 90 (\$57K), Station Alerting System (\$275K), and increase City Contribution to Fire and Police Pension (\$1.029M).

## **TIF / CRA**

Increase of \$1,849,287 resultant from the Tax Increment Financing (TIF) payment to the CRA as a result of higher property values and increased millage

# DEFICIT TRACKING WORKSHEET

## DEFICIT COSTS

<b>CURRENT SHORTFALL FY19/20<sup>1</sup></b>	<b>\$4,756,651</b>
<b>REORGANIZATION OF RESERVES AS NEEDED</b>	<b>\$50,000</b>
<b>REDUCTION IN FY 19/20 REVENUES</b>	<b>\$422,994</b>

## REVENUE/SAVINGS PROPOSED

<b>FIRE FEE INCREASE TO 95%</b>	<b>\$461,506</b>
<b>SALARIES &amp; BENEFITS CHANGES</b>	<b>\$1,440,981</b>
<b>REDUCE HRA FROM 600K TO 100K</b>	<b>\$500,000</b>
<b>COLLECTIVE BARGAINING</b>	<b>\$502,875</b>
<b>ELIMINATE TRAVEL</b>	<b>\$106,100</b>

-5,229,645

\$3,011,462

CURRENT STATUS DEFICIT  
**\$2,218,183**

1.THIS NUMBER ENCOMPASSES A REDUCTION IN COLLECTIVE BARGAINING BENEFITS FOR UNIONS, FIRE/POLICE PENSION. THIS NUMBER HAS DECREASED FROM ITS ORIGINAL ESTIMATES BASED ON THE CITY'S CURRENT OFFER & COSTS EXPECTED TO BE POSTPONED UNTIL FY 20-21

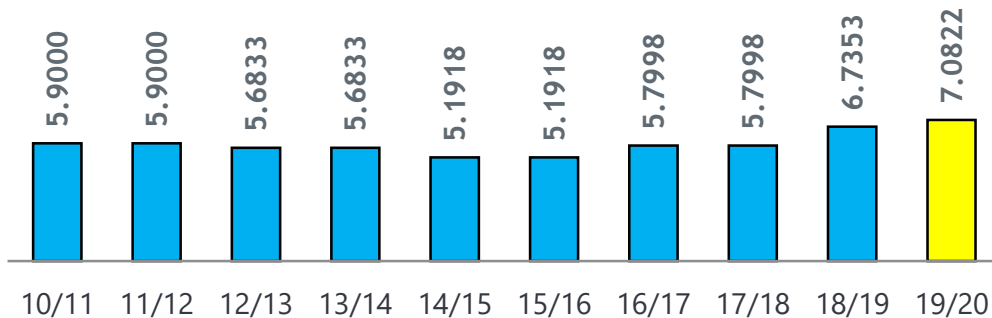
REVISED 8/06//2019

# HB MILLAGE PROPOSED



## TOTAL MILLAGE RATE

**Total Millage Rate** is used to determine operating millage (the amount of property taxes that property owners pay) and the debt service millage. From FY 2011 until today, the millage rate has increased 1.822. During the past 10 years, the millage rate has decreased 2 times. The effect of this decrease has resulted in certain years having a negative fund balance. Additionally, Hallandale Beach is currently ranked 12<sup>th</sup> highest and would move to 7<sup>th</sup> highest in total millage amongst Broward County municipalities.



