



**FIRST BUDGET WORKSHOP**  
**FOR**  
**FISCAL YEAR 2017-2018**

# WORKSHOP OVERVIEW

- The City's mission provides the overall context for our budget formulation process; to enhance the quality of life for our residents in a fiscally responsible manner, now and in the future.
- Our message for the FY 2017 -18 Budget is to .....
  - Rank priorities
  - Analyze per unit cost
  - Be fiscally responsible
  - Plan for sustainability; Where revenues = expenses
  - Learn to say “NO”
  - Or
  - Provide an Alternative

# WORKSHOP OVERVIEW

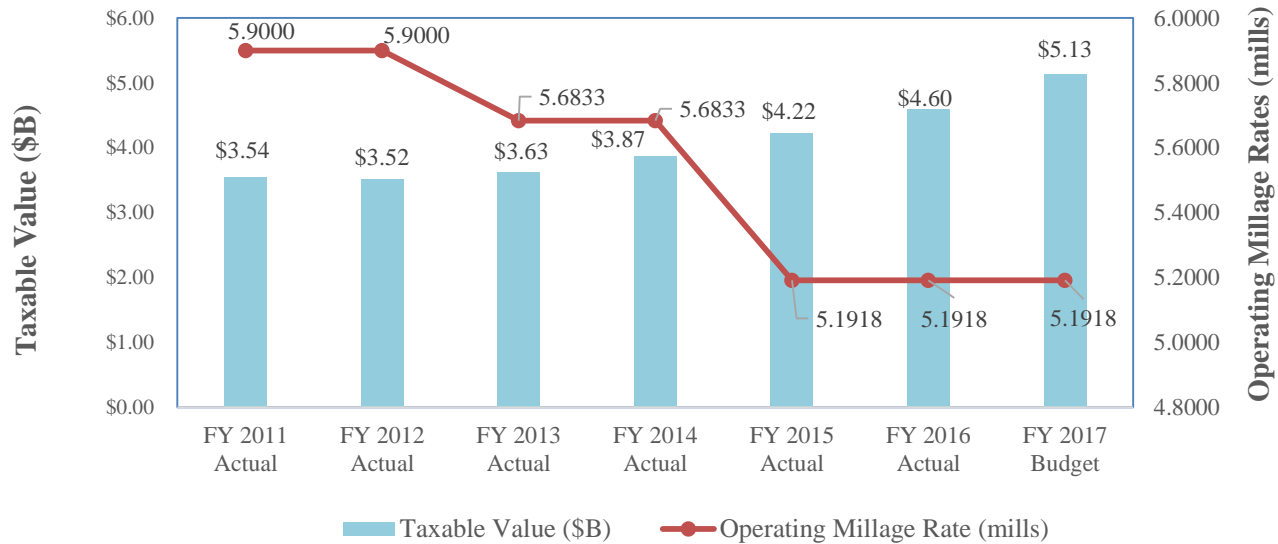
## BASIC ASSUMPTIONS

- No property valuation growth
- Zero based budgeting in some operations
- All aspects of the budget were vetted; nothing off-the-table
- Departments were extremely cooperative
- Equitable distribution as much as possible – every department participated in the effort of reducing costs (budget)
- Transparency
- 5 Year Plan Implementation- Strategic Thinking
- Summer Studies
- Budget Schedule



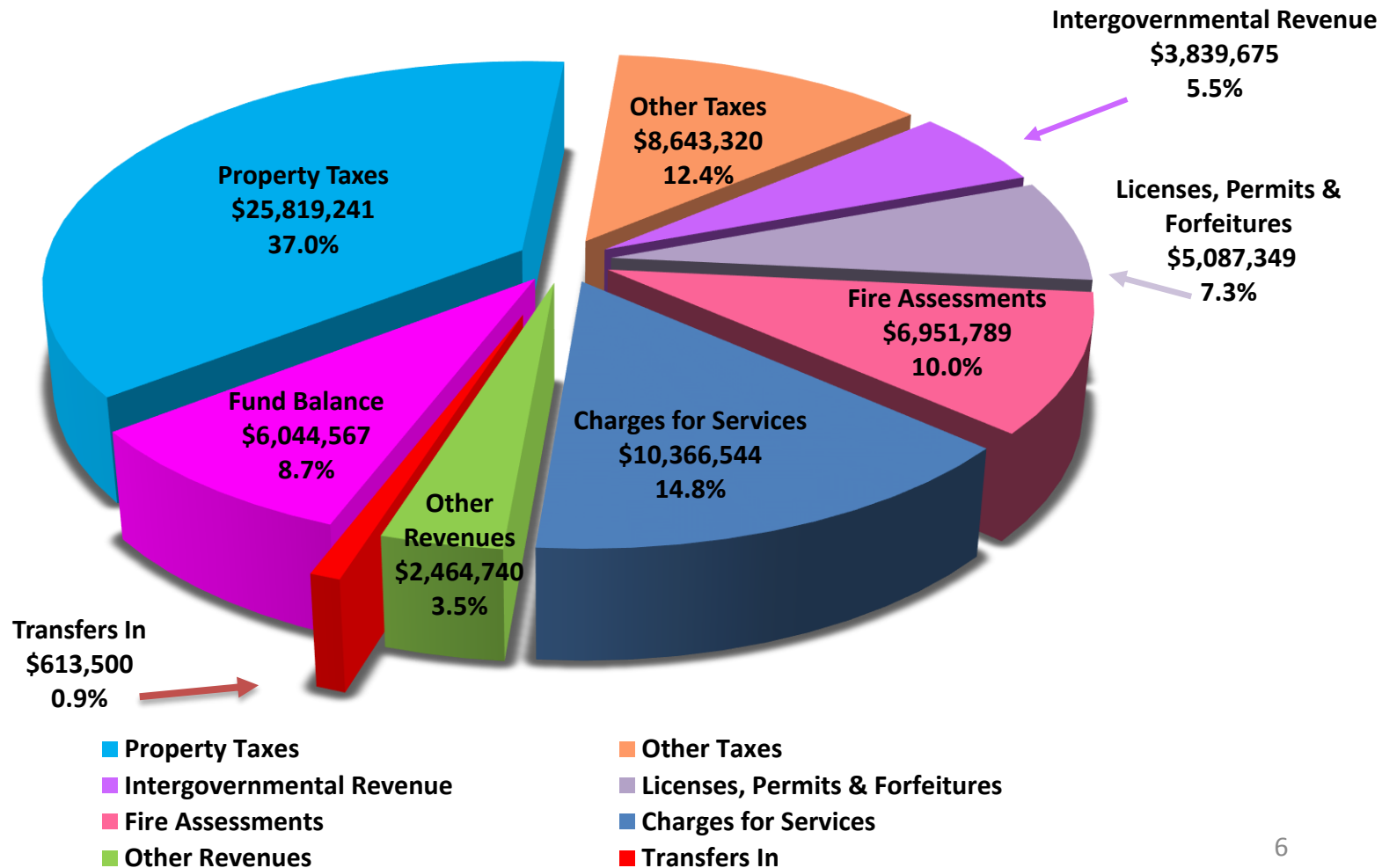
# AD VALOREM TAXES-GENERAL FUND

## Operating Millage Rates and Taxable Value



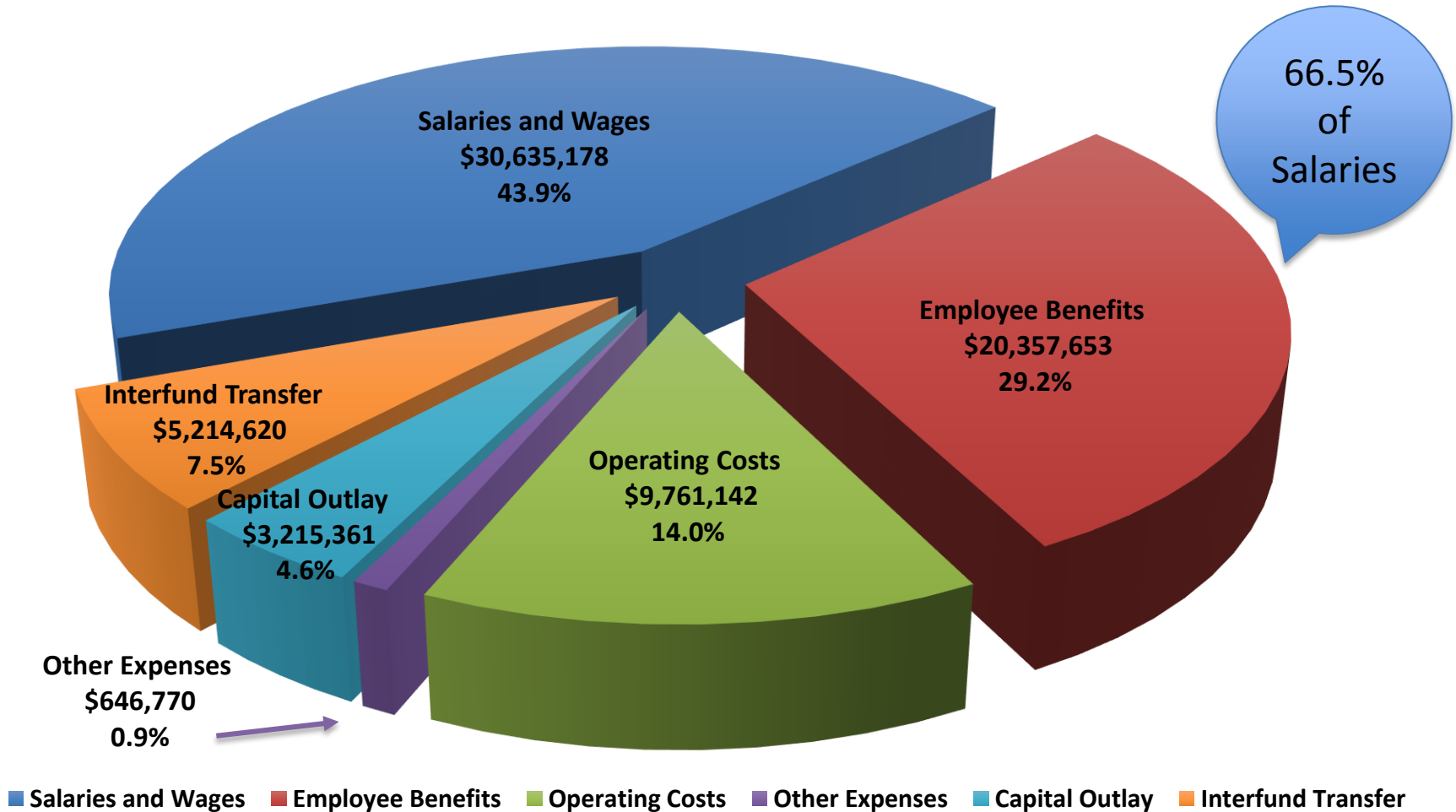
# GENERAL FUND

## FY 17 GENERAL FUND REVENUES \$69,830,725



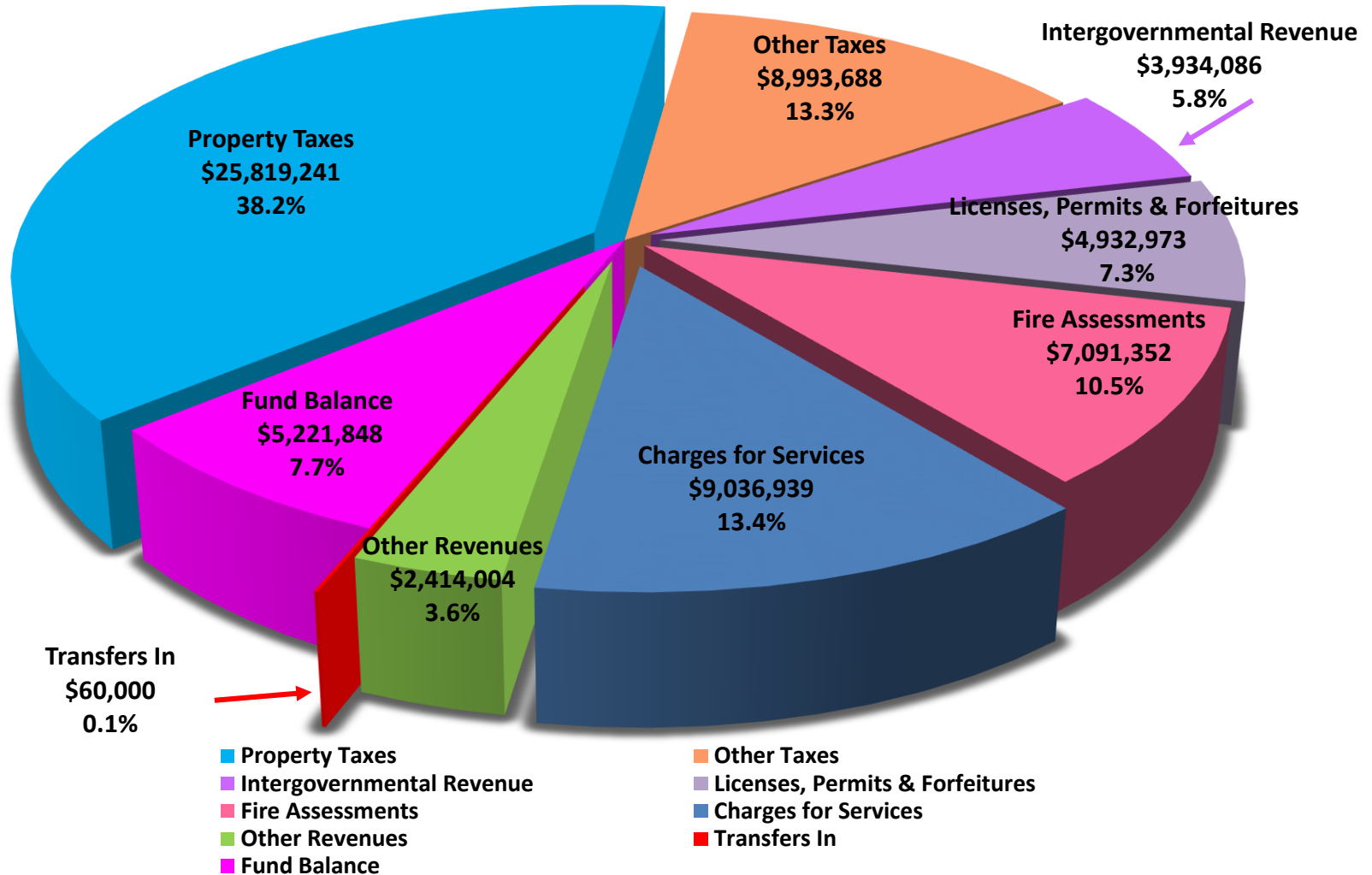
# GENERAL FUND

## FY 17 GENERAL FUND EXPENDITURES \$69,830,725



# GENERAL FUND

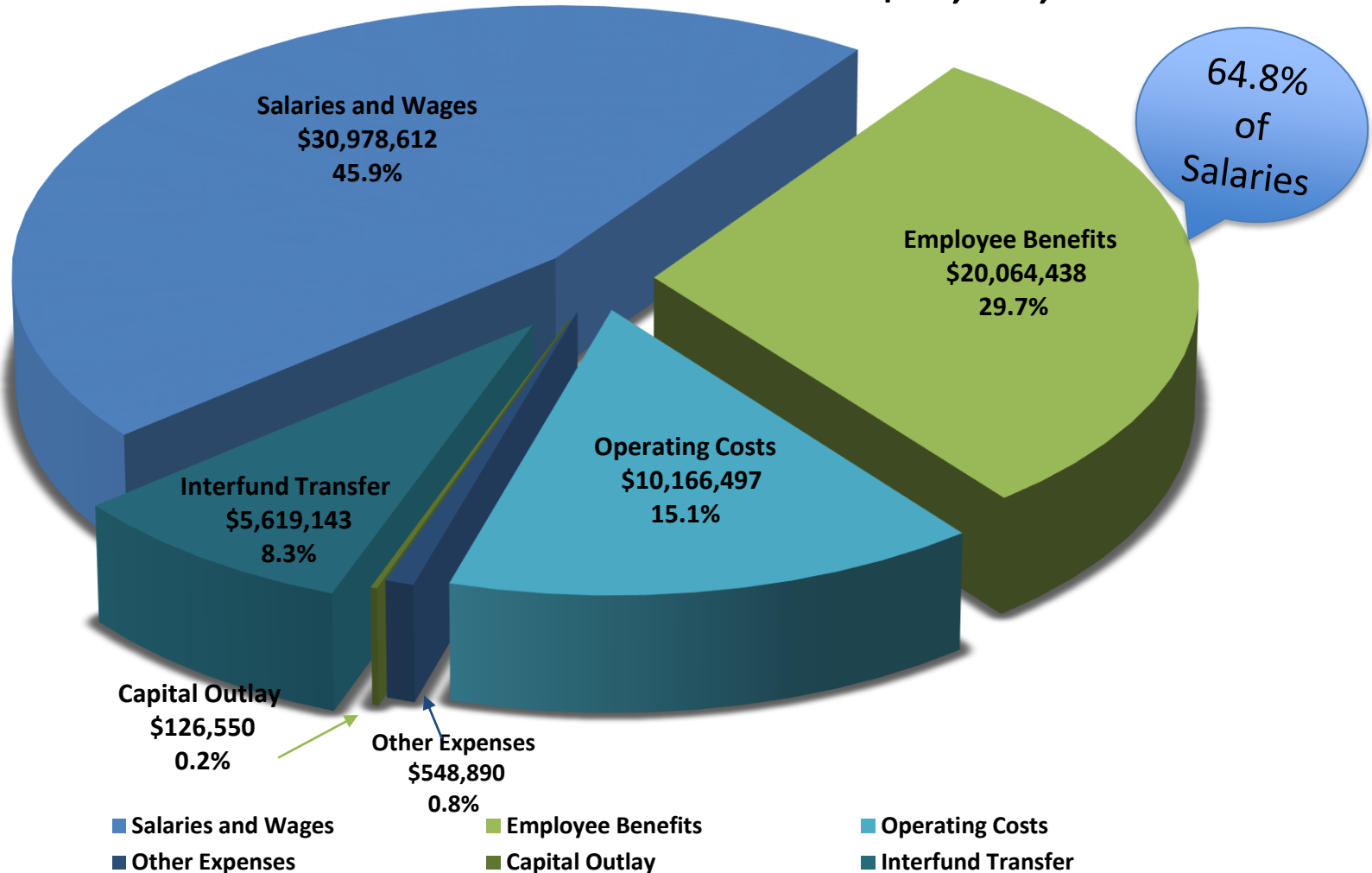
**FY 18 GENERAL FUND REVENUES \$67,504,131**





