



# **FY 2023-24 BUDGET WORKSHOP**

**May 31, 2023**



# AGENDA

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- 5 Year Plan Overview & General Fund Reserve History
- General Fund Major Cost Drivers for FY2023-24
- FY 2023-24 Proposed General Fund Highlights
- Budget Stressors/Risks

# FY 2021-2027 PLAN AS PRESENTED ON SEPTEMBER 12, 2022

<b>BUDGET PROJECTIONS BEFORE STRATEGIES</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Revenue (Income)	\$ 76,305,743	\$ 77,175,532	\$ 81,329,458	\$ 86,717,602	\$ 90,021,809	\$ 91,858,321	\$ 93,955,253
Expenses	\$ (71,824,841)	\$ (83,723,634)	\$ (97,257,881)	\$ (102,330,544)	\$ (108,330,907)	\$ (111,621,224)	\$ (114,791,525)
<b>Budget Surplus/Shortfall</b>	<b>\$ 4,480,902</b>	<b>\$ (6,548,102)</b>	<b>\$ (15,928,423)</b>	<b>\$ (15,612,942)</b>	<b>\$ (18,309,098)</b>	<b>\$ (19,762,903)</b>	<b>\$ (20,836,272)</b>

## APPROVED STABILIZATION STRATEGIES

Federal American Rescue Plan Act Assistance	\$ -	\$ 9,978,757	\$ 4,989,379	\$ 4,989,379	\$ -	\$ -	\$ -
New Certificate of Use Program	\$ -	\$ -	\$ 430,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
Parking Program (meters & citations)	\$ -	\$ 1,133,040	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Total Approved Offset to Shortfalls	\$ -	\$ 11,111,797	\$ 6,619,379	\$ 6,789,379	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
<b>Budget Surplus/Shortfall after Approved Strategies</b>	<b>\$ 4,480,902</b>	<b>\$ 4,563,695</b>	<b>\$ (9,309,044)</b>	<b>\$ (8,823,563)</b>	<b>\$ (16,509,098)</b>	<b>\$ (17,962,903)</b>	<b>\$ (19,036,272)</b>

## RECOMMENDED STABILIZATION STRATEGIES FY 23

Property Tax Increase FY23 (1.2466 mills)	\$ -	\$ -	\$ 6,079,388	\$ 6,444,151	\$ 6,637,476	\$ 6,836,600	\$ 7,041,698
Payment in Lieu of Franchise Fee - Water & Wastewater	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Solid Waste Franchise Fees at 22%	\$ -	\$ -	\$ 1,298,000	\$ 1,298,000	\$ 1,298,000	\$ 1,298,000	\$ 1,298,000
Solid Waste Franchise Fees at additional 3%	\$ -	\$ -	\$ 202,000	\$ 202,000	\$ 202,000	\$ 202,000	\$ 202,000
Elimination of 14 Firefighter Grant Funded Positions	\$ -	\$ -	\$ -	\$ 890,679	\$ 1,919,962	\$ 2,073,290	\$ 2,239,153
Implementation of Hybrid Fleet Program	\$ -	\$ -	\$ 385,373	\$ 495,349	\$ 377,349	\$ 296,349	\$ 296,349
Defer GF Capital Projects-Defer to FY24	\$ -	\$ -	\$ 165,000	\$ -	\$ -	\$ -	\$ -
Hiring Freeze (Select Vacancies)	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total Proposed Offset to Shortfalls	\$ -	\$ 600,000	\$ 9,629,761	\$ 10,830,179	\$ 11,934,787	\$ 12,206,239	\$ 12,577,200
<b>Ending Budget Surplus/Shortfall after Recommended</b>	<b>\$ 4,480,902</b>	<b>\$ 5,163,695</b>	<b>\$ 320,717</b>	<b>\$ 2,006,616</b>	<b>\$ (4,574,311)</b>	<b>\$ (5,756,664)</b>	<b>\$ (6,459,072)</b>