MUNICIPALITY	DEBT SERVICE	OPERATING	TOTAL	RANK
LAUDERHILL	1.8500	8.9898	10.8398	1
LAUDERDALE LAKES	1.0950	8.6000	9.6950	2
WEST PARK	-	8.5500	8.5500	3
PEMBROKE PARK	-	8.5000	8.5000	4
HOLLYWOOD	0.5085	7.4665	7.9750	5
<b>HALLANDALE BEACH (FY 19/20 PROPOSED RATE AT JUNE 20TH MEETING)</b>	<b>0.4162</b>	<b>7.4074</b>	<b>7.8236</b>	<b>6</b>
MARGATE	0.6495	7.1171	7.7666	6
<b>HALLANDALE BEACH (FY 19/20 PROPOSED RATE FOR AUG 12TH MEETING)</b>	<b>0.4162</b>	<b>7.0822</b>	<b>7.4984</b>	<b>7</b>
NORTH LAUDERDALE	-	7.4000	7.4000	7
TAMARAC	-	7.2899	7.2899	8
SEA RANCH LAKES	-	7.2500	7.2500	9
MIRAMAR	-	7.1172	7.1172	10
COOPER CITY	-	6.9258	6.9258	11
<b>HALLANDALE BEACH</b>	<b>0.4162</b>	<b>6.3191</b>	<b>6.7353</b>	<b>12</b>
COCONUT CREEK	-	6.5378	6.5378	13
DEERFIELD BEACH	0.3542	6.0018	6.3560	14
SUNRISE	0.2859	6.0543	6.3402	15
WILTON MANORS	0.2949	5.9587	6.2536	16
PLANTATION	0.4364	5.8000	6.2364	17
DANIA BEACH	0.1690	5.9998	6.1688	18
CORAL SPRINGS	0.2534	5.8732	6.1266	19
PEMBROKE PINES	0.4464	5.6736	6.1200	20
OAKLAND PARK	-	6.0880	6.0880	21
DAVIE	0.2853	5.6270	5.9123	22
BROWARD COUNTY	0.1812	5.4878	5.6690	23
POMPANO BEACH	0.4451	5.1875	5.6326	24
LAZY LAKE	-	4.7940	4.7940	25
SOUTHWEST RANCHES	-	4.6564	4.6564	26
PARKLAND	-	4.4000	4.4000	27
FORT LAUDERDALE	0.2373	4.1193	4.3566	28
LIGHTHOUSE POINT	0.5820	3.5893	4.1713	29
LAUDERDALE BY THE SEA	-	3.5989	3.5989	30
HILLSBORO BEACH	-	3.5000	3.5000	31
WESTON	-	3.3464	3.3464	32
<b>AVERAGE</b>	<b>0.2742</b>	<b>6.1267</b>	<b>6.3222</b>	

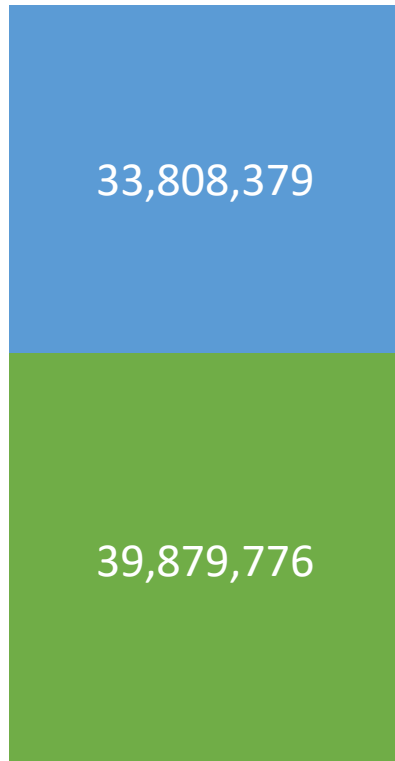


# FY 19/20 Budget



## TOTAL GENERAL FUND

\$73,688,155



ALL NON-AD  
VALOREM  
REVENUES

AMOUNT NEEDED  
TO BALANCE  
BUDGET FROM  
PROPERTY TAXES

**7.0822 Mills to balance = \$39,879,776**

**1 Mill = \$5,805,141**

# Value of One-Mill

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	FY 18/19*	JUNE 1 <sup>st</sup> FY 19/20	JULY 1 <sup>st</sup> FY 19/20
One-Mill Tax Dollar	\$5,546,370	\$5,802,096	\$5,805,141
% Change	3.24%	4.60%	4.67%

\*The Certified value on July 1, 2018 reflected a 4.17% increase, but after all adjustments the actual value increased from FY 17/18 was 3.24%.