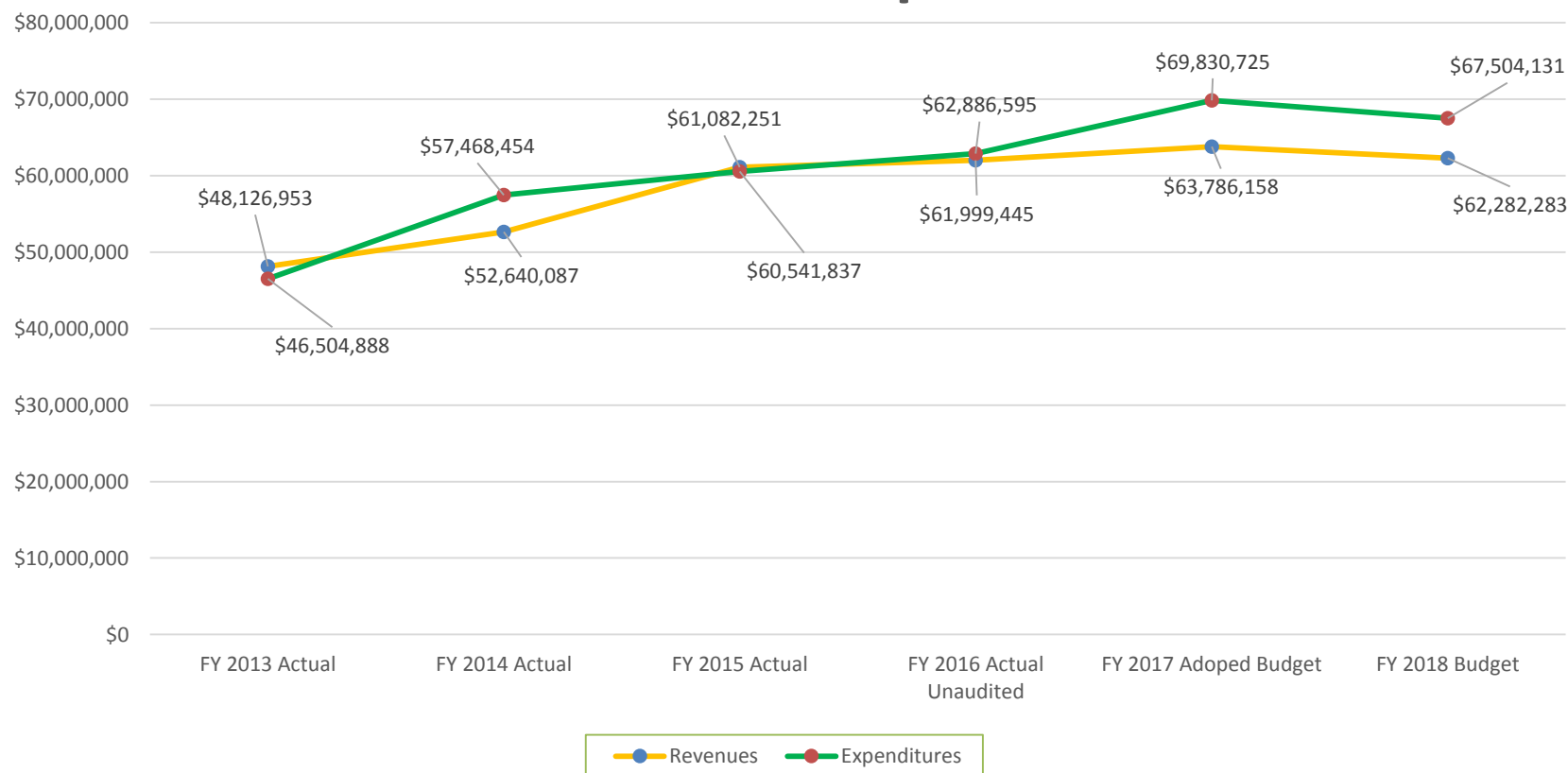
# GENERAL FUND

## FY 18 GENERAL FUND EXPENDITURES \$67,504,131



# GENERAL FUND

## General Fund Revenues & Expenses

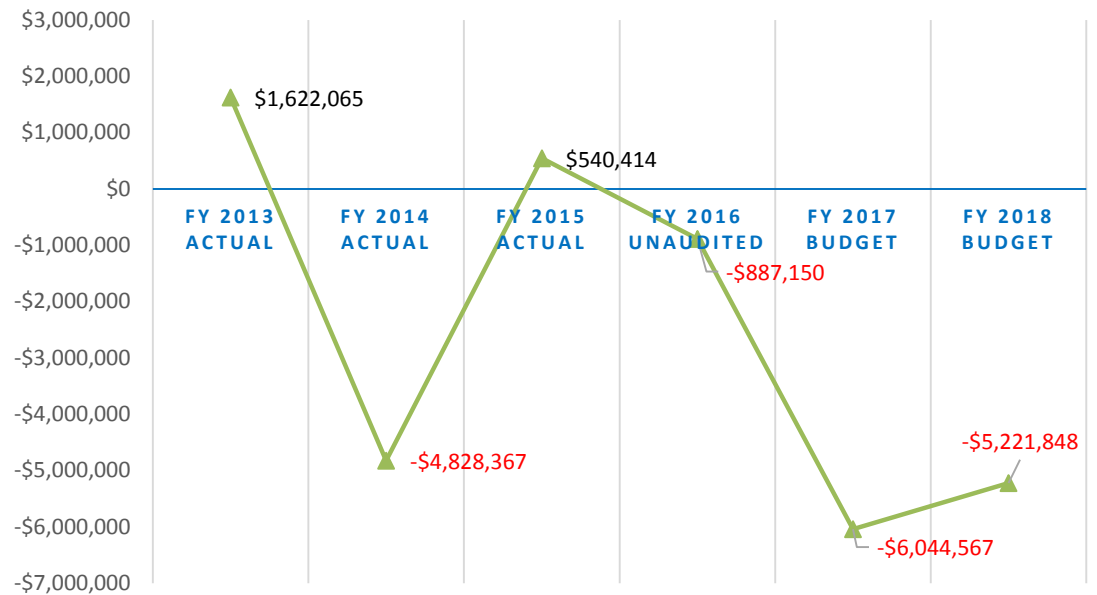


# GENERAL FUND

## USE OF RESERVES

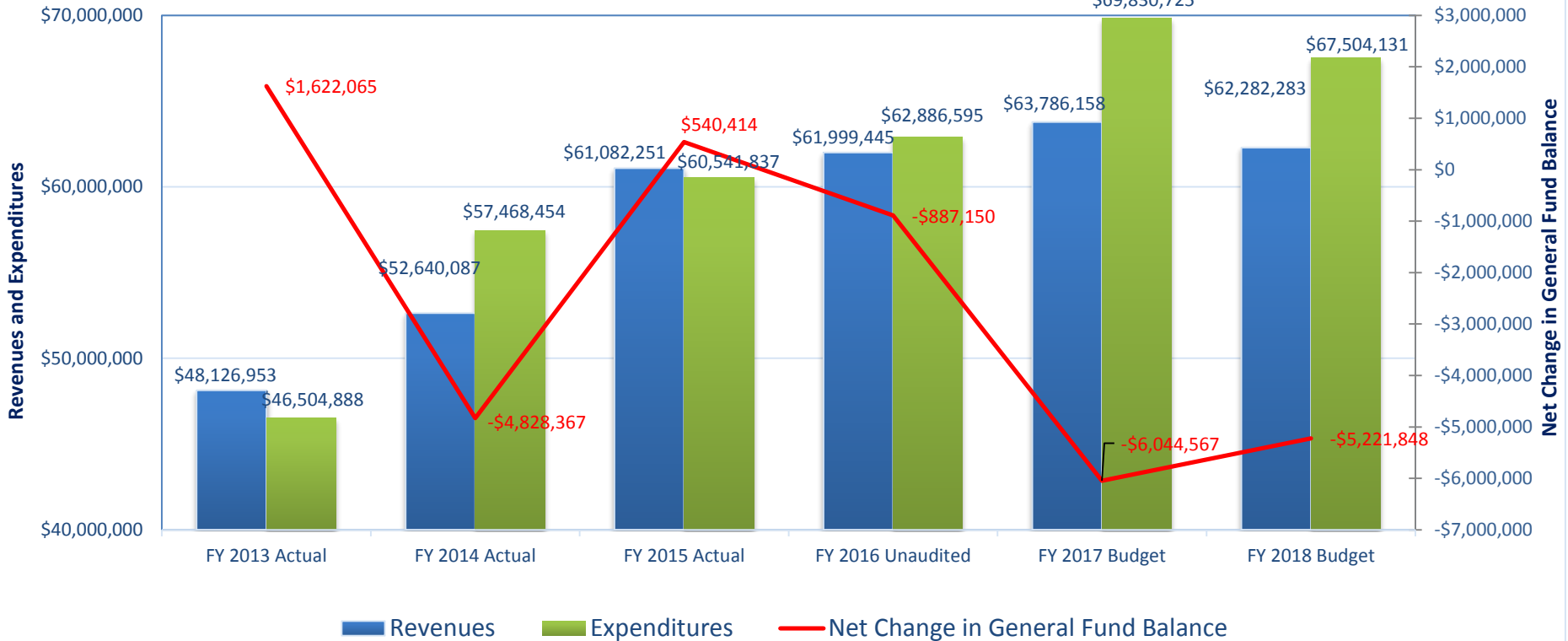
FY 2013 Actual	\$1,622,065
FY 2014 Actual	-\$4,828,367
FY 2015 Actual	\$540,414
FY 2016 Unaudited	-\$887,150
FY 2017 Budget	-\$6,044,567
FY 2018 Budget	-\$5,221,848
<b>Total</b>	<b>-\$14,819,453</b>

## NET CHANGE IN GENERAL FUND BALANCE



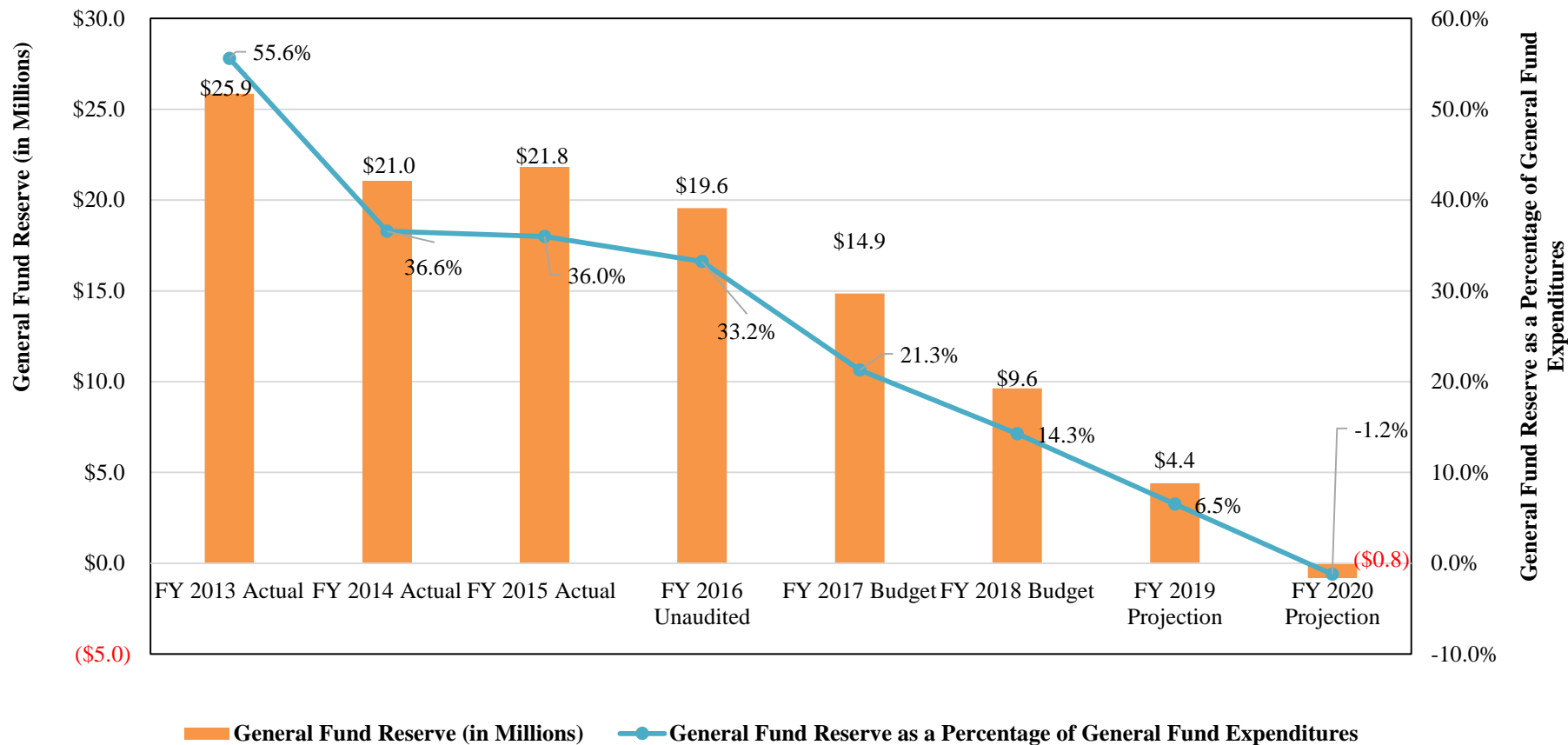
# GENERAL FUND

## General Fund Revenues and Expenditures and Net Change in General Fund Balance



# GENERAL FUND

## General Fund Reserve as a Percentage of General Fund Expenditures

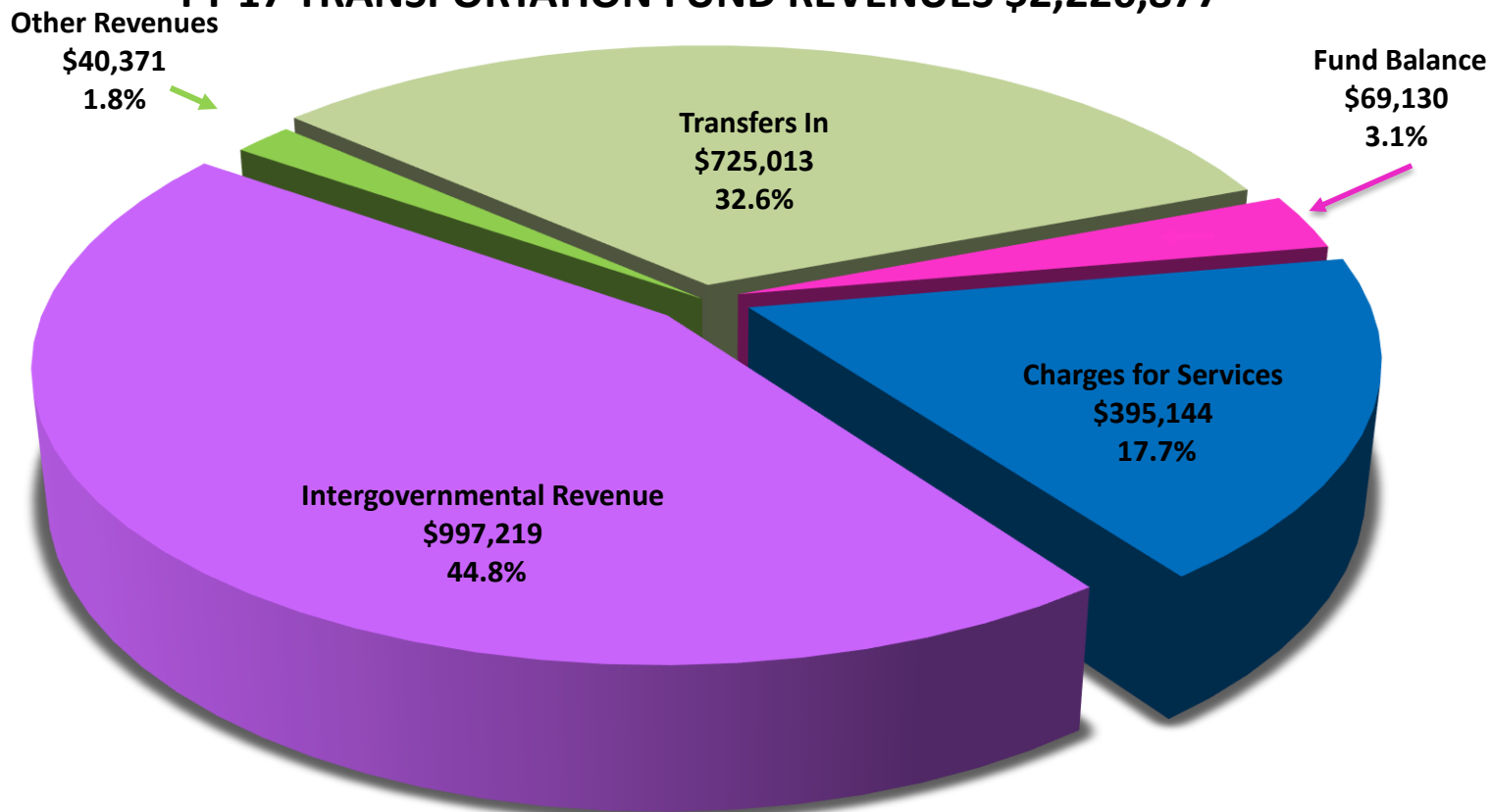




# **TRANSPORTATION TRUST FUND**

# TRANSPORTATION FUND

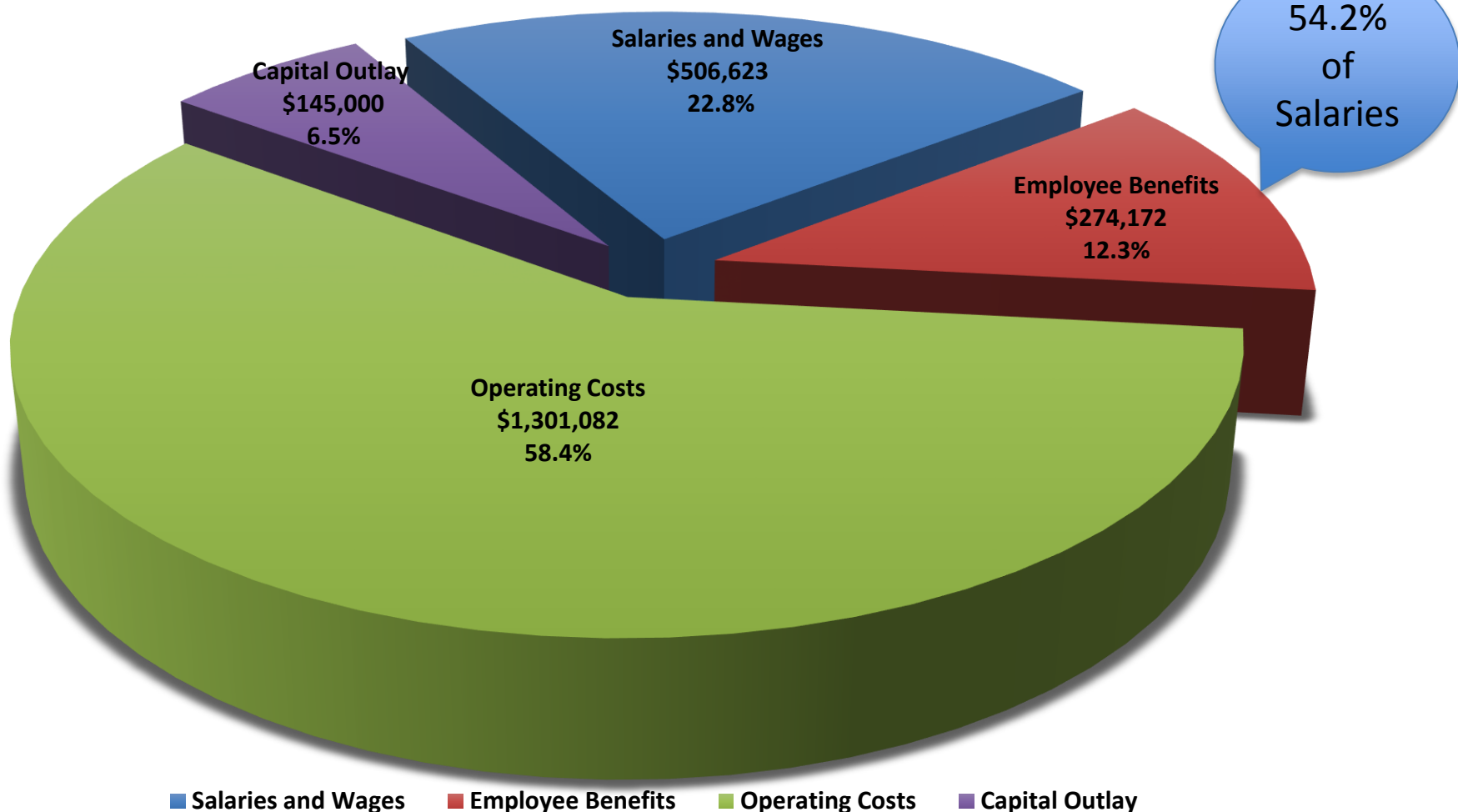
## FY 17 TRANSPORTATION FUND REVENUES \$2,226,877



■ Charges for Services   ■ Intergovernmental Revenue   ■ Other Revenues   ■ Transfers In   ■ Fund Balance

# TRANSPORTATION FUND

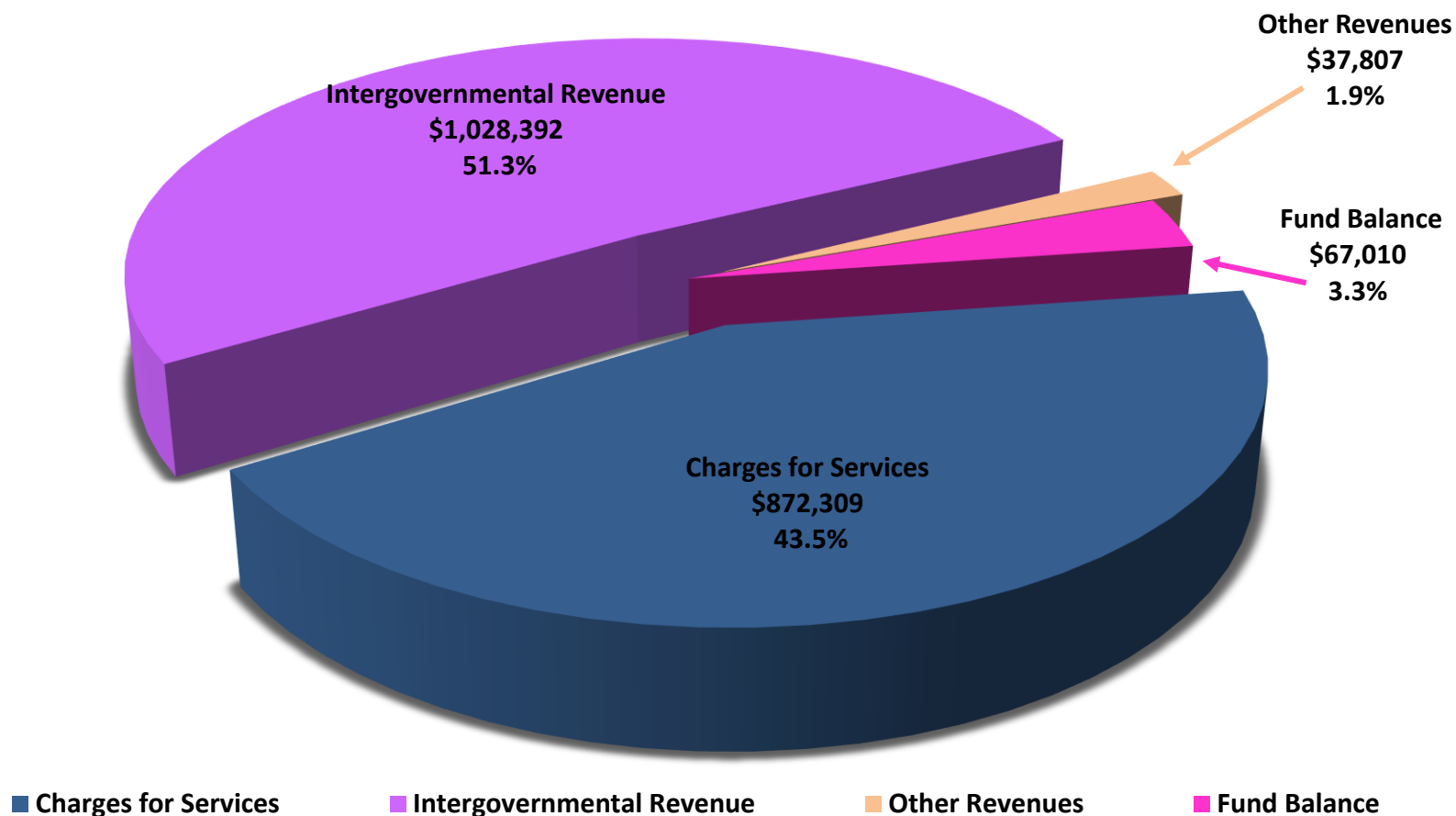
**FY 17 TRANSPORTATION FUND EXPENDITURES \$2,226,877**