## BUDGET PROJECTIONS AFTER STRATEGIES

		<b>16.57%</b>	<b>15.97%</b>	<b>4.48%</b>	<b>4.90%</b>	<b>2.95%</b>	<b>2.74%</b>
Year over Year Expenditure Change	-						
Revenue (Income)	\$ 76,305,743	\$ 88,287,329	\$ 97,413,598	\$ 103,446,481	\$ 101,836,634	\$ 103,791,270	\$ 106,093,300
Expenses	\$ (71,824,841)	\$ (83,723,634)	\$ (97,092,881)	\$ (101,439,865)	\$ (106,410,945)	\$ (109,547,934)	\$ (112,552,372)
<b>Budget Surplus/Shortfall</b>	<b>\$ 4,480,902</b>	<b>\$ 4,563,695</b>	<b>\$ 320,717</b>	<b>\$ 2,006,616</b>	<b>\$ (4,574,311)</b>	<b>\$ (5,756,664)</b>	<b>\$ (6,459,072)</b>

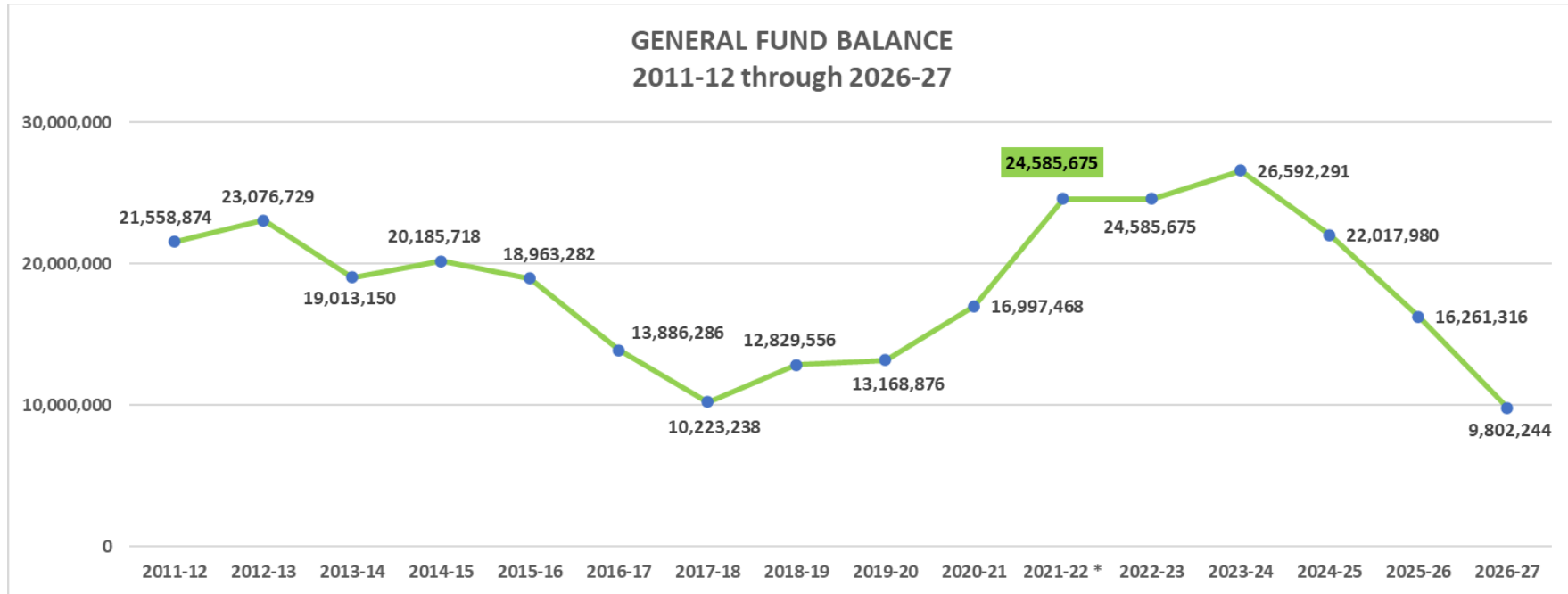
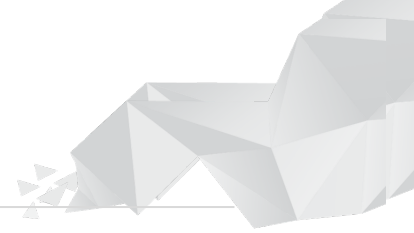
## RESERVES