# Operating Millage



## Current Millage

6.3191 Mills is 0.4% increase over rolled-back rate

## Millage Increase Required to Balance

Increasing the millage by 0.7631 Mill would be a 13.51% increase over the rolled-back rate

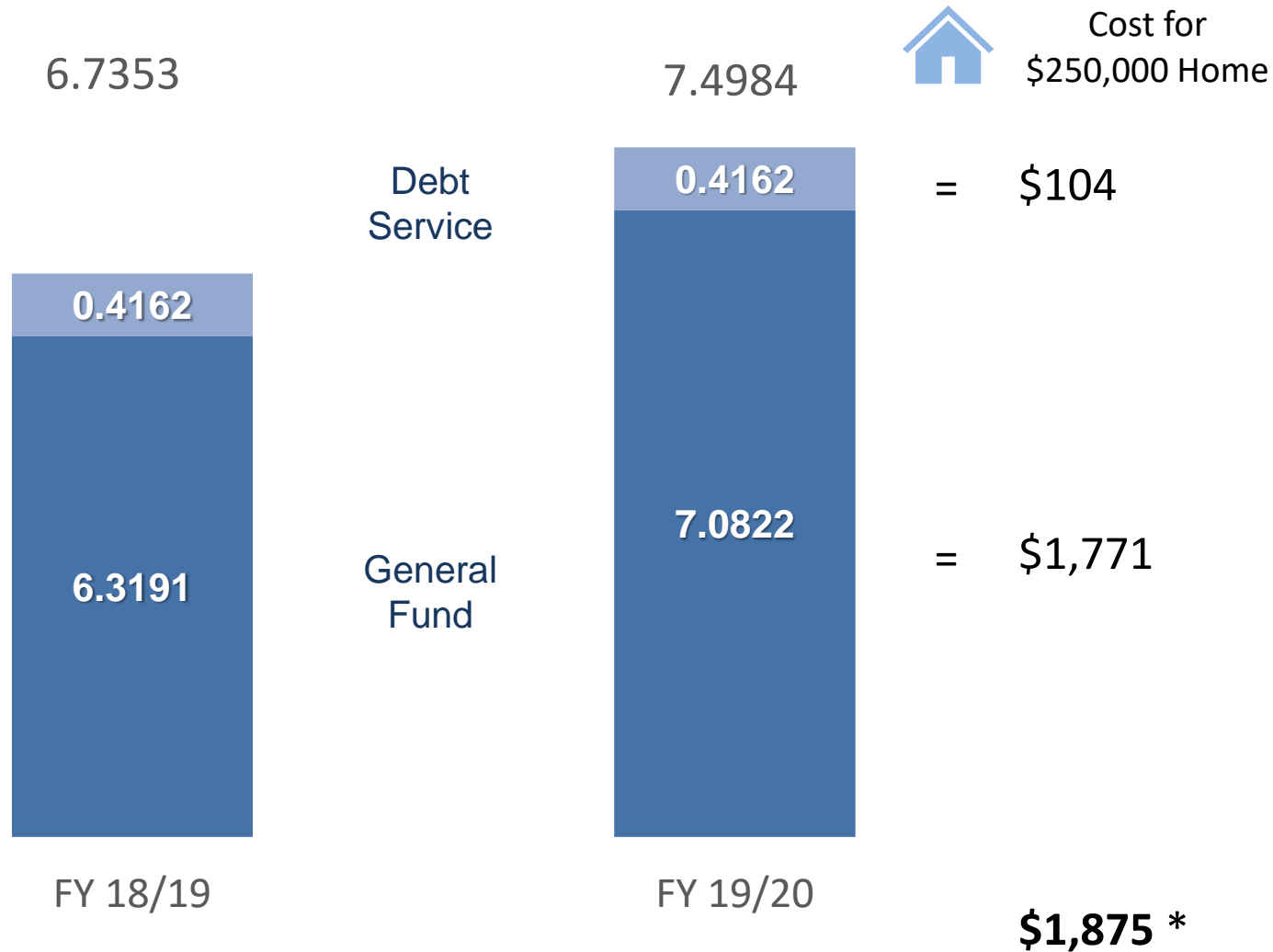
## TRIM

These percentages are determined by following State-mandated TRIM requirements. Essentially, only new constructions/additions/deletions (\$89 million) offsets the percentage change over the rolled-back rate

## Millage Increase

With the 0.7631 Mill increase, the CRA would receive an additional \$1,849,287. This would bring the total payment to the CRA for FY 20 to \$8,258,078