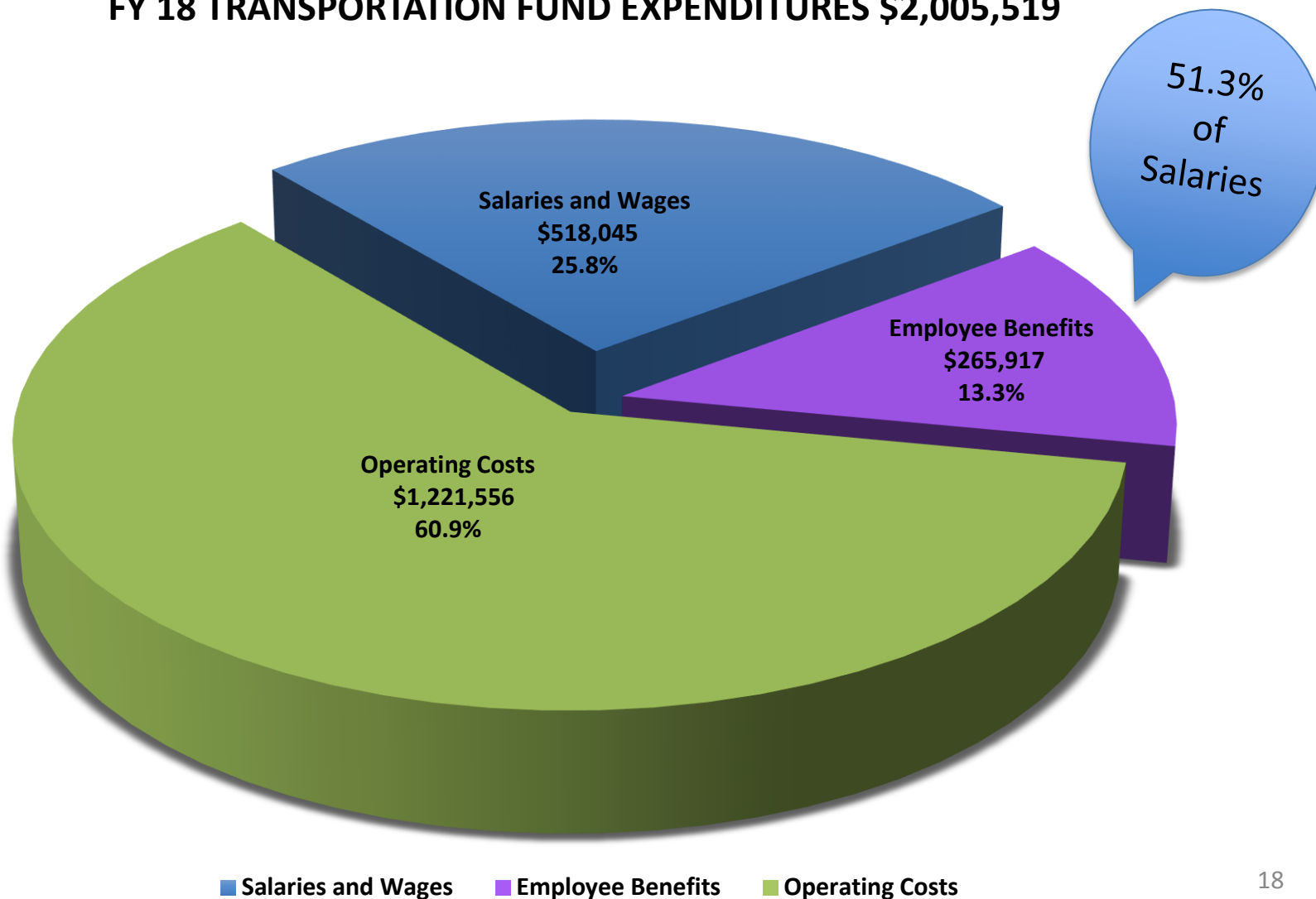
# TRANSPORTATION FUND

## FY 18 TRANSPORTATION FUND REVENUES \$2,005,519



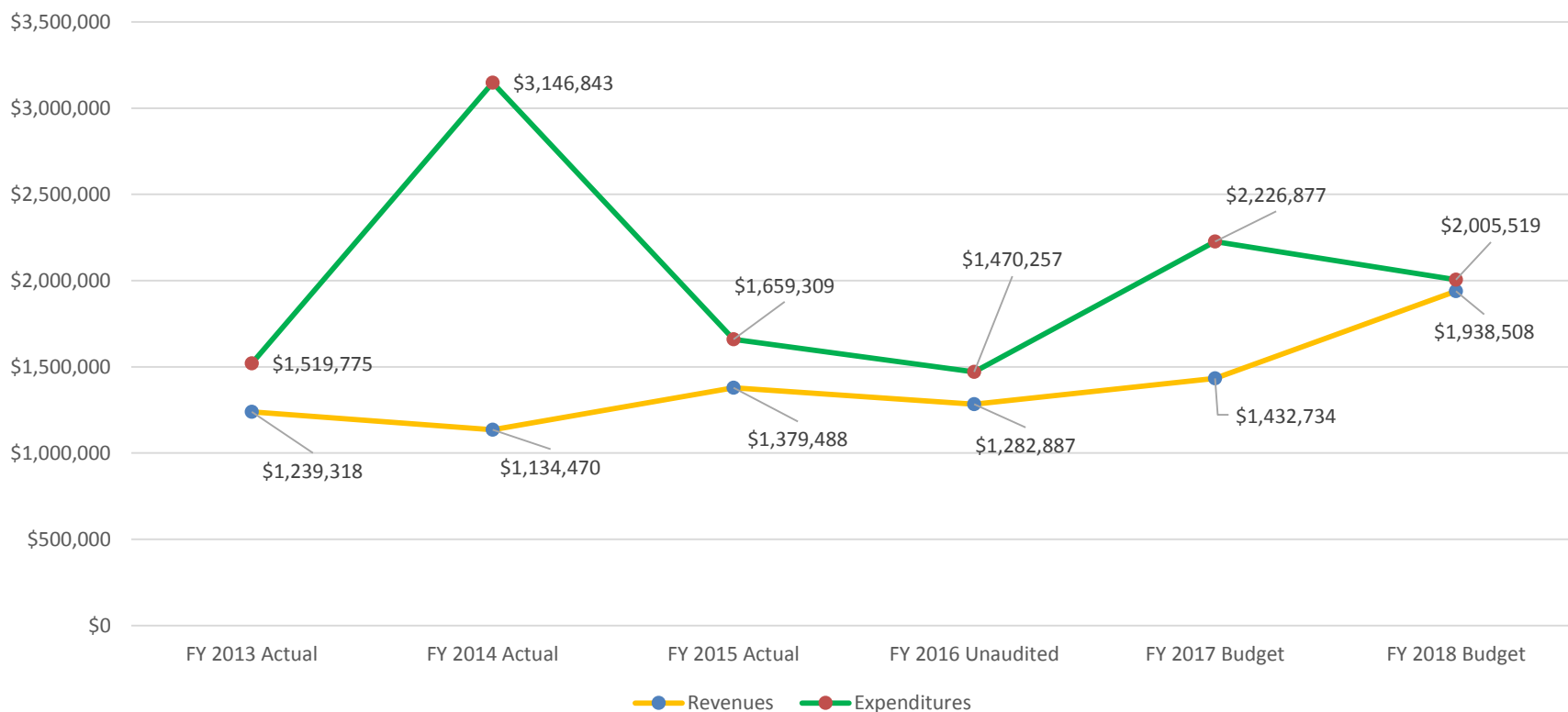
# TRANSPORTATION FUND

**FY 18 TRANSPORTATION FUND EXPENDITURES \$2,005,519**



# TRANSPORTATION FUND

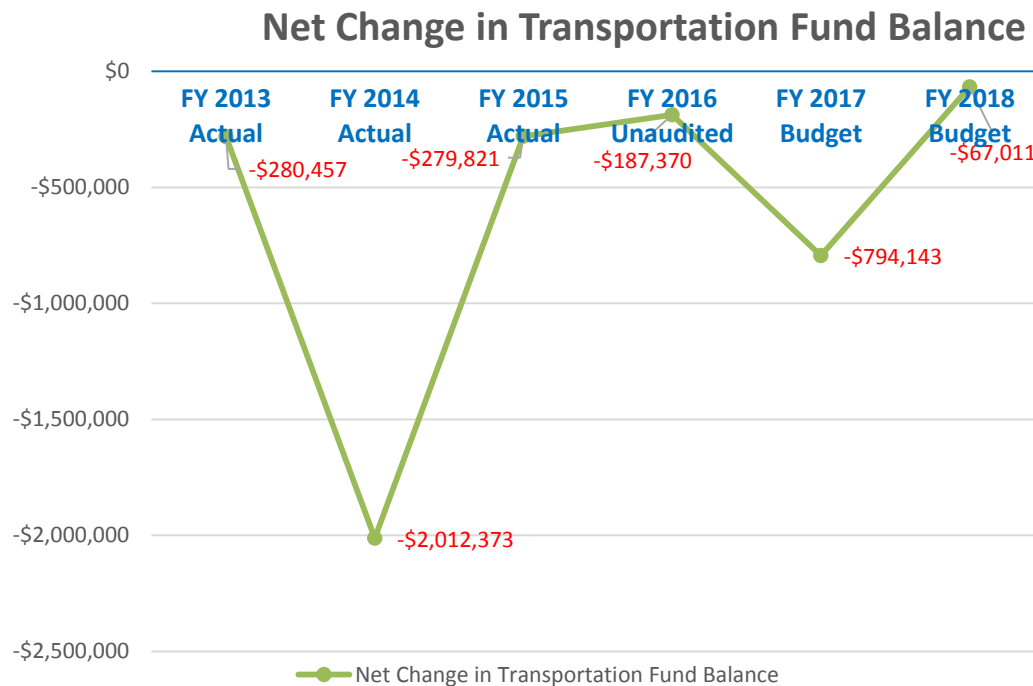
## TRANSPORTATION FUND REVENUE & EXPENSES



# TRANSPORTATION FUND

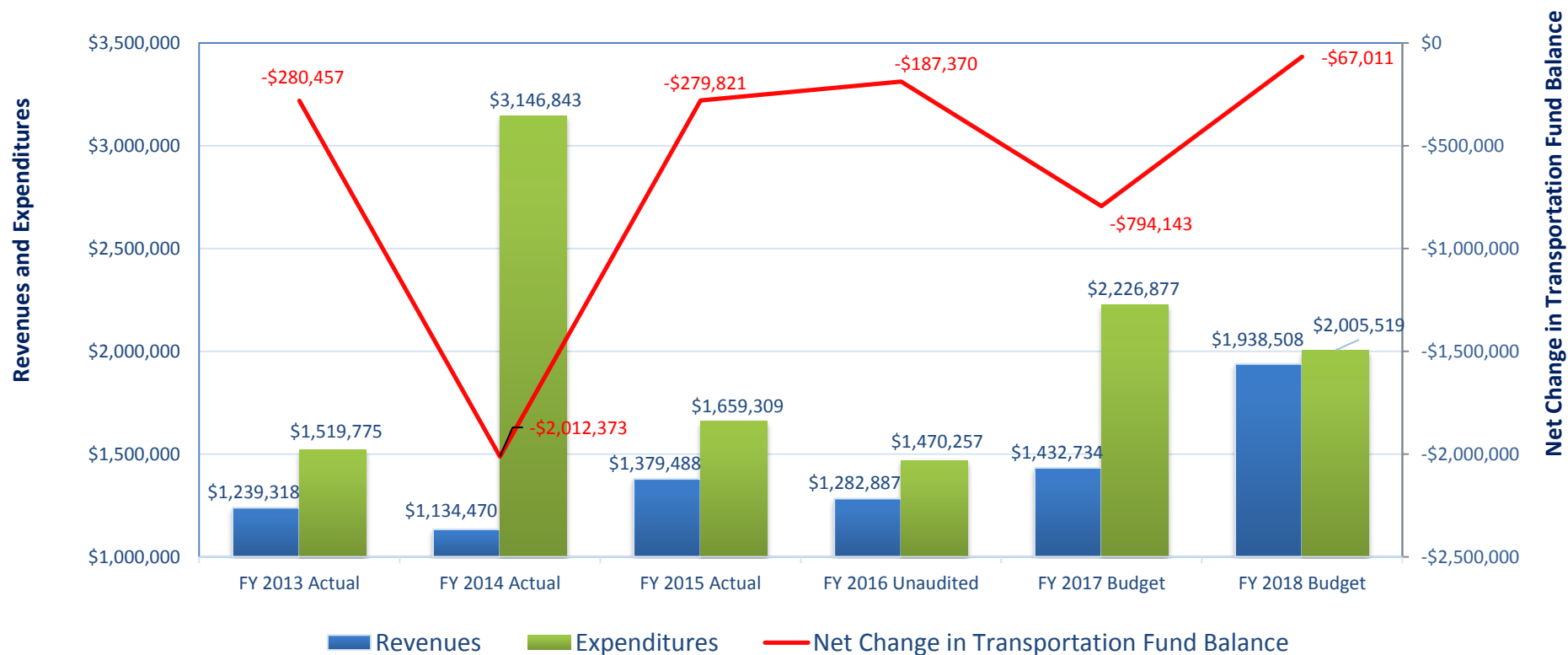
## USE OF RESERVES

FY 2013 Actual	-\$280,457
FY 2014 Actual	-\$2,012,373
FY 2015 Actual	-\$279,821
FY 2016 Unaudited	-\$187,370
FY 2017 Budget	-\$794,143
FY 2018 Budget	-\$67,011
<b>Total</b>	<b>-\$3,621,175</b>



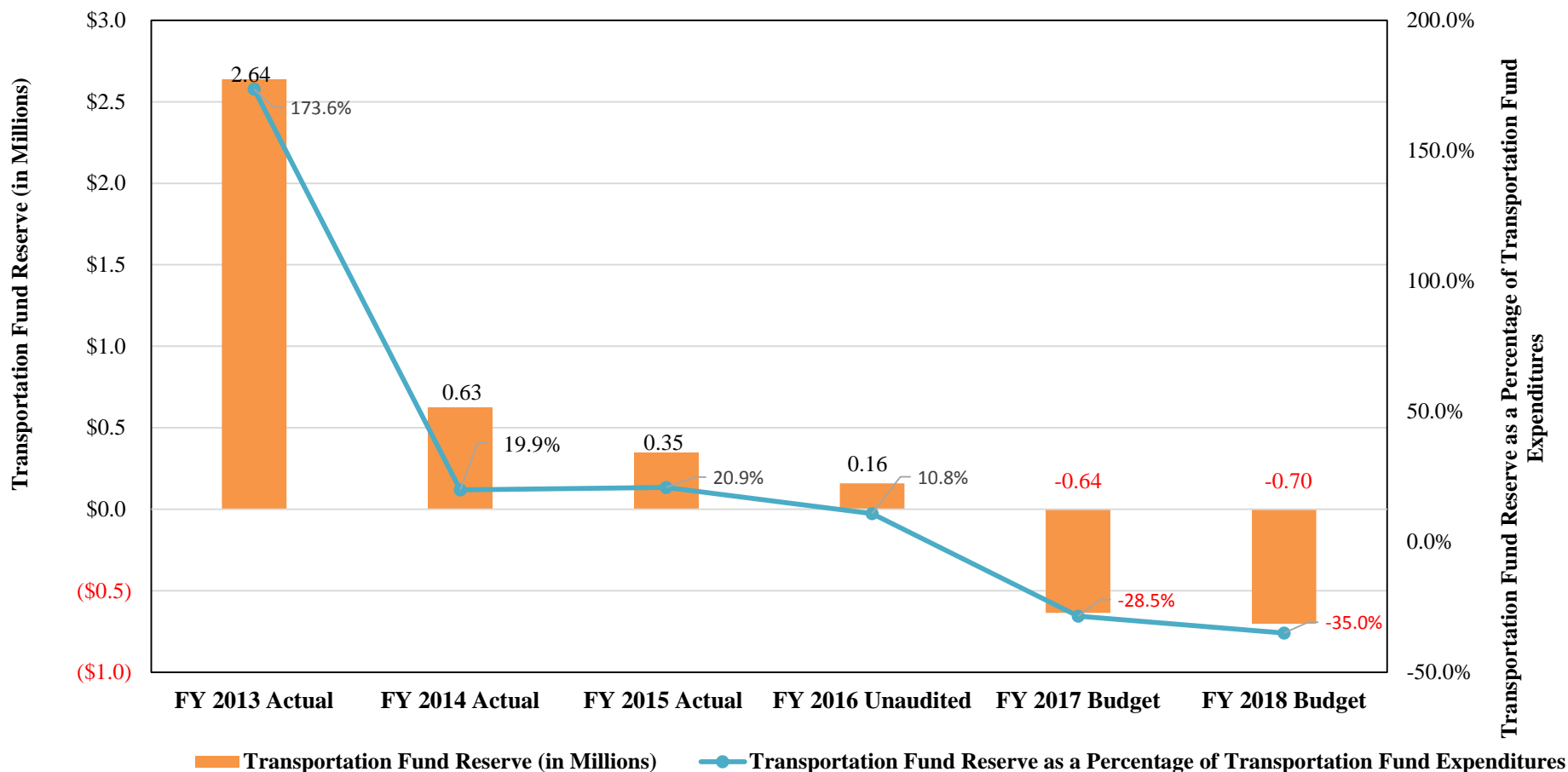
# TRANSPORTATION FUND

Transportation Fund Revenues, Expenditures and Net Change in Transportation Fund Balance



# TRANSPORTATION FUND

## Transportation Fund Reserve as a Percentage of Transportation Fund Expenditures



# TRANSPORTATION FUND

- The FY 2016 - 17 Budget includes a loan from the Utility Fund of \$725,013 to fund the projected deficit in the Transportation Fund
- By the end of FY 2016 – 17, it is projected that the fund will have a deficit of approximately \$635,091; which was projected to be funded by the loan from the Utility Fund
- We are recommending that the loan comes from the General Fund instead of the Utility Fund
- At this point for the FY 2017 – 18 budget, the fund is projected to have a deficit of approximately \$67,011; which staff is working on eliminating
- Part of the Five-year Strategic Plan will encompass a plan to make the Transportation Fund sustainable



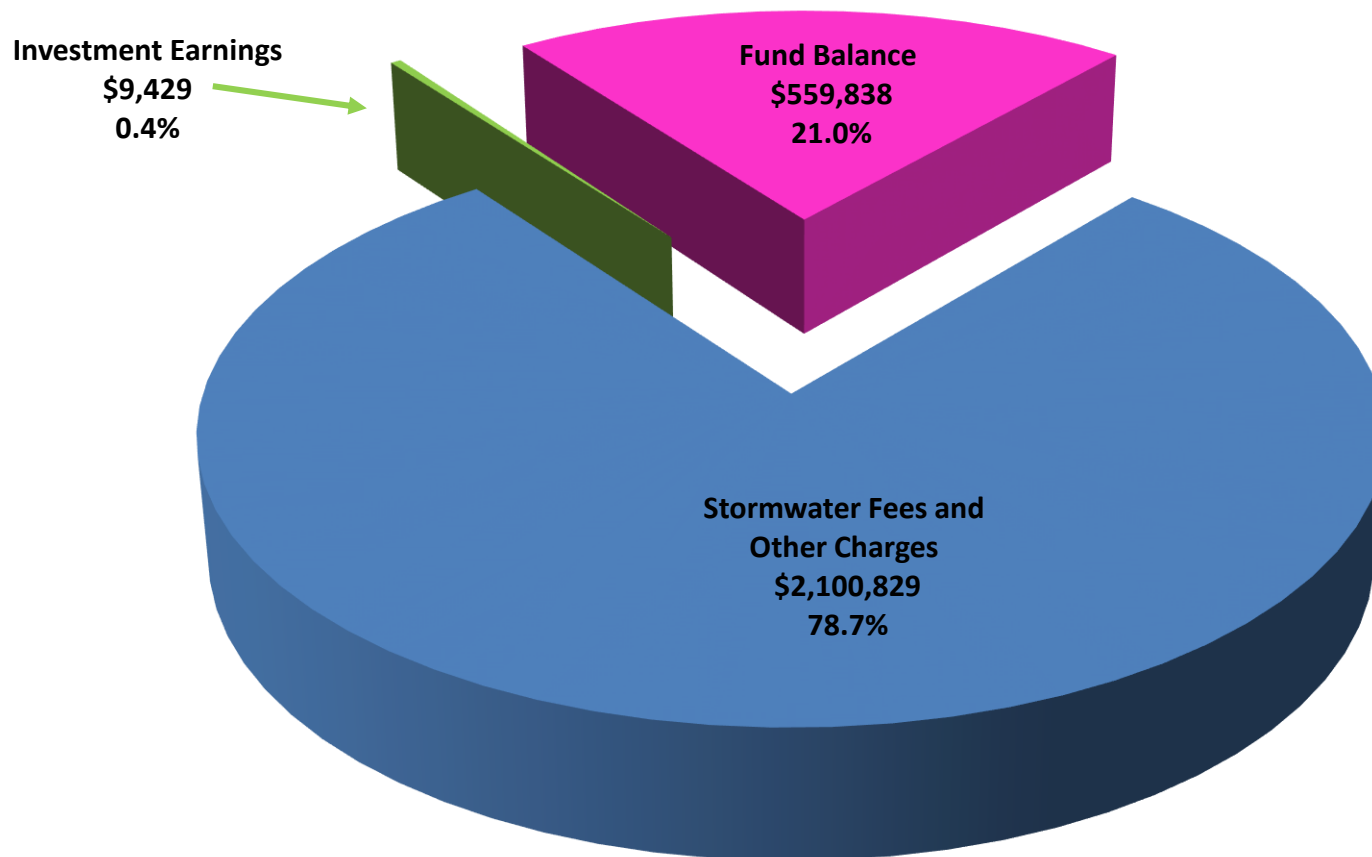
Hallandale Beach





# STORMWATER FUND

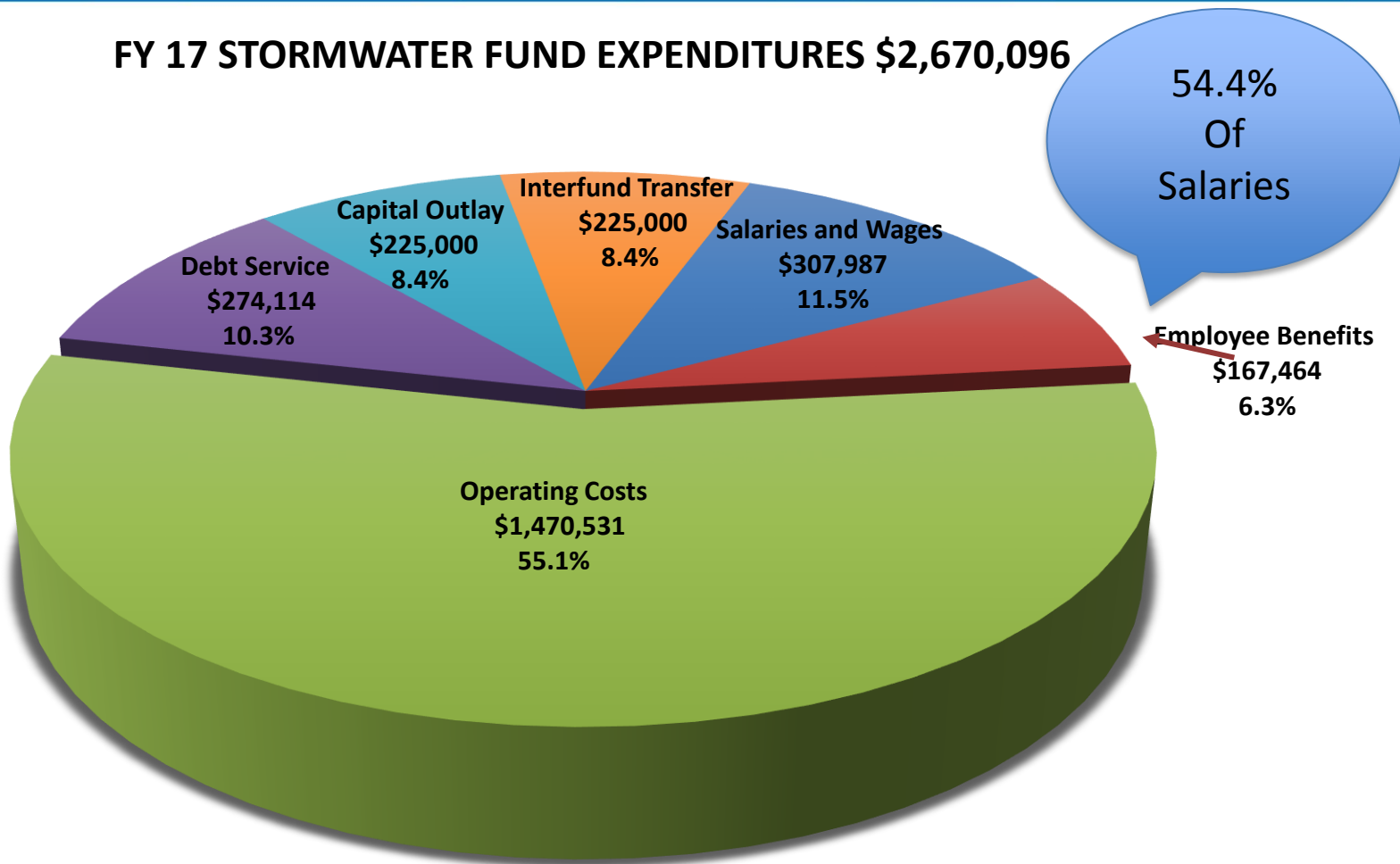
**FY 17 STORMWATER FUND REVENUES \$ 2,670,096**