Beginning Balance	\$ 13,168,875	\$ 17,649,777	\$ 22,813,472	\$ 23,134,189	\$ 25,140,805	\$ 20,566,494	\$ 14,809,830
Budget Surplus/Shortfall after Implementation of Strategies	\$ 4,480,902	\$ 5,163,695	\$ 320,717	\$ 2,006,616	\$ (4,574,311)	\$ (5,756,664)	\$ (6,459,072)
<b>Ending Reserves Balance</b>	<b>\$ 17,649,777</b>	<b>\$ 22,813,472</b>	<b>\$ 23,134,189</b>	<b>\$ 25,140,805</b>	<b>\$ 20,566,494</b>	<b>\$ 14,809,830</b>	<b>\$ 8,350,758</b>

Blue = 1 X revenue or expenditure reduction

Fund Balance - Less than minimum reserves shown in red	24.6%	27.2%	23.8%	24.8%	19.3%	13.5%	7.4%
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# GENERAL FUND RESERVES FY 2011/12 – FY 2026/27



\*FY 2021-22 General Fund Balance is unaudited

# GENERAL FUND MAJOR COST DRIVERS FOR FY2023/24



ITEMS	PROPOSED COST - FY24	% of Total General Fund Budget	% Increase/Decrease from FY 23 to FY 24
*Salaries & Wages	\$ 24,967,754	24.21%	8.86%
BSO Fire	17,019,115	16.50%	0.17%
TIF Payment	13,751,967	13.33%	11.23%
Police & Fire Pensions	11,771,780	11.41%	-7.41%
Health Insurance	4,731,831	4.59%	5.97%
Capital Projects	1,992,539	1.93%	-44.71%
Replacement Vehicles (Set Aside)	2,603,527	2.52%	170.36%
General Liability Insurance	1,375,428	1.33%	0.00%
Renewal & Replacement	1,000,000	0.97%	-33.33%
<b>TOTAL</b>	<b>\$ 79,213,941</b>	<b>76.81%</b>	