# City Millage-Operating & G.O. Bond

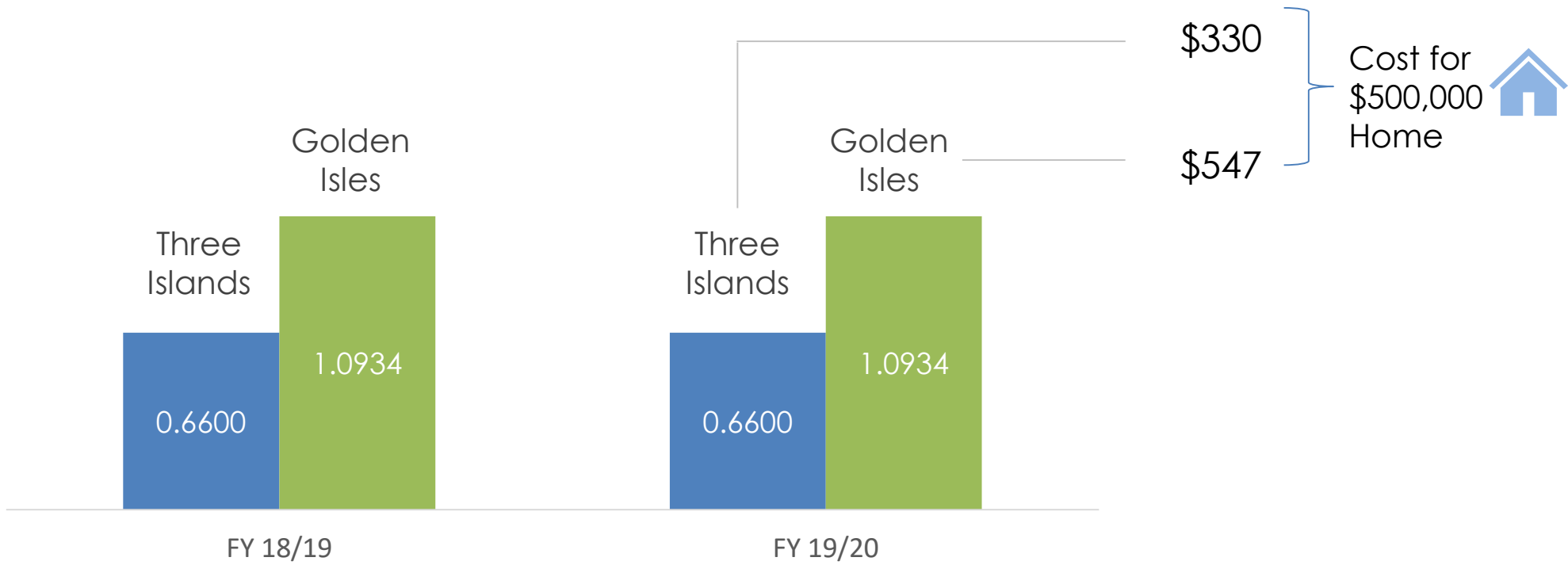


\* \$191 increase from last year to this year

**UPDATED PROPOSED OPTIONS FROM STAFF - AUGUST 12, 2019:**

	MILLAGE OPTIONS	MILLAGE CHANGE	MILLAGE	NOTES/COMMENTS
A.	NO INCREASE - LEVEL MILLAGE	0	6.3191	CURRENT FISCAL YEAR (FY 18/19) MILLAGE
B.	MILLAGE TO BALANCE	0.4968		INCLUDING ADDITIONAL DOLLARS FOR TIF PAYMENT
C.	SAFER GRANT MILLAGE	0.1172		INCLUDING ADDITIONAL DOLLARS FOR TIF PAYMENT
D.	BSO TRANSITION MILLAGE	<u>0.1491</u>		INCLUDING ADDITIONAL DOLLARS FOR TIF PAYMENT
	<b>TOTAL RECOMMENDED MILLAGE INCREASE</b>	<b>0.7631</b>	<b>7.0822</b>	

# Safe Neighborhood Districts Millages





# Transportation Fund

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## **Transfer From General Fund**

Transfer of \$493K from General Fund to cover LED street lights and to balance the FY 19/20 budget.

## **Fees Changes**

Expansion of paid parking, set-up costs \$200K for creation of 200 new metered parking spaces and hiring parking enforcement provider. Parking Meter Receipts revenue is increasing by \$200K assuming the expansion is completed by July 1, 2020.

# Sanitation Fund

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## **Transition**

Sanitation services will transition from a full-service operation provided by in-house staff to a commercial service provide by a vendor hired by the City. Request for Proposals (RFP) should be released by November and hope to have a contract by January 2020.

# Stormwater Fund

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## **Debt Covenant**

The FY 17/18 Adopted Budget had a \$48.24 annual rate increase, of which \$44.22 was to fund the local share for the FEMA grant for SW Drainage Improvement Project and \$4.02 was to help meet the Utility Fund debt covenant.

## **Project**

The FY 19/20 budget includes an increase of \$2.1 million for drainage improvement projects.

# Utilities Fund

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## Rate Study