■ Stormwater Fees and Other Charges   ■ Investment Earnings   ■ Fund Balance

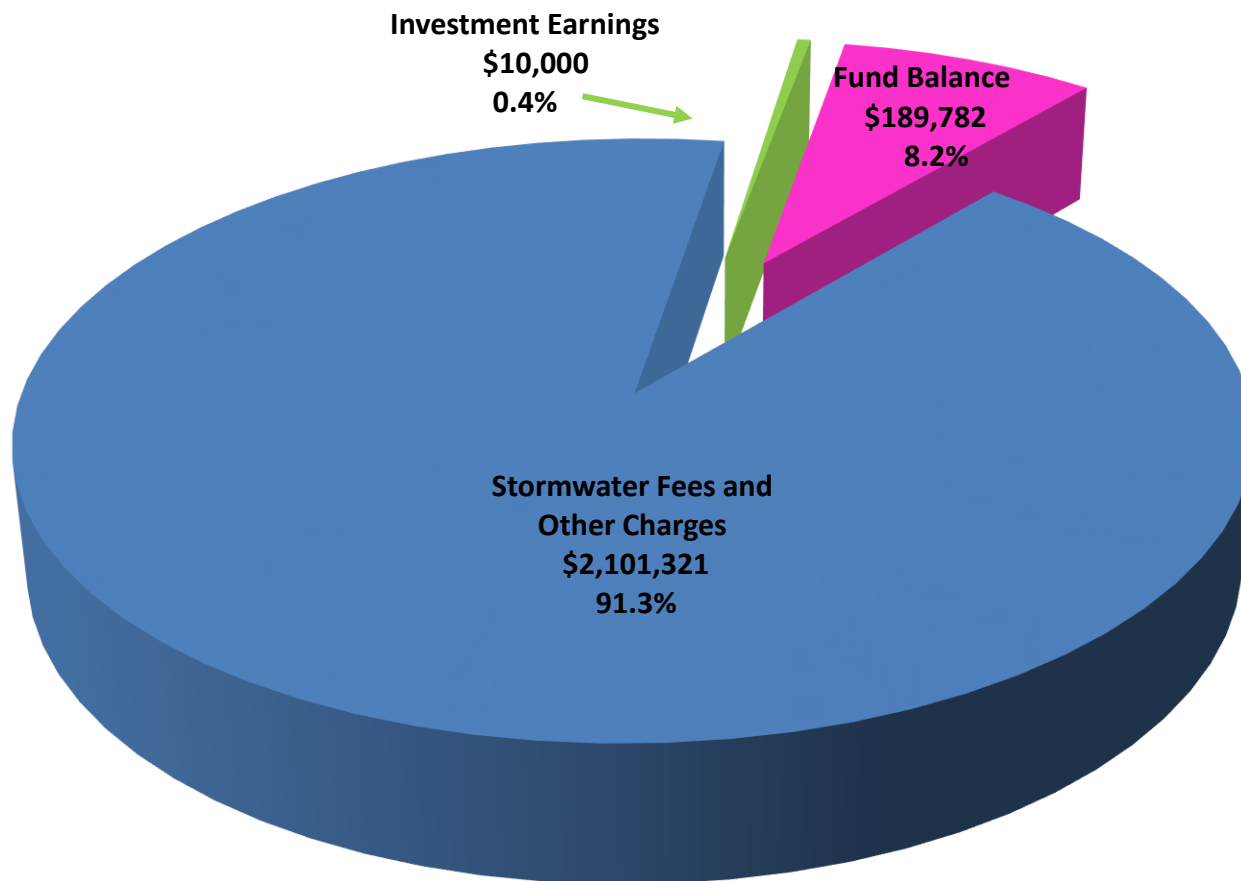
# STORMWATER FUND

FY 17 STORMWATER FUND EXPENDITURES \$2,670,096



# STORMWATER FUND

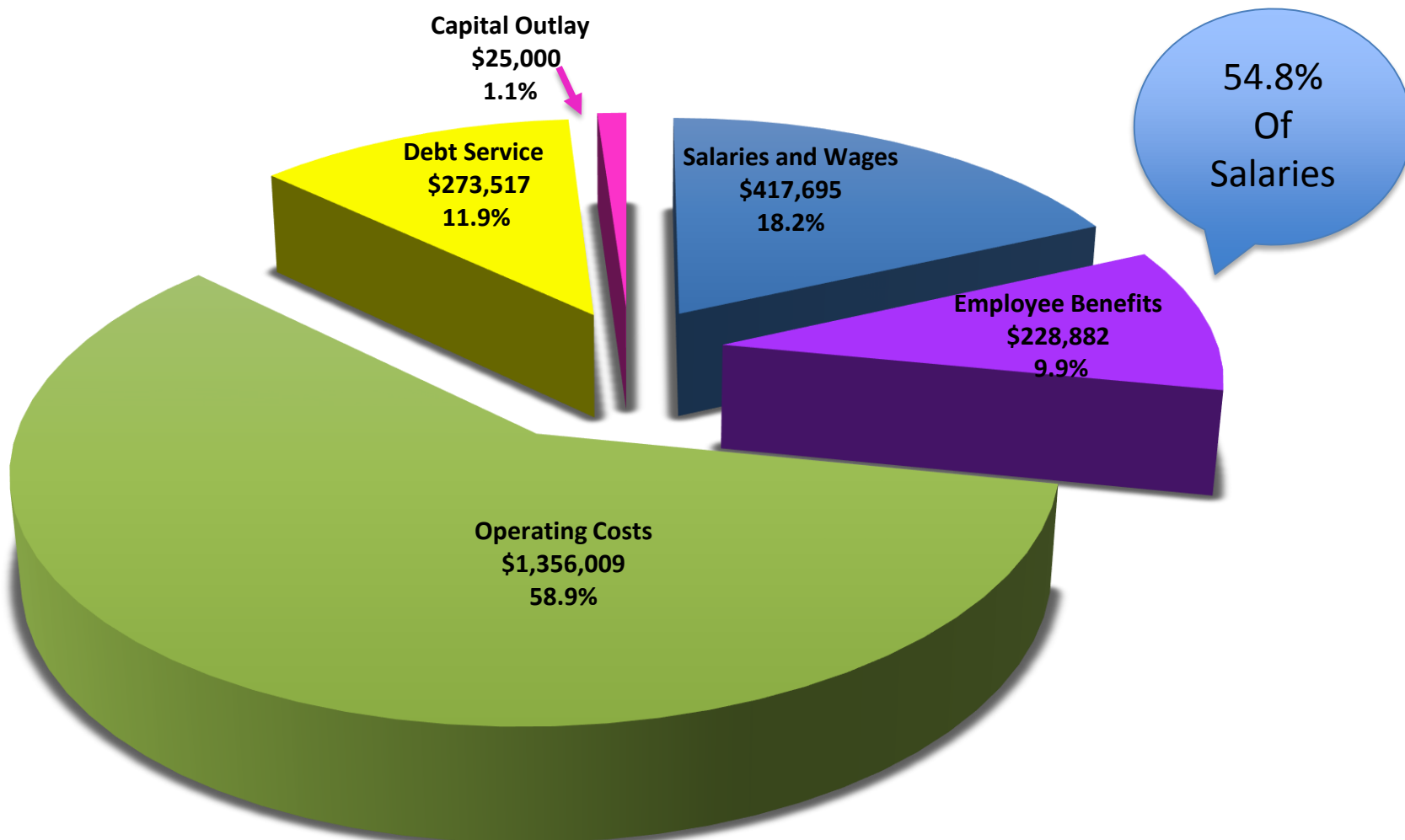
## FY 18 STORMWATER FUND REVENUES \$2,301,103



■ Stormwater Fees and Other Charges   ■ Investment Earnings   ■ Fund Balance

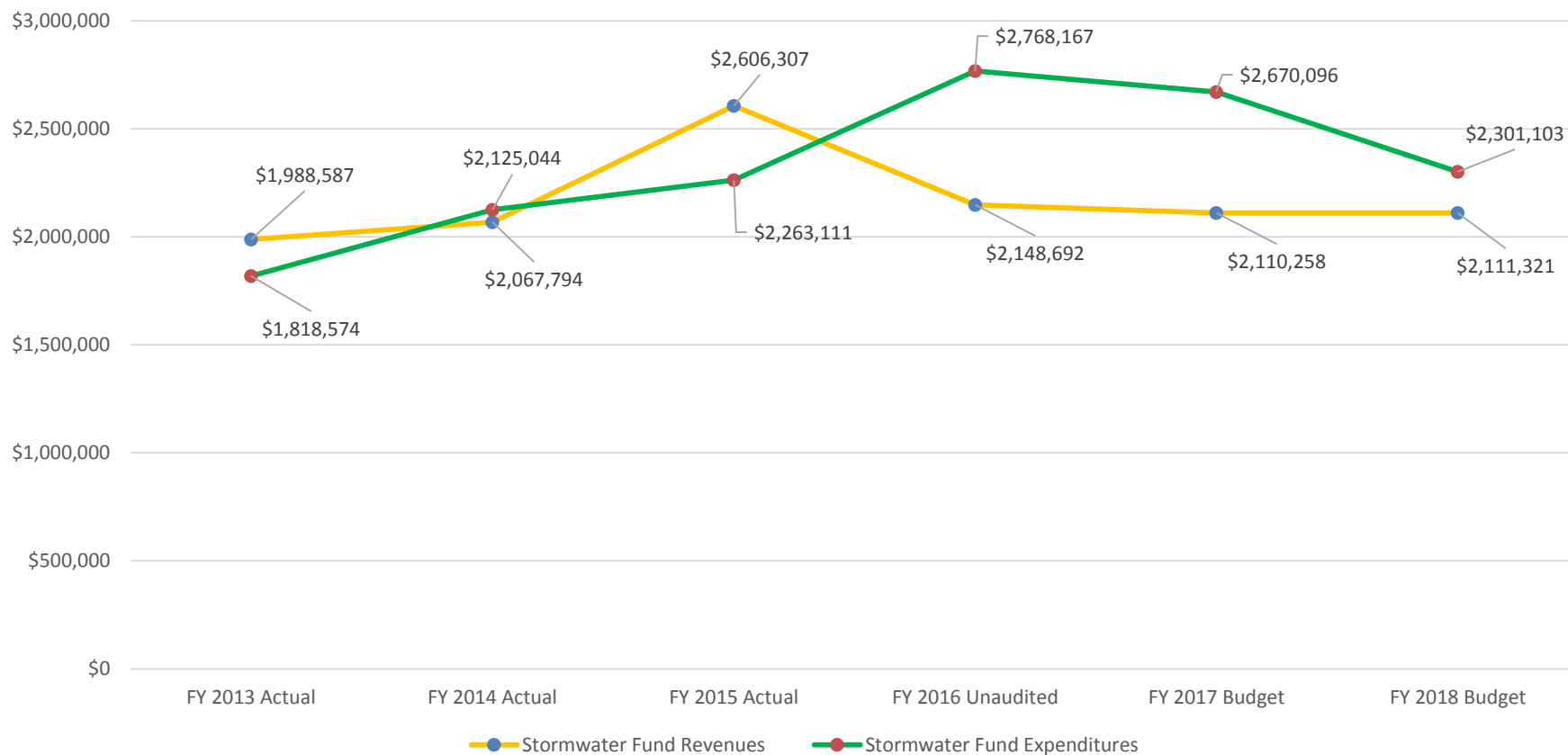
# STORMWATER FUND

## FY 18 STORMWATER FUND EXPENDITURES \$2,301,103



# STORMWATER FUND

## STORMWATER FUND REVENUE & EXPENSES

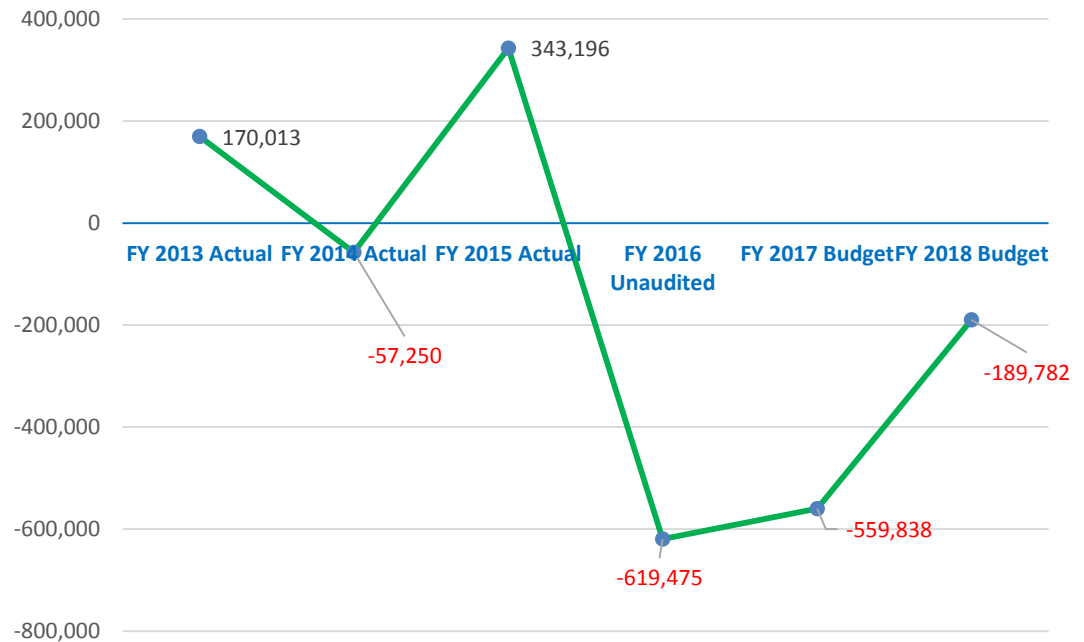


# STORMWATER FUND

## USE OF RESERVES

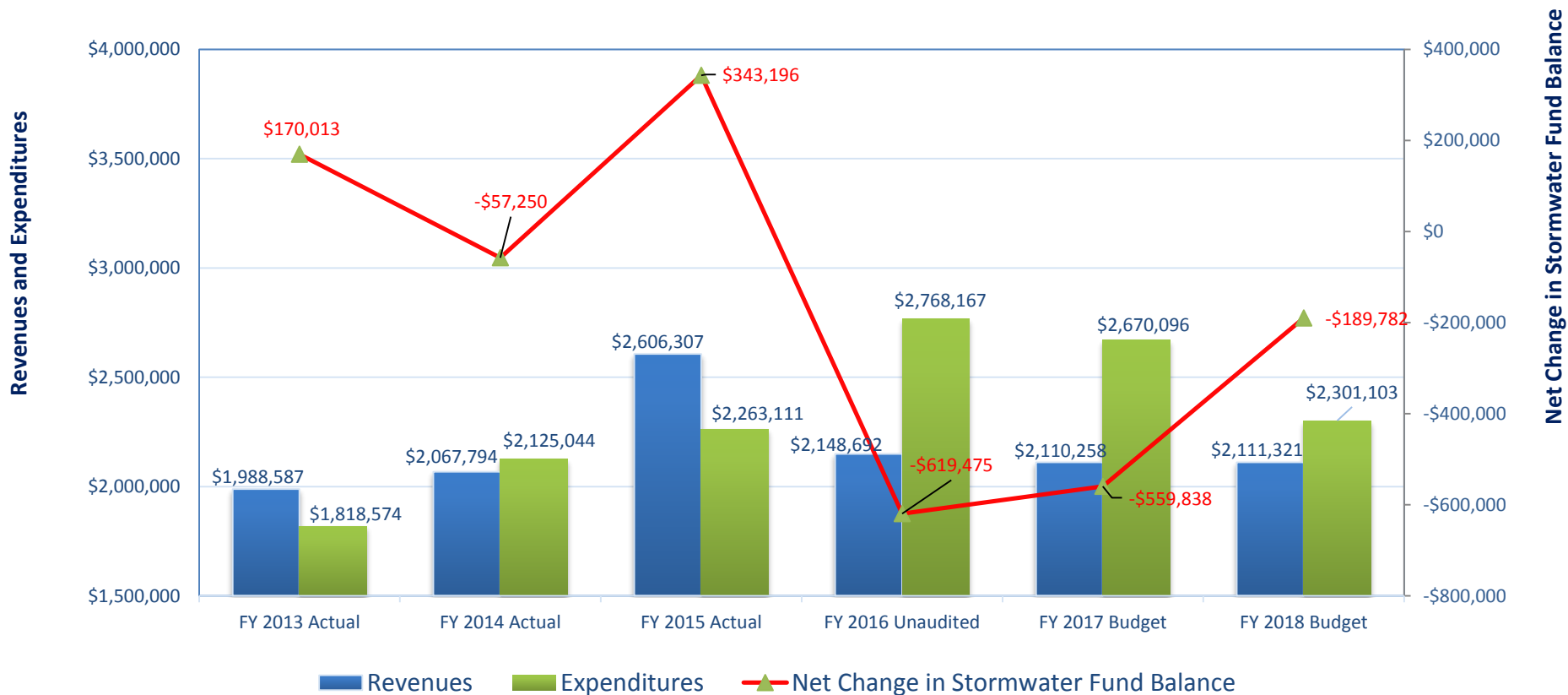
FY 2013 Actual	\$170,013
FY 2014 Actual	-\$57,250
FY 2015 Actual	\$343,196
FY 2016 Unaudited	-\$619,475
FY 2017 Budget	-\$559,838
FY 2018 Budget	-\$189,782
<b>Total</b>	<b>-\$913,136</b>

NET CHANGE IN STORMWATER FUND BALANCE



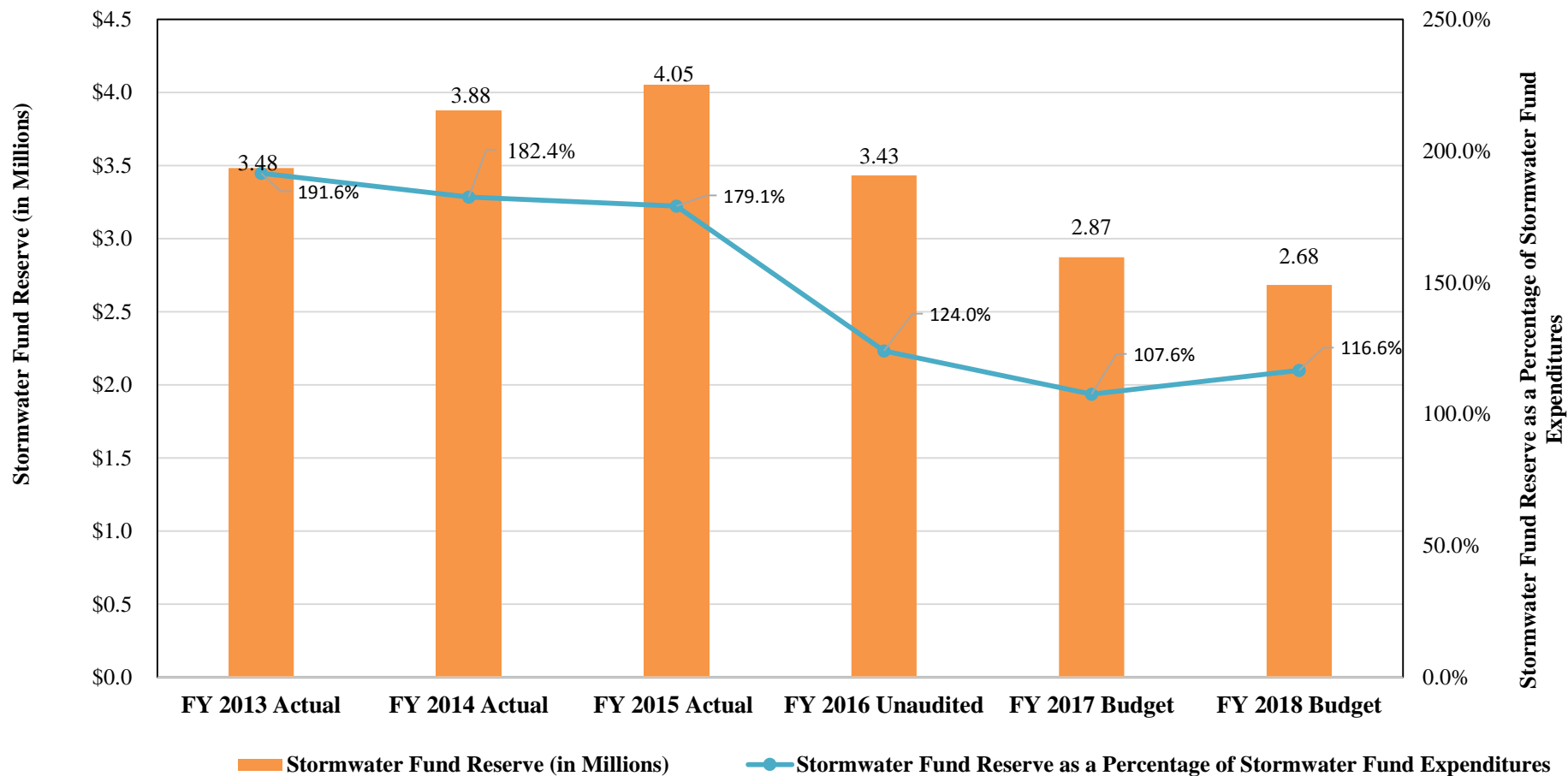
# STORMWATER FUND

## Stormwater Fund Revenues, Expenditures and Net Change in Stormwater Fund Balance



# STORMWATER FUND

## Stormwater Fund Reserve as a Percentage of Stormwater Fund Expenditures





# STORMWATER FUND

- In FY 2016 – 17, we used Fund Balance to balance the budget and at this point in the process next year's budget continues to use Fund Balance
- We need to raise enough revenues to support the operation, maintenance and capital improvement of the drainage system in the City through stormwater fees
- We have some major projects that need to be funded, especially the SW Drainage Improvement Project; which staff is seeking funding from the CRA to match a federal grant from FEMA
  - Total project \$8.7M – 75% Federal (\$6.5M) & 25% local (\$2.2M)
    - Alternative funding can come from the Camera Project and/or Beach Renourishment Project
- The stormwater fees will be part of the overall rate study