**NOTES:**

FY 24 PROPOSED GENERAL FUND BUDGET \$103,127,613 AS OF 05/22/23

THE REMAINING \$23M INCLUDES BENEFIT AND DEPARTMENTAL EXPENDITURES

\*SALARIES & WAGES INCLUDES THE UPDATED COMP STUDY

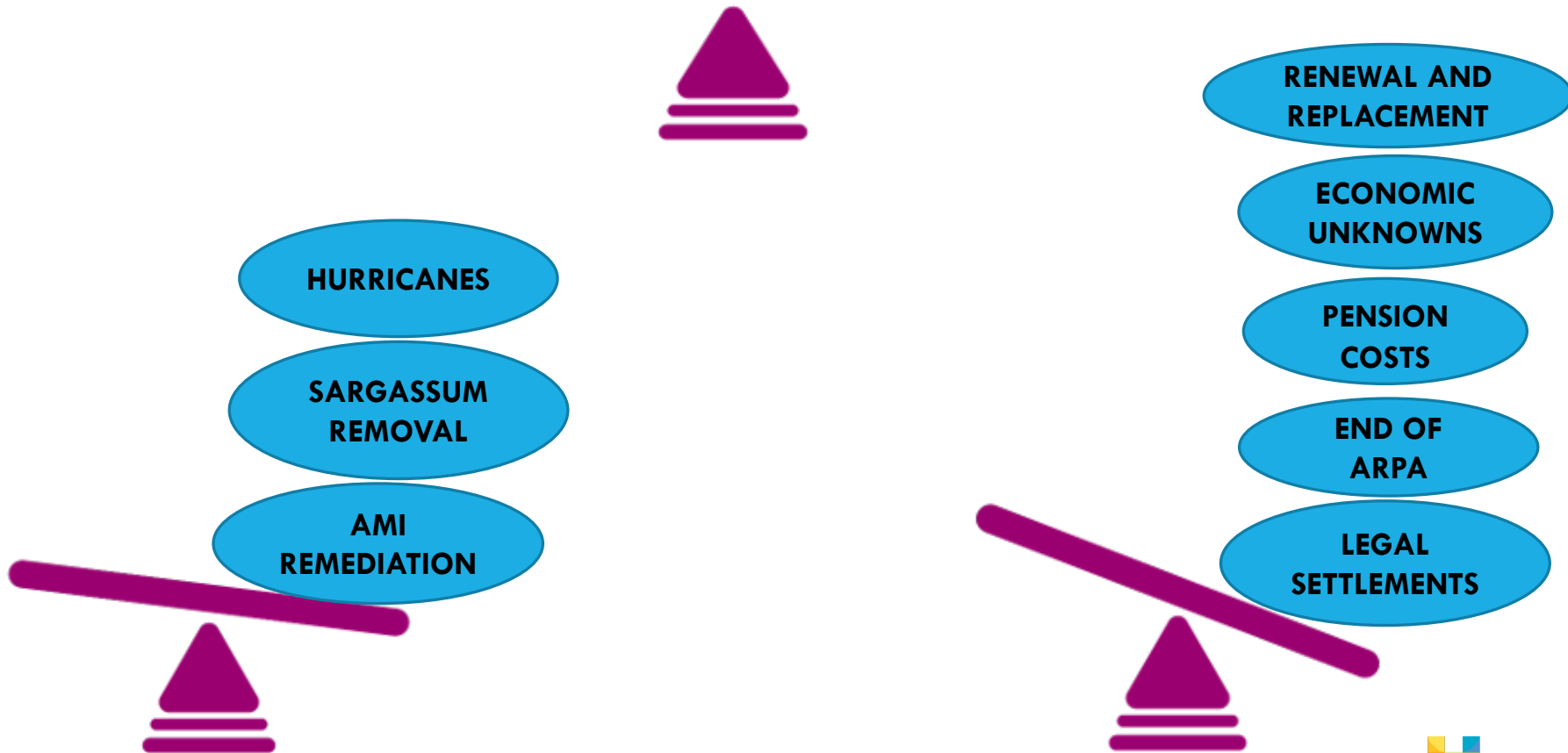
# FY 2023/24 PROPOSED GENERAL FUND HIGHLIGHTS

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- The projected fund balance for FY 2021-22 is approximately \$24.5M.
- The goal is to present the FY 2023-24 Proposed Budget as a balanced budget without the use of General Fund reserves.
- Preliminary taxable value will be released from Broward County Property Appraiser on June 1, 2023.
- **Any additional increases in expenses will place the budget out of balance.**
- The American Rescue Plan Act (ARPA) of 2021 was signed into law on March 11, 2021 and provided the City of Hallandale Beach with \$19.9M in relief funding due to the impact of the COVID-19 pandemic. The budget allocation for ARPA ends in FY 2023-24 and is \$4.9M.

# POTENTIAL BUDGET STRESSORS/RISKS

## BALANCED BUDGET



# NEXT STEPS

## PENDING ACTIONS

**JUNE 7<sup>TH</sup>**

### **BUDGET WORKSHOP**

- UTILITY RATES UPDATE
- STREETS & REPAVING UPDATE
- AMI REMEDIATION UPDATE

**JUNE 21<sup>ST</sup>**

### **BUDGET WORKSHOP**

- FLEET UPDATE
- RENEWAL & REPLACEMENT UPDATE
- EV TRANSIT FACILITY UPDATE

### **COMMISSION MEETING**

**FY 2023-24 SETTING TENTATIVE  
MILLAGE & BUDGET**



# QUESTIONS