A rate study was presented to the City Commission on August 15, 2018. A determination was made by the City Commission regarding the changes to the water and sewer rates. For the FY 19/20 budget there is a 3% rate increase in water and a 2% increase in sewer applied uniformly to the monthly base charge and usage charges. This change satisfies the language in the debt covenant.

## Projects

The FY 19/20 budget includes an increase of \$5.1 million for the following projects: High Service Pump \$3 million, Foster Road Watermain Upgrade \$1.5 million, Water Distribution Upgrades \$500K, Water Main Insertion Values \$100K, Water Plant Rehabilitation Lime Softening Units \$90K.

# General Liability & Worker's Compensation Funds



## **Fund Balance**

The General Liability Fund has been carrying a negative fund balance since 2016.

## **Deficit**

The FY 19/20 Recommended Budget takes steps to continue to eliminate the deficit with an allocation of \$283,862, which is year-two of a five-year plan to eliminate the deficit within this fund.

## **Claims & Premiums**

Increase of \$530,000 expense in the General Liability Fund is due to higher claims expense and property insurance premiums and phasing in contributions from other funds to cover prior year deficits.

# MOVING FORWARD

Balancing the budget is an ongoing process. Staff will continue reviewing costs, operations and determine better measures to **Stabilize, Progress, and Growth**



## SUMMER ANALYSIS

Staff will present and gain feedback for implementation and improving cost efficiencies



## IMPROVE REVENUES

Proactively improve processes and tools for invoicing and collecting fees for services



## STRATEGIC PLAN

Follow adopted strategy plan for long-term stability of expenditures and develop a five-year outlook



## RESOURCE LEVELING

Improve labor costs through attrition, job assessments and consider partnerships for improving services



# NEXT STEPS



## PENDING ACTIONS

**SEP  
12**

First Public  
Hearing

**SEP  
23**

Final Public  
Hearing