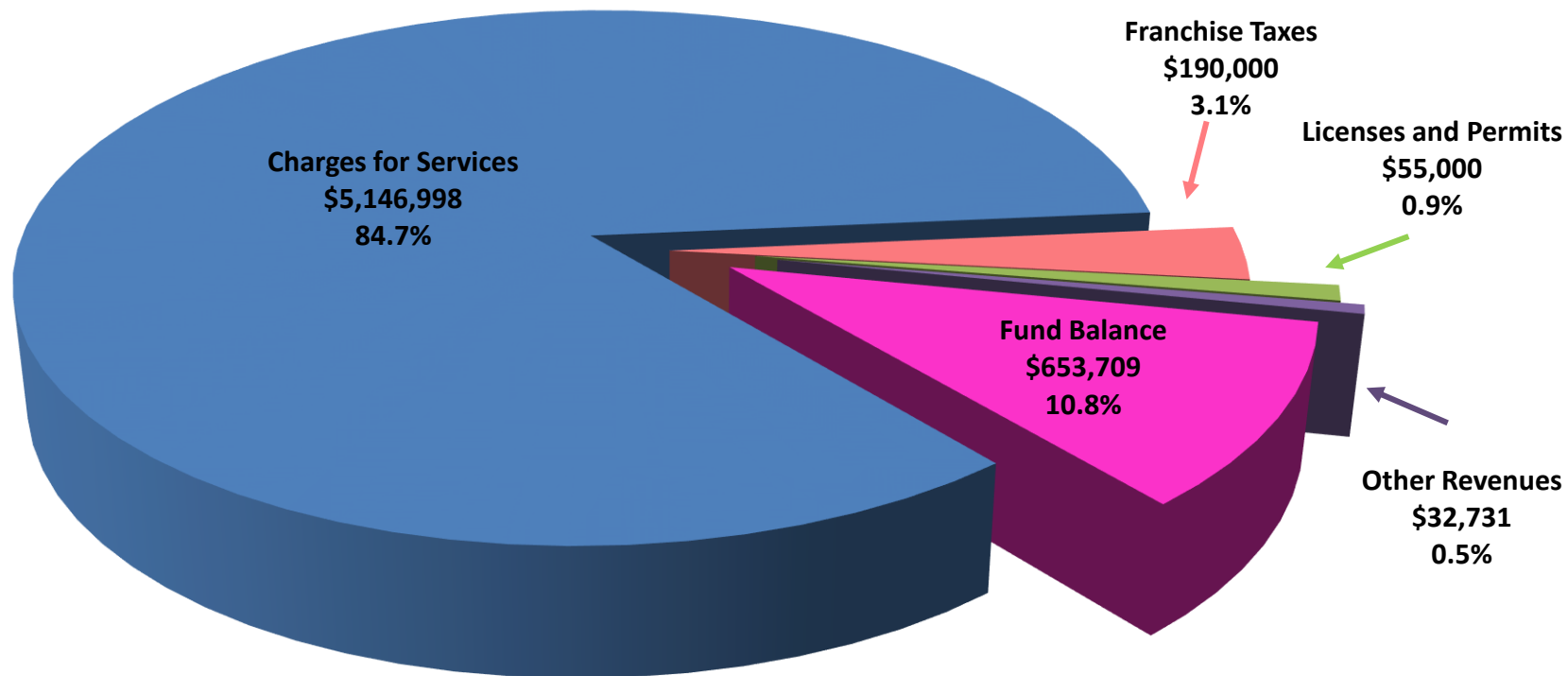


Hallandale Beach



# SANITATION FUND

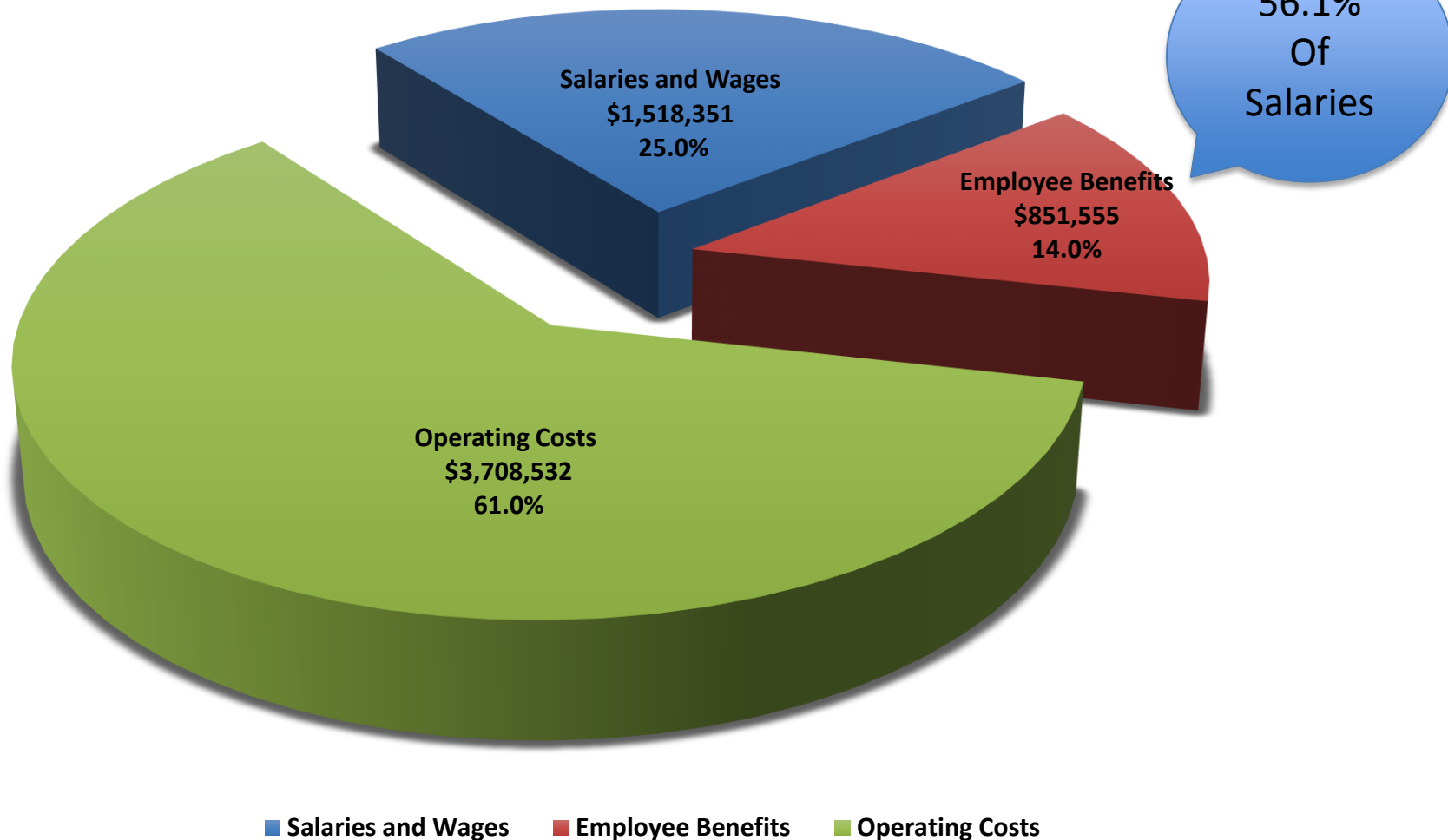
## FY 17 SANITATION FUND REVENUES \$6,078,438



■ Charges for Services   ■ Franchise Taxes   ■ Licenses and Permits   ■ Other Revenues   ■ Fund Balance

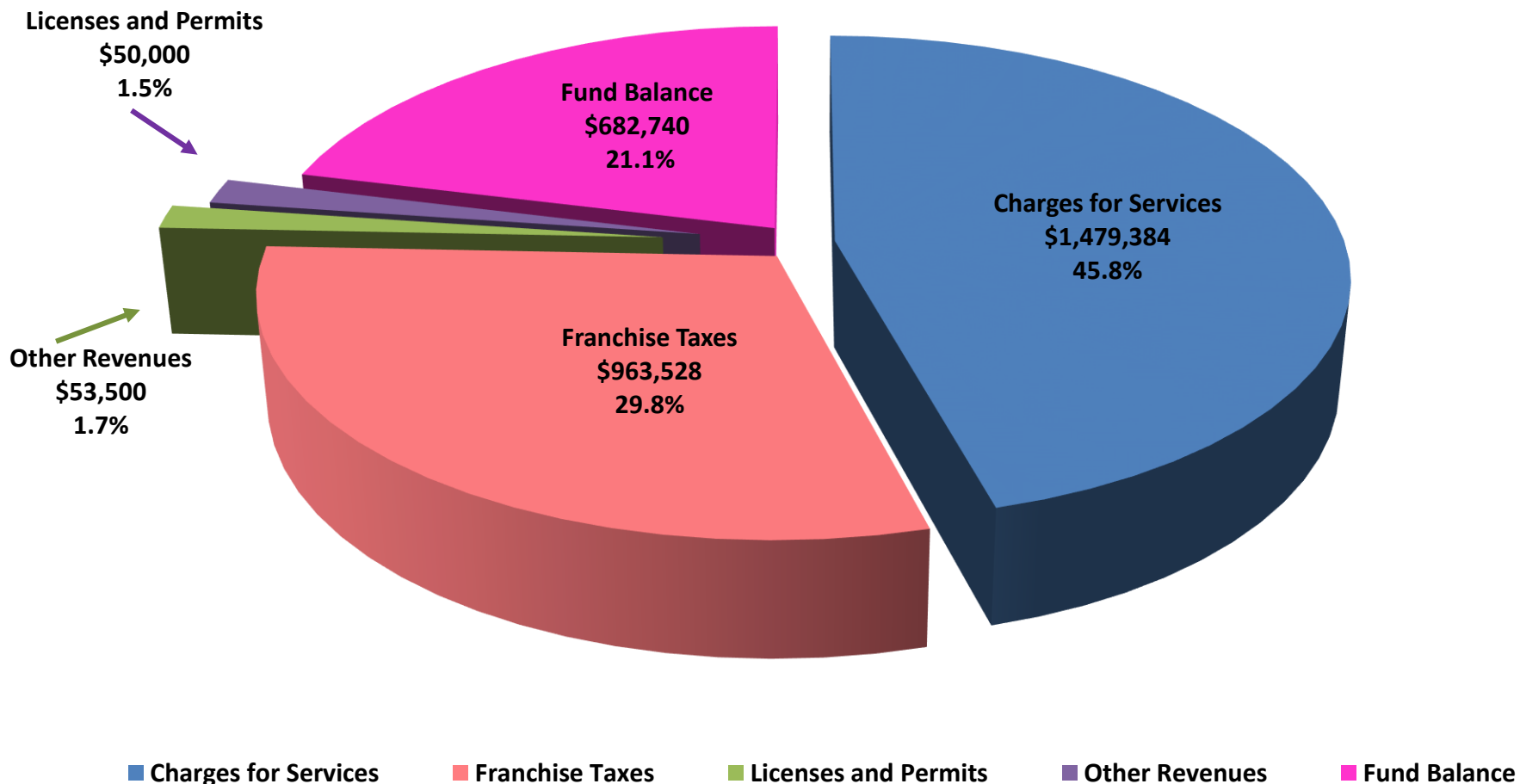
# SANITATION FUND

**FY 17 SANITATION FUND EXPENDITURES \$6,078,438**



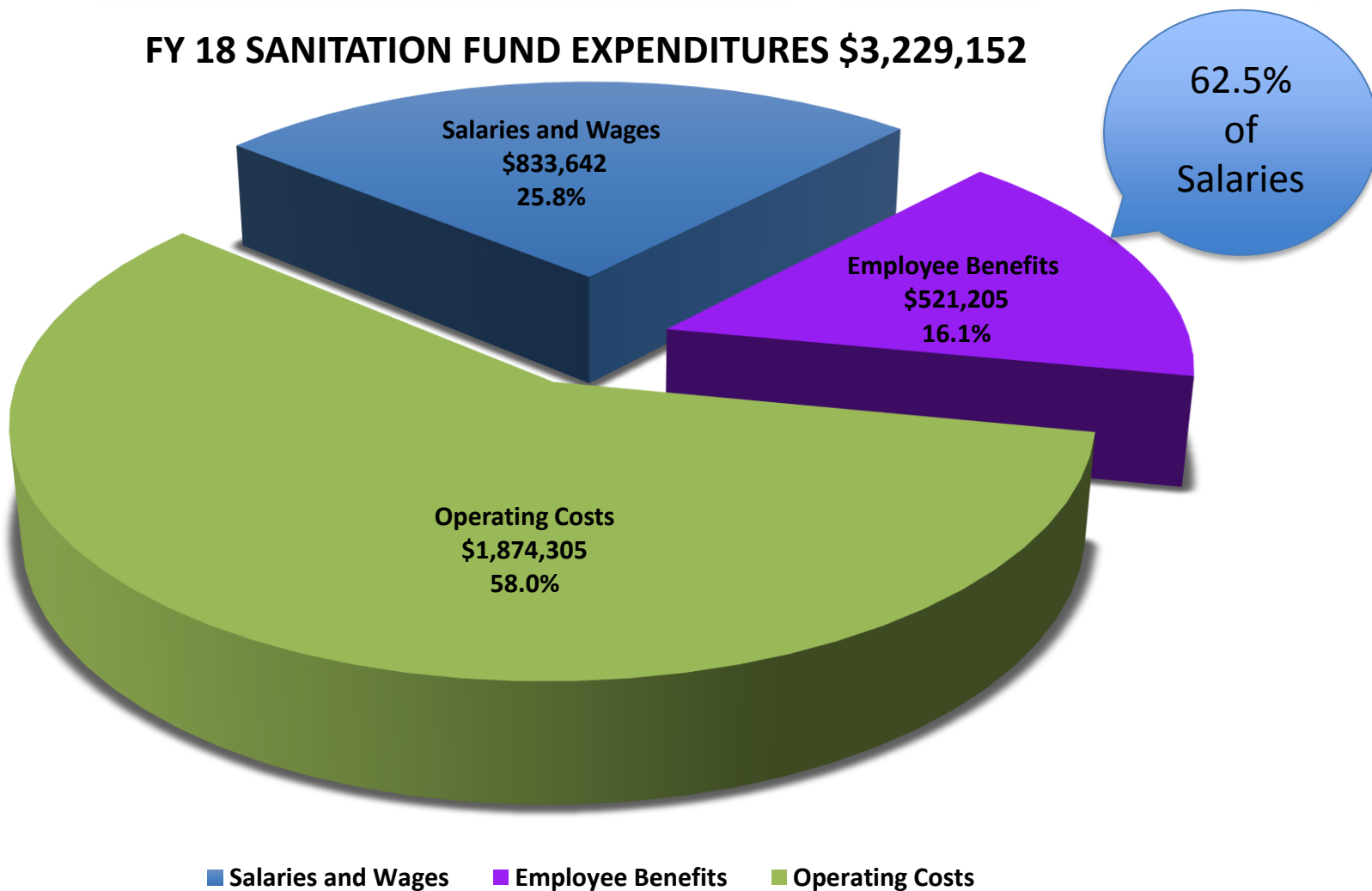
# SANITATION FUND

## FY 18 SANITATION FUND REVENUES \$3,229,152



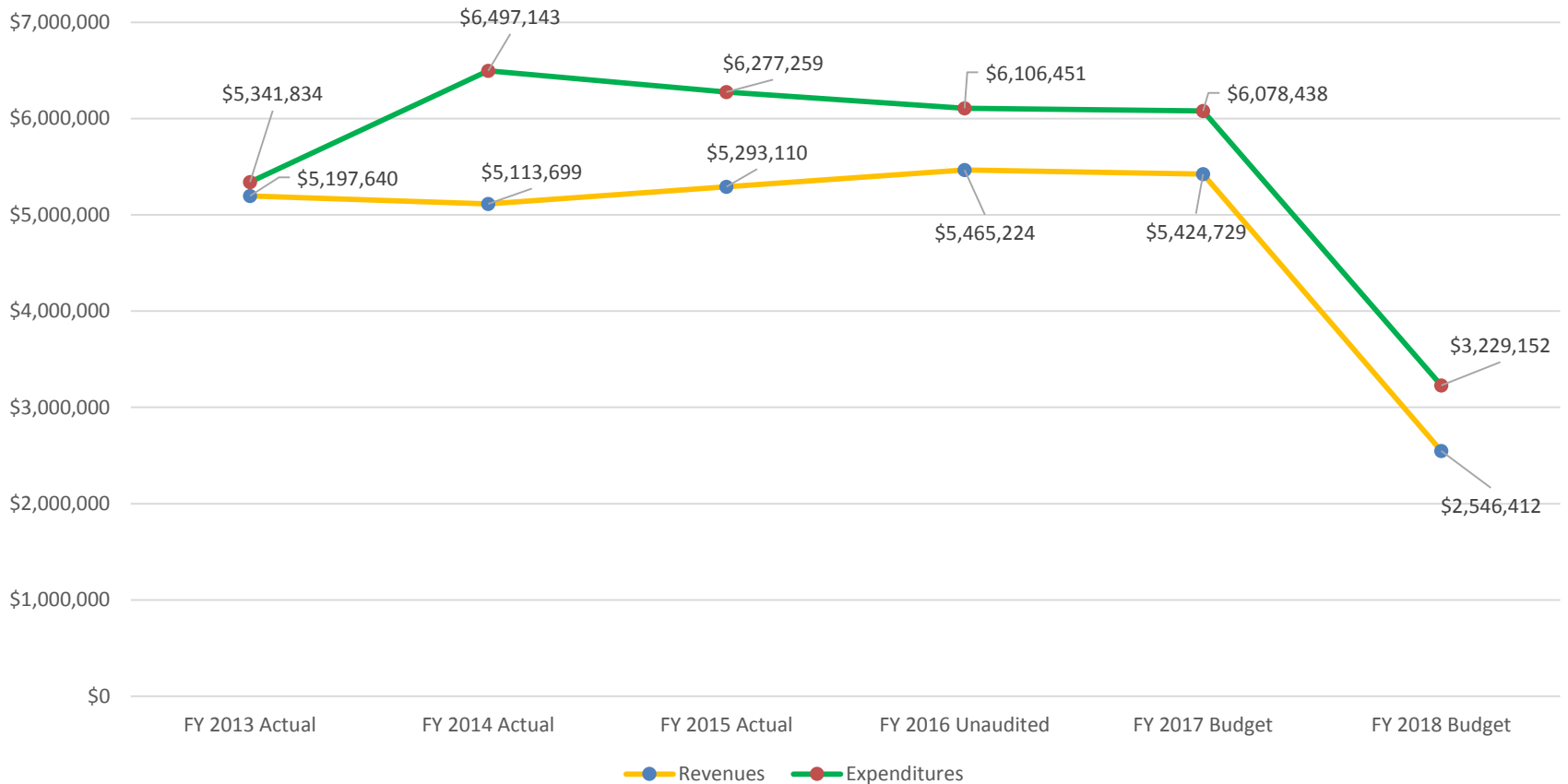
# SANITATION FUND

**FY 18 SANITATION FUND EXPENDITURES \$3,229,152**



# SANITATION FUND

## SANITATION FUND REVENUE & EXPENSES

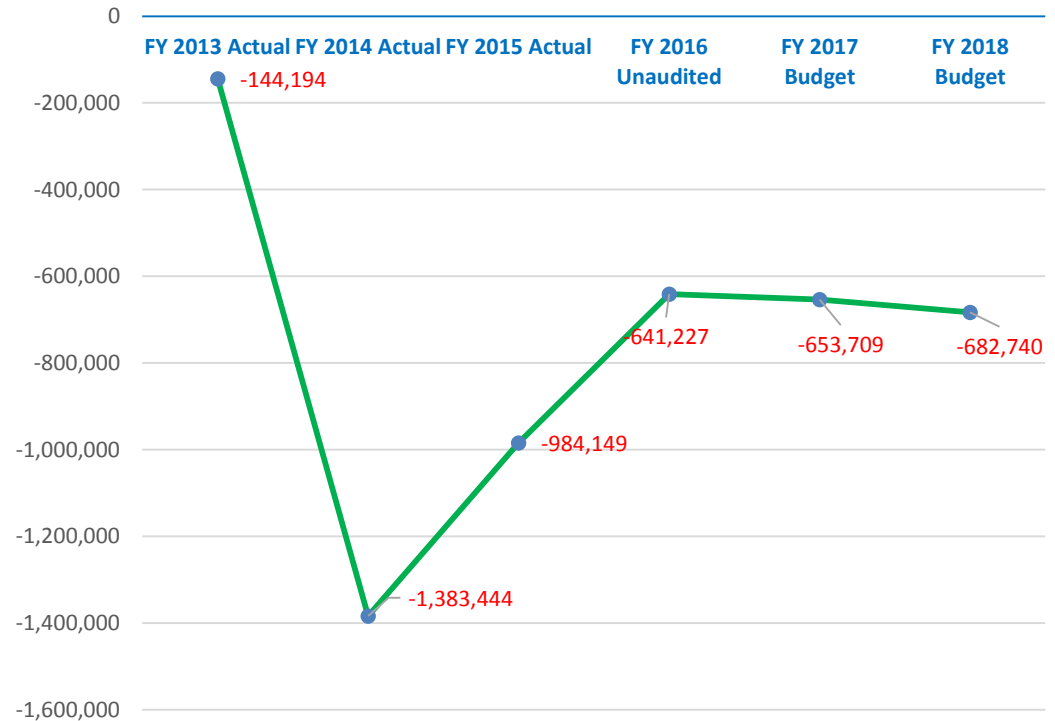


# SANITATION FUND

## USE OF RESERVES

FY 2013 Actual	-\$144,194
FY 2014 Actual	\$-1,383,444
FY 2015 Actual	-\$984,149
FY 2016 Unaudited	-\$641,227
FY 2017 Budget	-\$653,709
FY 2018 Budget	-\$682,740
<b>Total</b>	<b>-\$4,489,463</b>

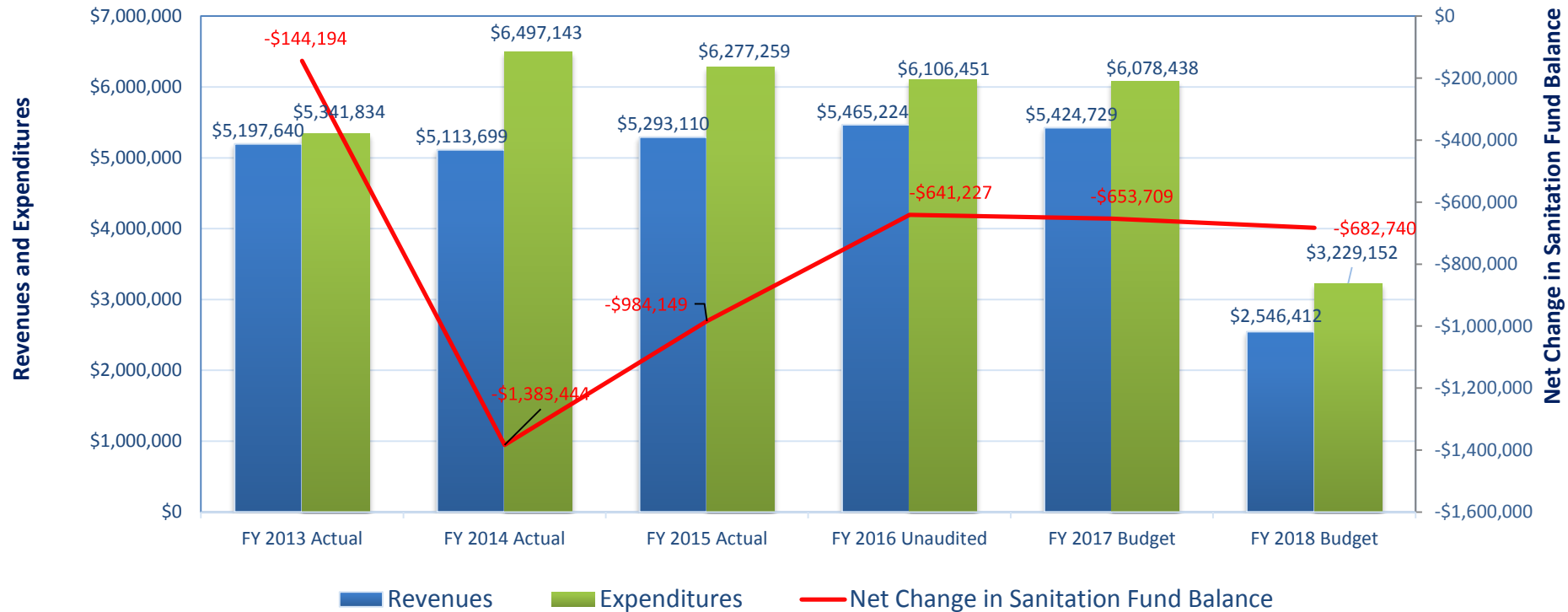
NET CHANGE IN SANITATION FUND BALANCE





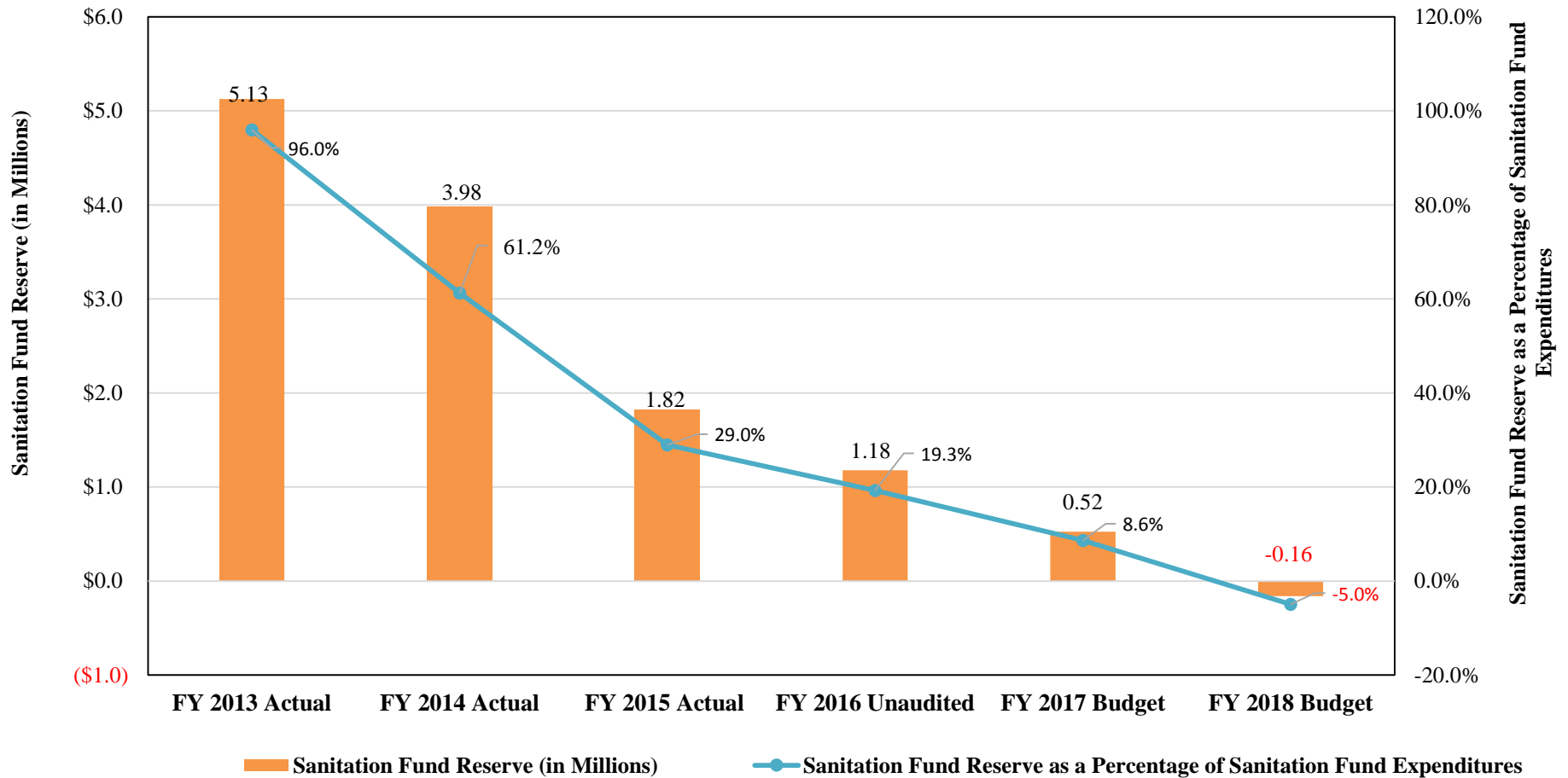
# SANITATION FUND

**Sanitation Fund Revenues, Expenditures and Net Change in Sanitation Fund Balance**



# SANITATION FUND

## Sanitation Fund Reserve as a Percentage of Sanitation Fund Expenditures



# SANITATION FUND

- The budget includes selling the commercial and multi-family franchise
- Increase franchise fees from 19.5% to 22%
- Even with the selling of part of the operation; expenses still exceed revenues, which means the fund will still be unsustainable
- We still need to have an increase in single family rates in order to break even

# SANITATION FUND

## Financial impacts of selling franchise for multi-family and commercial customers in FY 2017 - 18:

- Increase of \$783,528 from original budget of \$180,000 to \$963,528 in Franchise Fee revenue and increasing the franchise fee from 19.5% to 22.0%;
- Reduction in Commercial Refuse Disposal Fee revenue of \$1,610,000;
- Reduction in Multi-Family Disposal Fee revenue of \$1,892,000;
- Reduction in Dumpster Rental revenue of \$120,000;
- Reduction in Multi-Family and Commercial Recycling revenue of \$51,300;
- \$2,541,863 Reduction in operating expenses

# SANITATION FUND

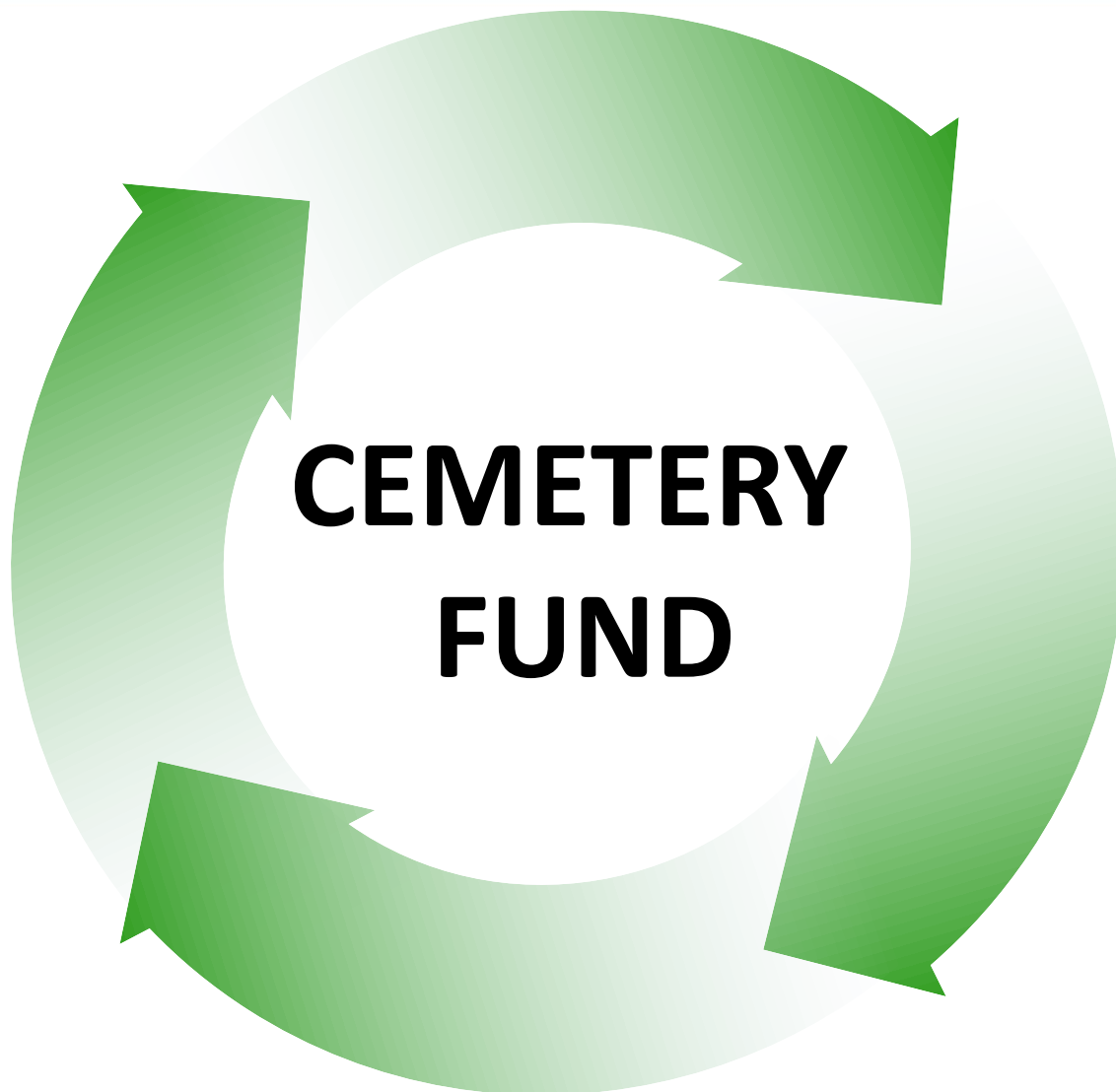
## **Reorganization and Employee Displacement**

- Those employees that will be displaced from their current position as a result of the reorganization, will receive:
  - ✓ Severance Pay
    - ✓ In accordance with Florida State Statute 215.421;
    - ✓ Maximum six-weeks compensation;
  - ✓ Payout of accrued vacation and sick-time balances;
  - ✓ Outplacement assistance to find another job;
  - ✓ Information about unemployment compensation;
  - ✓ Guidance with continuation of benefits.



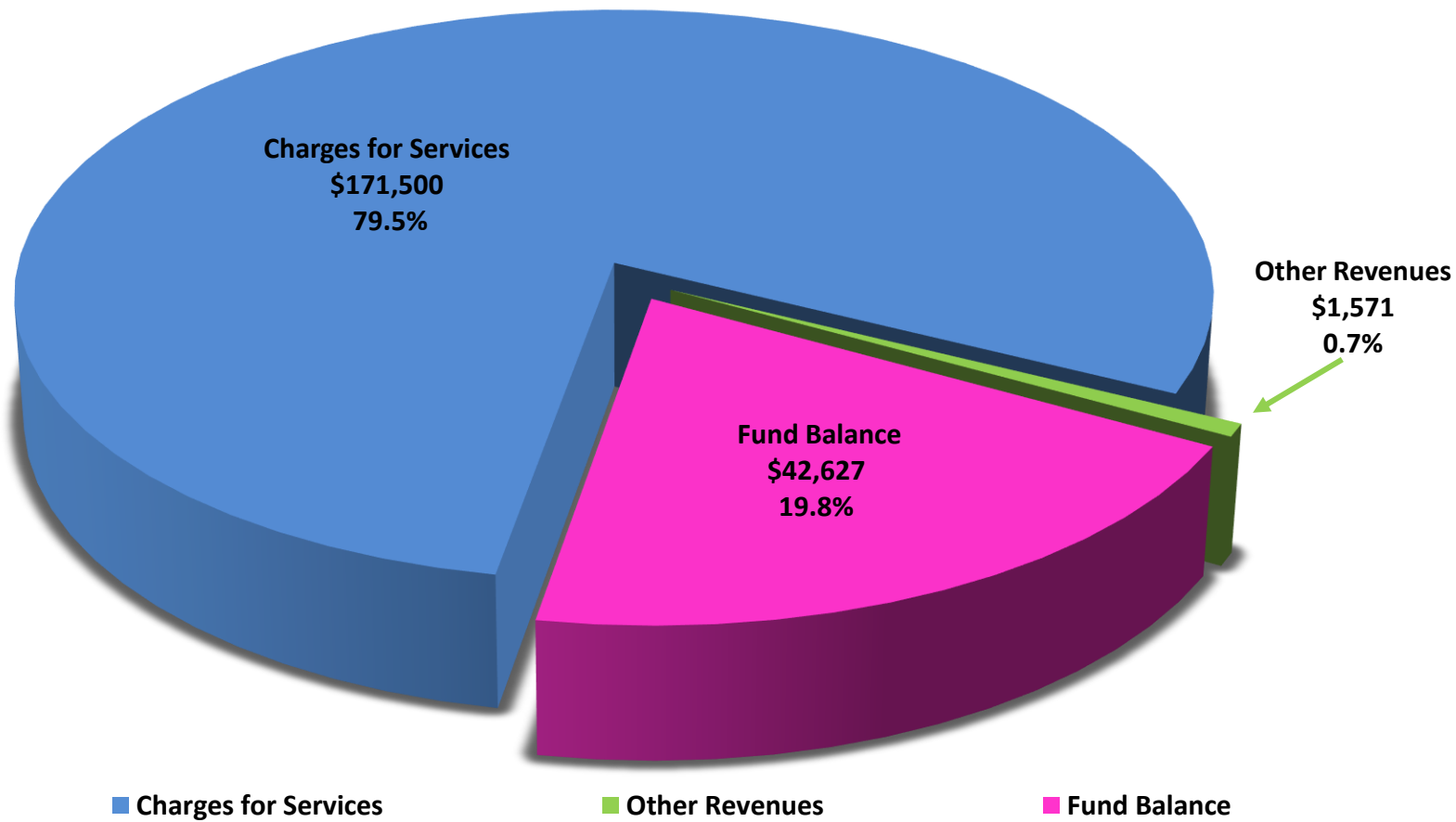
Beach

Hallandale Beach



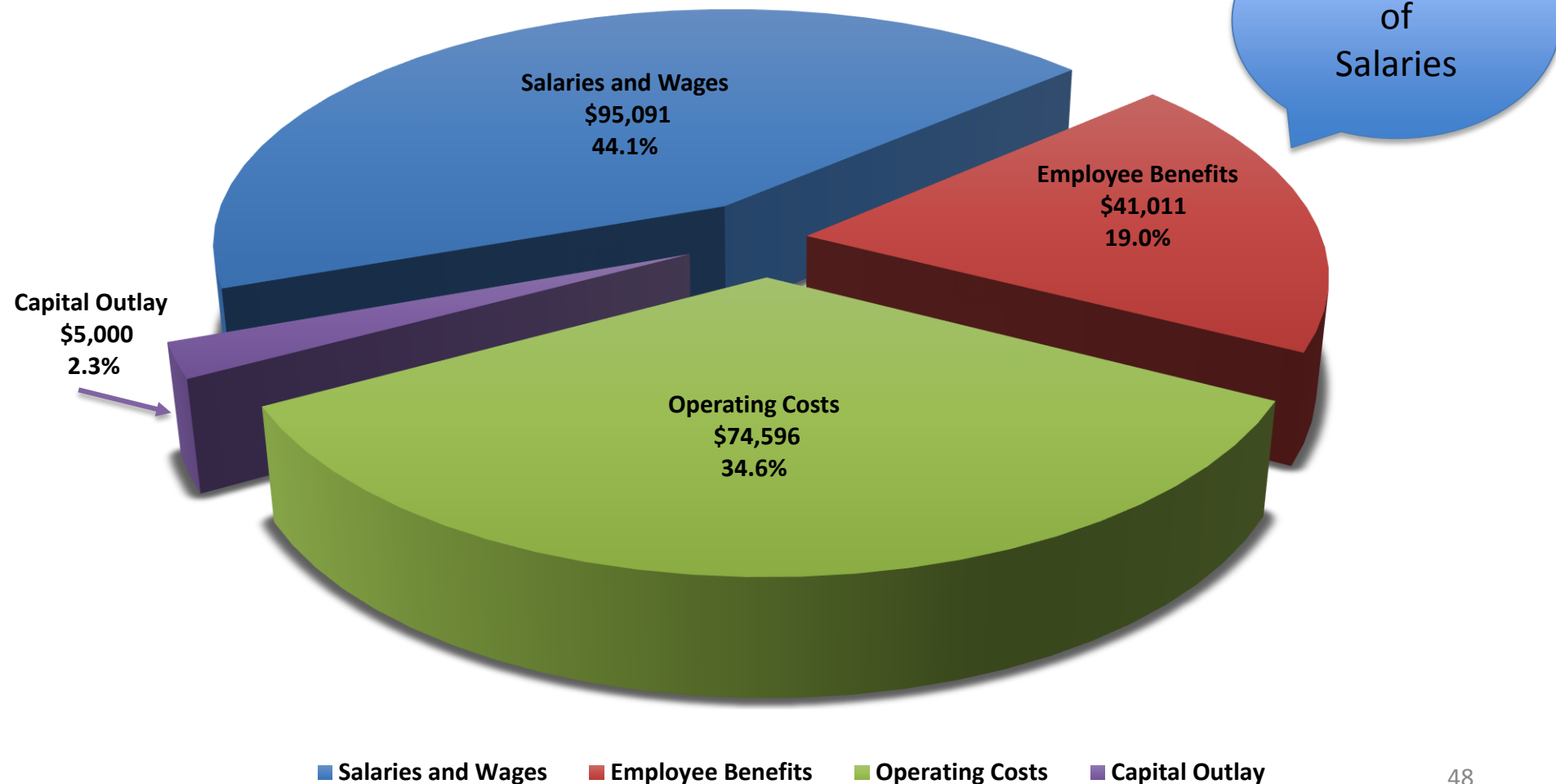
# CEMETERY FUND

## FY 17 CEMETERY FUND REVENUES \$215,698



# CEMETERY FUND

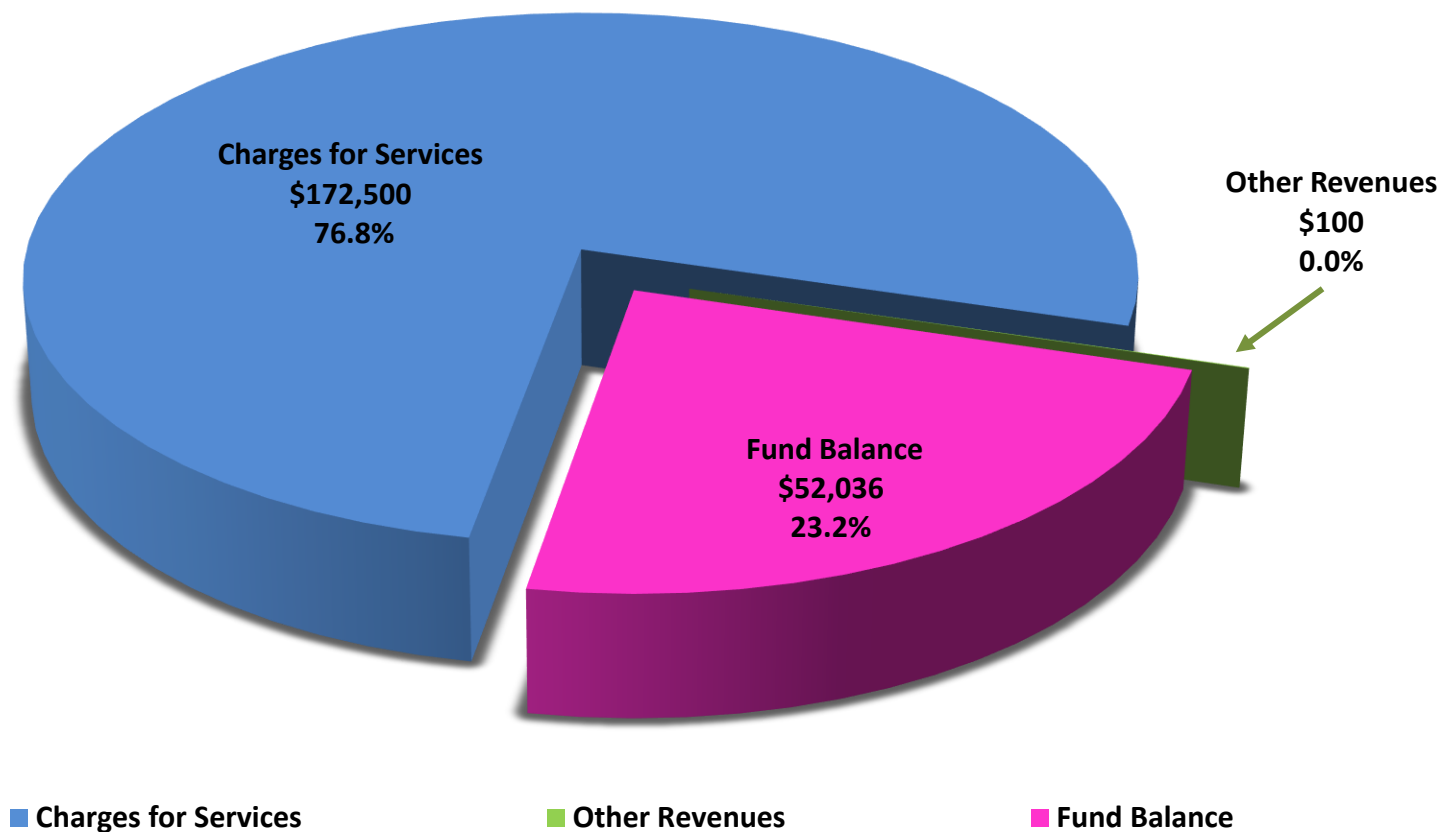
## FY 17 CEMETERY FUND EXPENDITURES \$215,698





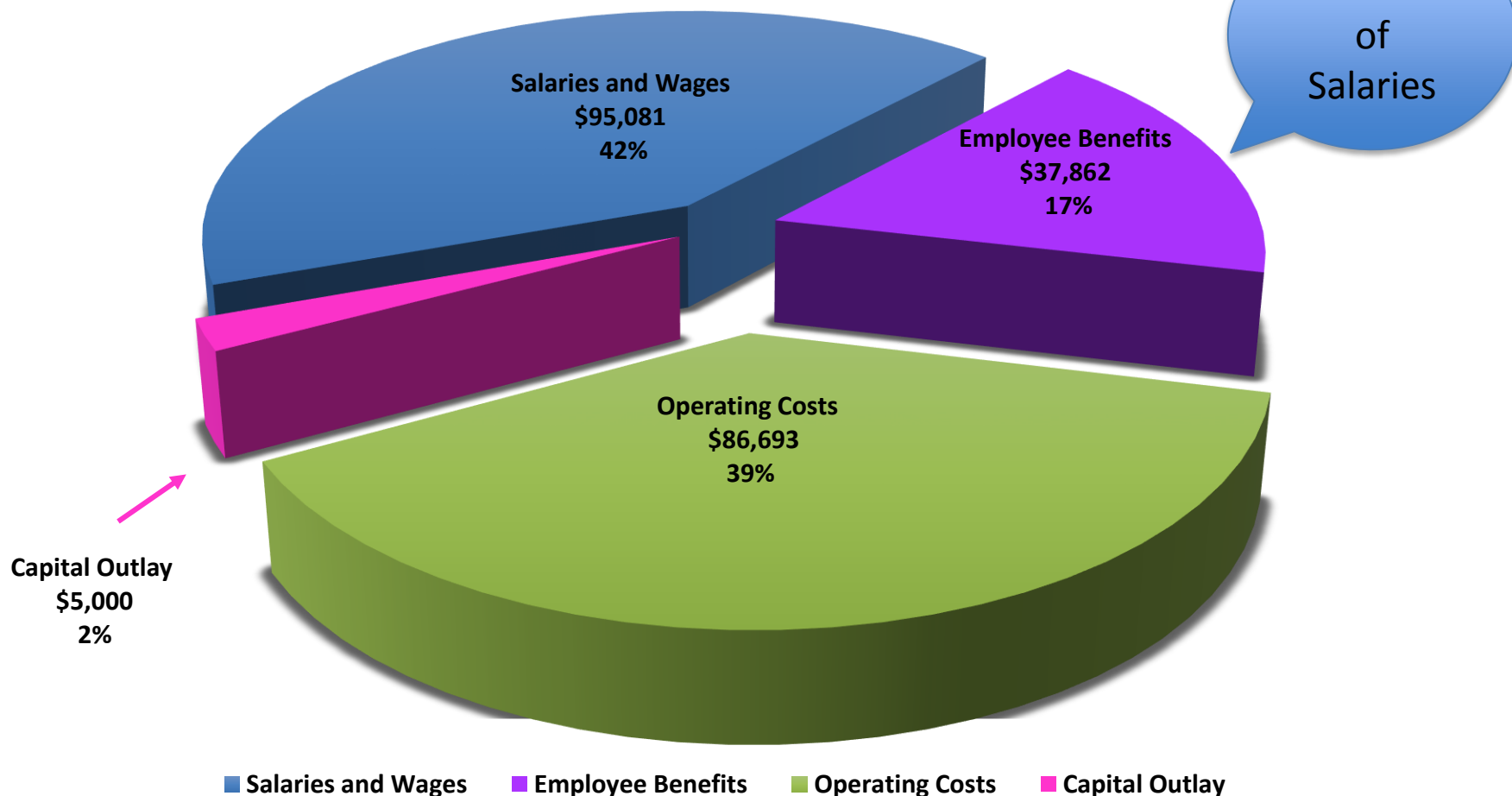
# CEMETERY FUND

**FY 18 CEMETERY FUND REVENUES \$224,636**



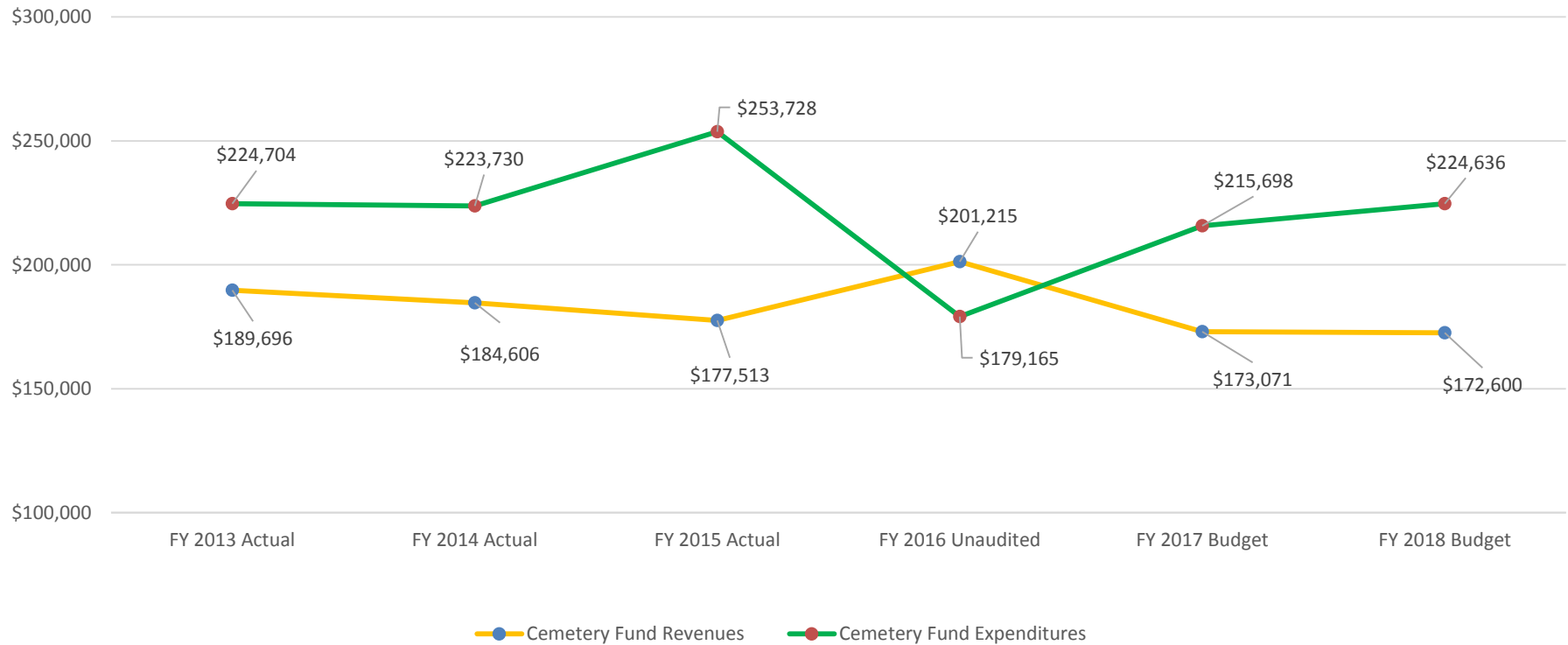
# CEMETERY FUND

**FY 18 CEMETERY FUND EXPENDITURES \$224,636**



# CEMETERY FUND

## CEMETERY FUND REVENUES & EXPENSES

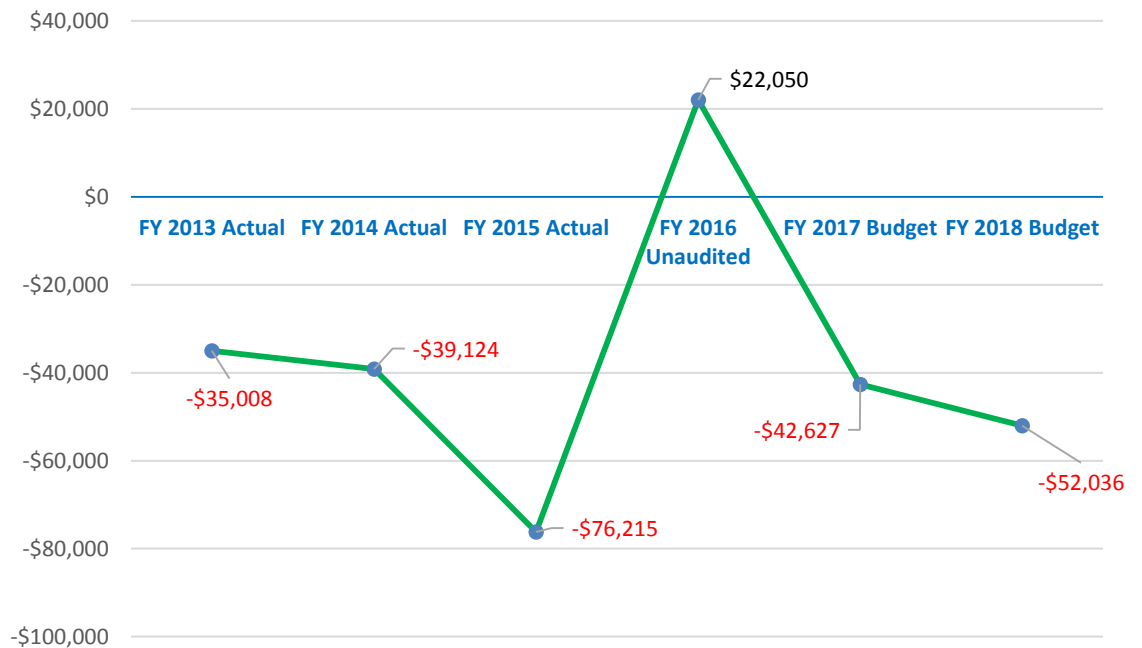


# CEMETERY FUND

## USE OF RESERVES

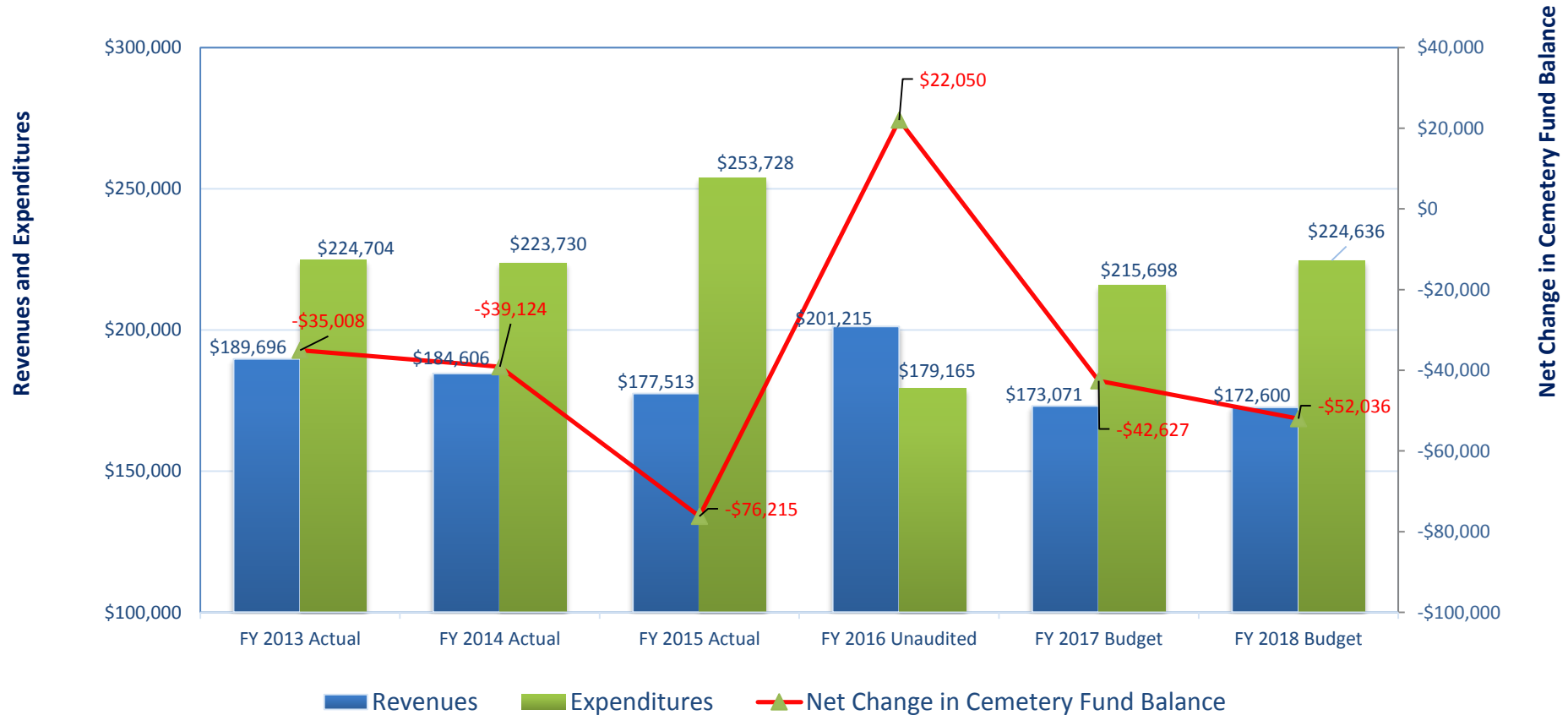
FY 2013 Actual	-\$35,008
FY 2014 Actual	-\$39,124
FY 2015 Actual	-\$76,215
FY 2016 Unaudited	\$22,050
FY 2017 Budget	-\$42,627
FY 2018 Budget	-\$52,036
<b>Total</b>	<b>-\$222,960</b>

NET CHANGE IN CEMETERY FUND BALANCE



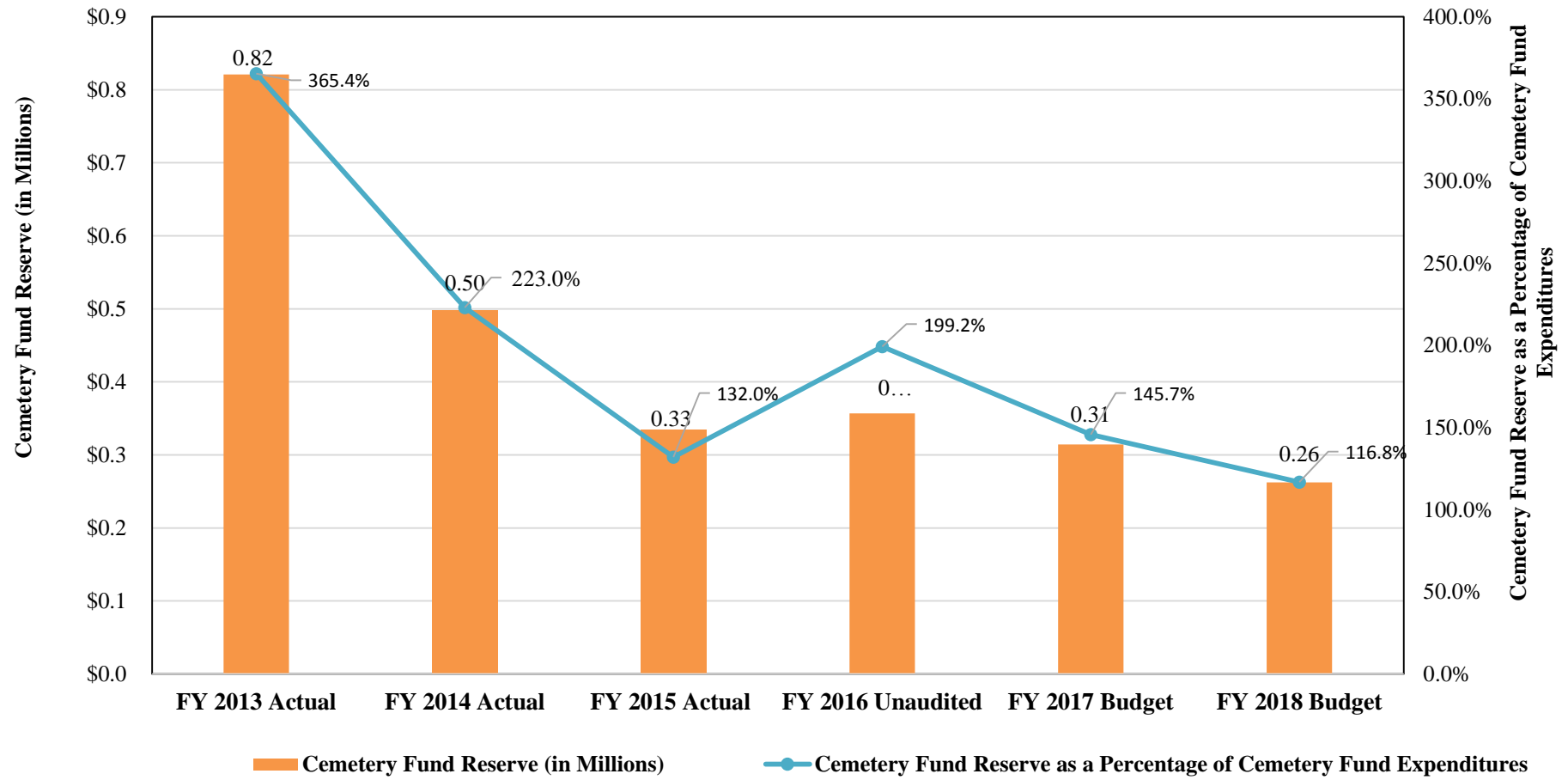
# CEMETERY FUND

## Cemetery Fund Revenues, Expenditures and Net Change in Cemetery Fund Balance



# CEMETERY FUND

## Cemetery Fund Reserve as a Percentage of Cemetery Fund Expenditures



# CEMETERY FUND

- Proposing to raise the residential and non-residential fees to gradually eliminate the deficit
- Based on a comparison study that was done by staff back in 2014, if we raise the rates we will still be below Fred Hunter Hollywood and Forest Lawn North
- There's about 10 – 12 years left to reach capacity
- Consideration to build mausoleums to extend the life of the cemetery

# CEMETERY FUND



**Memorial Park in St Petersburg, FL built in 2004 for \$234,900 with 318 crypts and no niches.**



# CEMETERY FUND



Front of Mausoleum



Back of Mausoleum

**Highland Memorial Park in Mt. Carmel, IL** built in 2013 for \$321,000 with 180 crypts and 96 niches.

# CEMETERY FUND



**Ledgeview Cemetery in Fond du Lac, Wisconsin built in 2012 for \$437,500.**



# CEMETERY FUND



**St Peter's Cemetery in East Troy, Wisconsin** built in 2013 for \$270,300 with 182 crypts and 120 niches.

# CEMETERY FUND



**Arlington Memorial Park** in Milwaukee built in 2007 for \$634,720. It is a series of six buildings consisting of a total of 540 crypts and 288 niches.

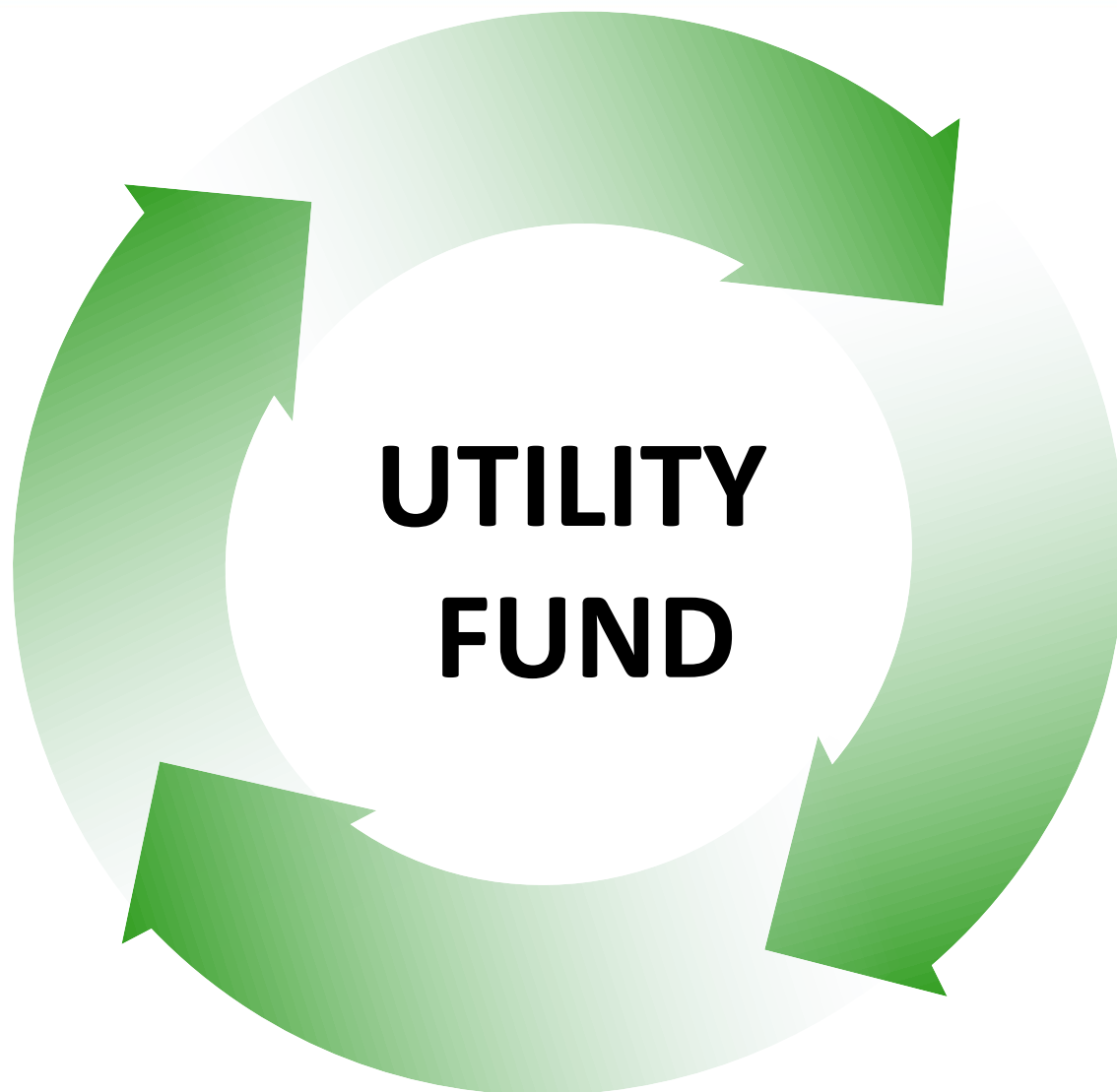


**Graceland Cemetery** in Milwaukee built in 2007 for \$109,400 with 100 crypts and no niches.



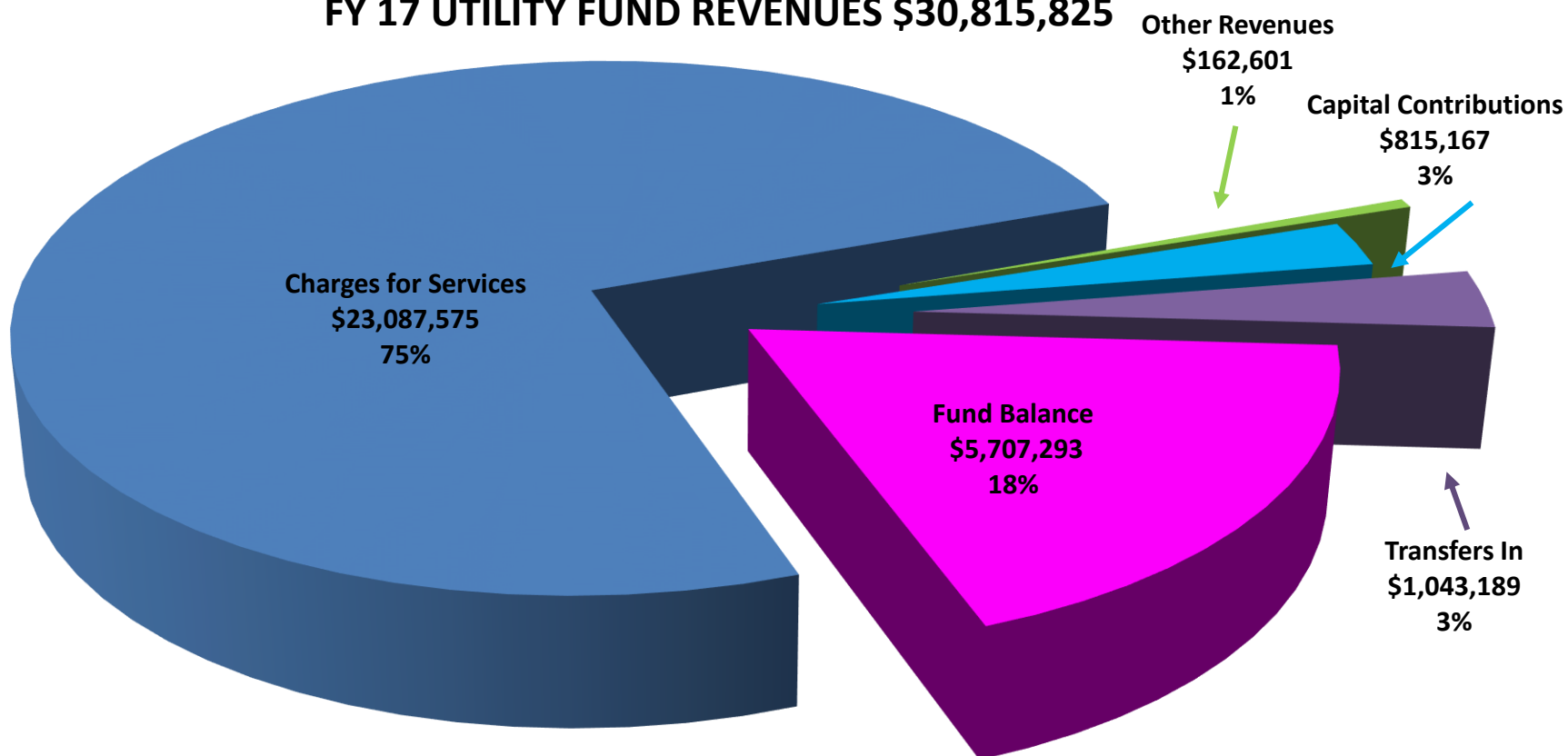
Beach

Hallandale Beach



# UTILITY FUND (WATER & SEWER)

**FY 17 UTILITY FUND REVENUES \$30,815,825**



■ Charges for Services

■ Other Revenues

■ Capital Contributions

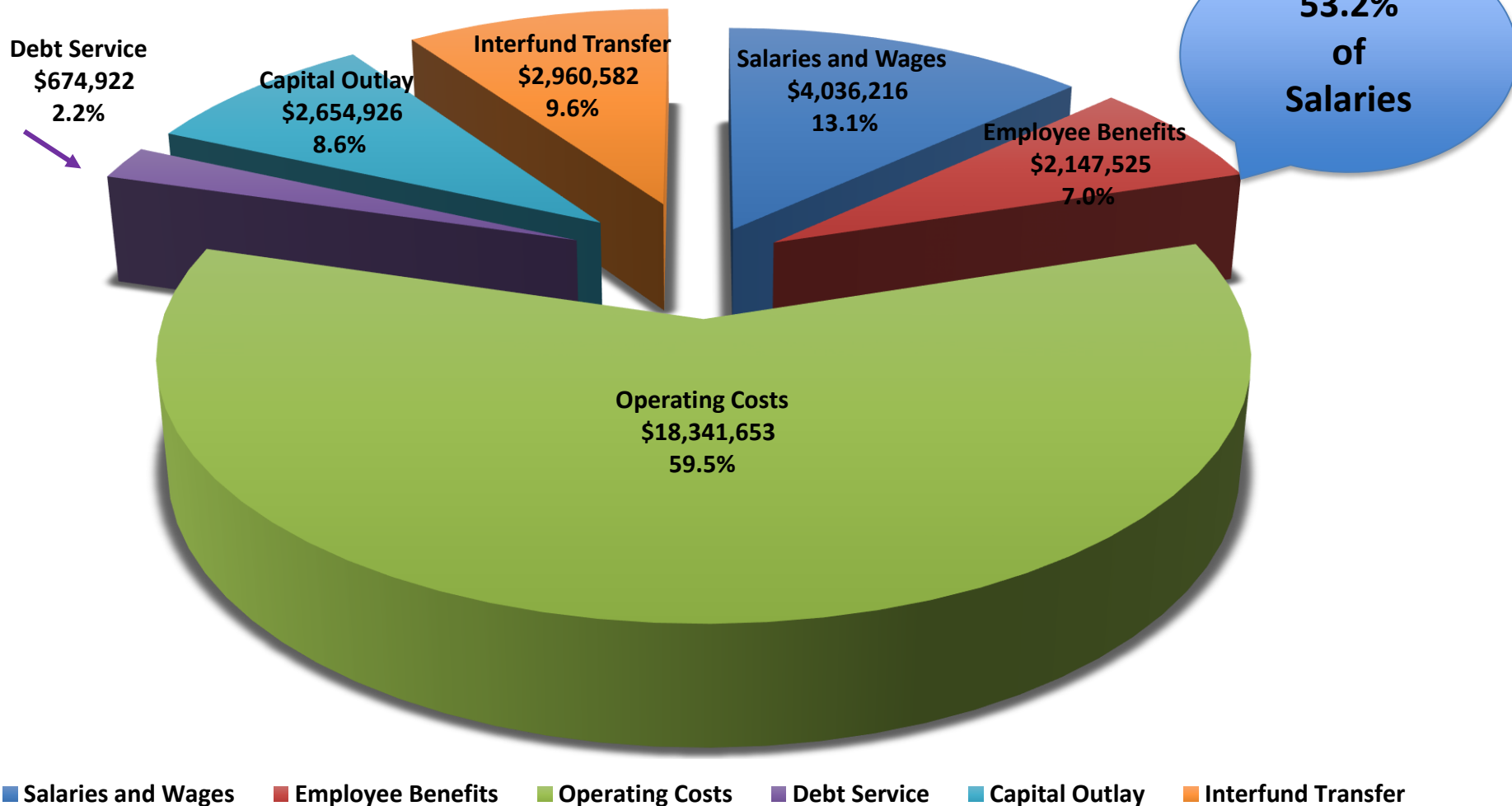
■ Transfers In

■ Fund Balance



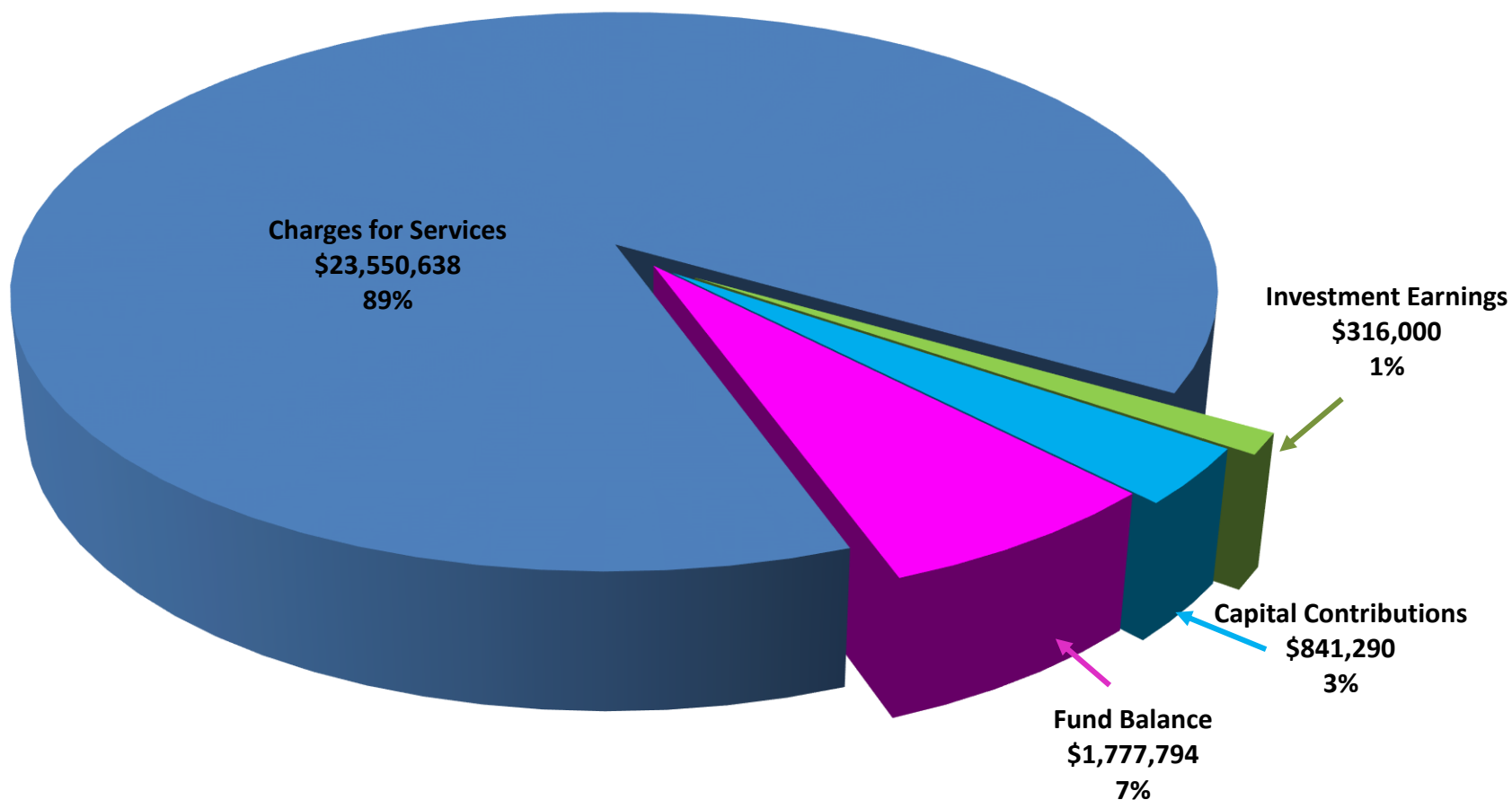
# UTILITY FUND (WATER & SEWER)

**FY 17 UTILITY FUND EXPENDITURES \$30,815,825**



# UTILITY FUND (WATER & SEWER)

**FY 18 UTILITY FUND REVENUES \$26,485,722**



■ Charges for Services

■ Investment Earnings

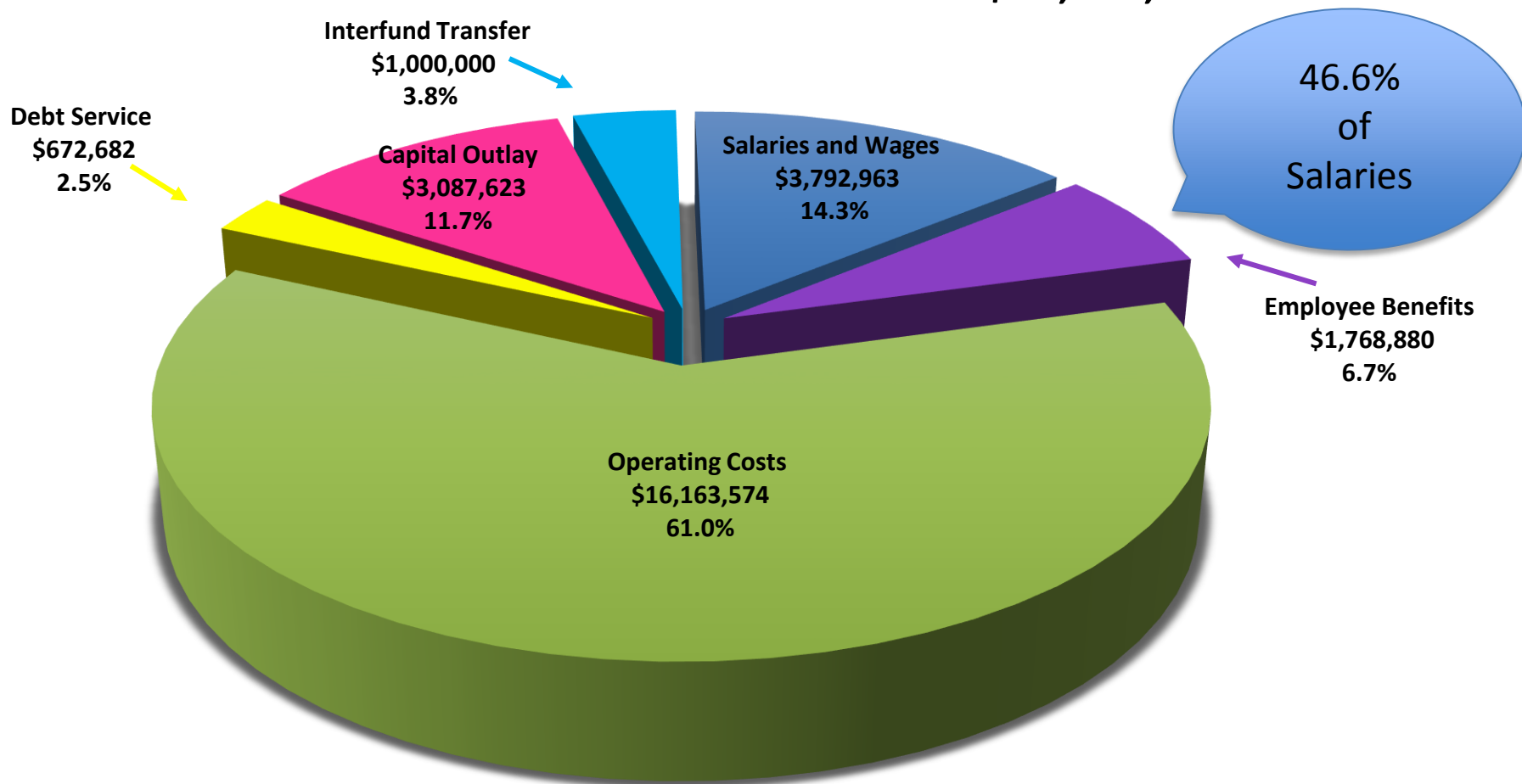
■ Capital Contributions

■ Fund Balance



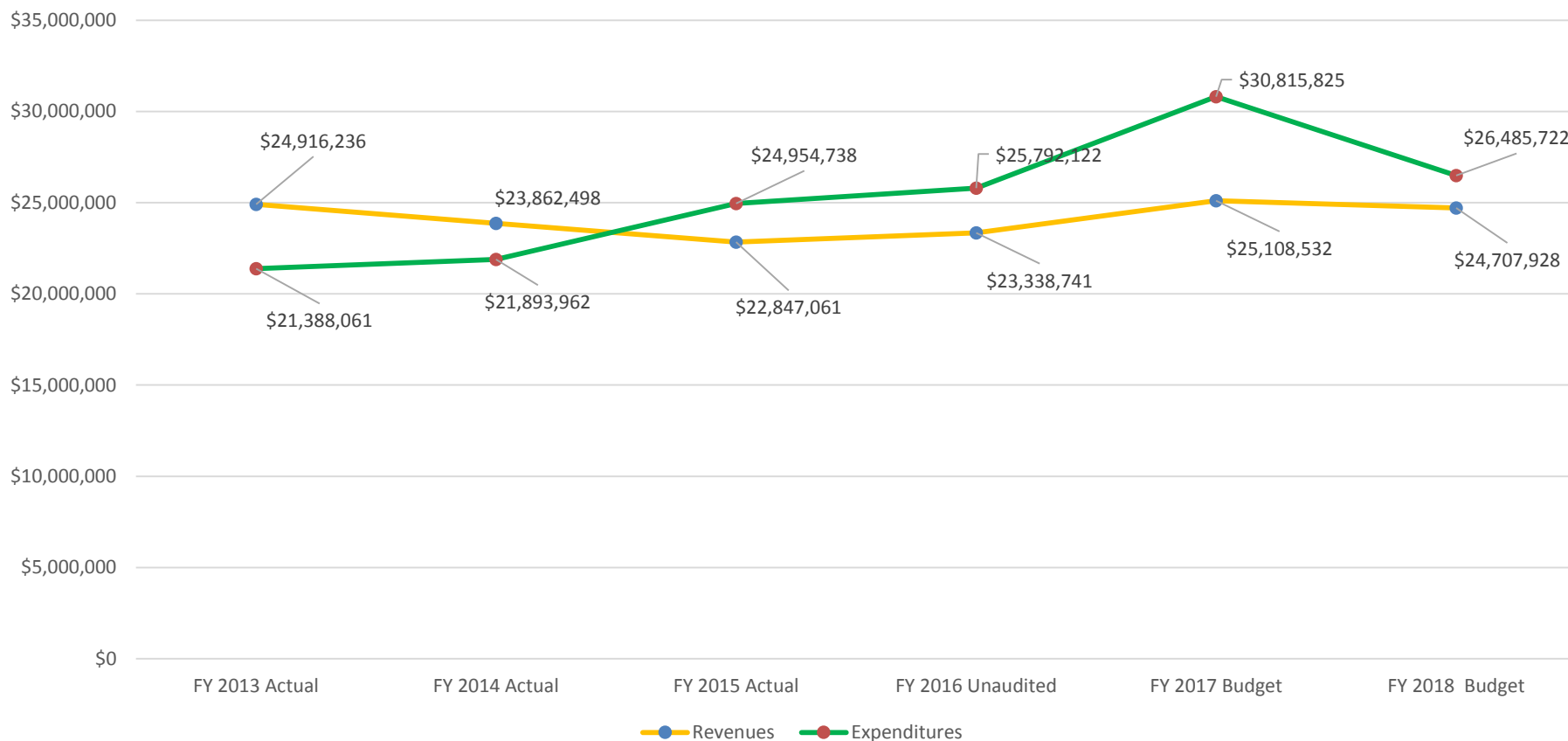
# UTILITY FUND (WATER & SEWER)

## FY 18 UTILITY FUND EXPENDITURES \$26,485,722



# UTILITY FUND (WATER & SEWER)

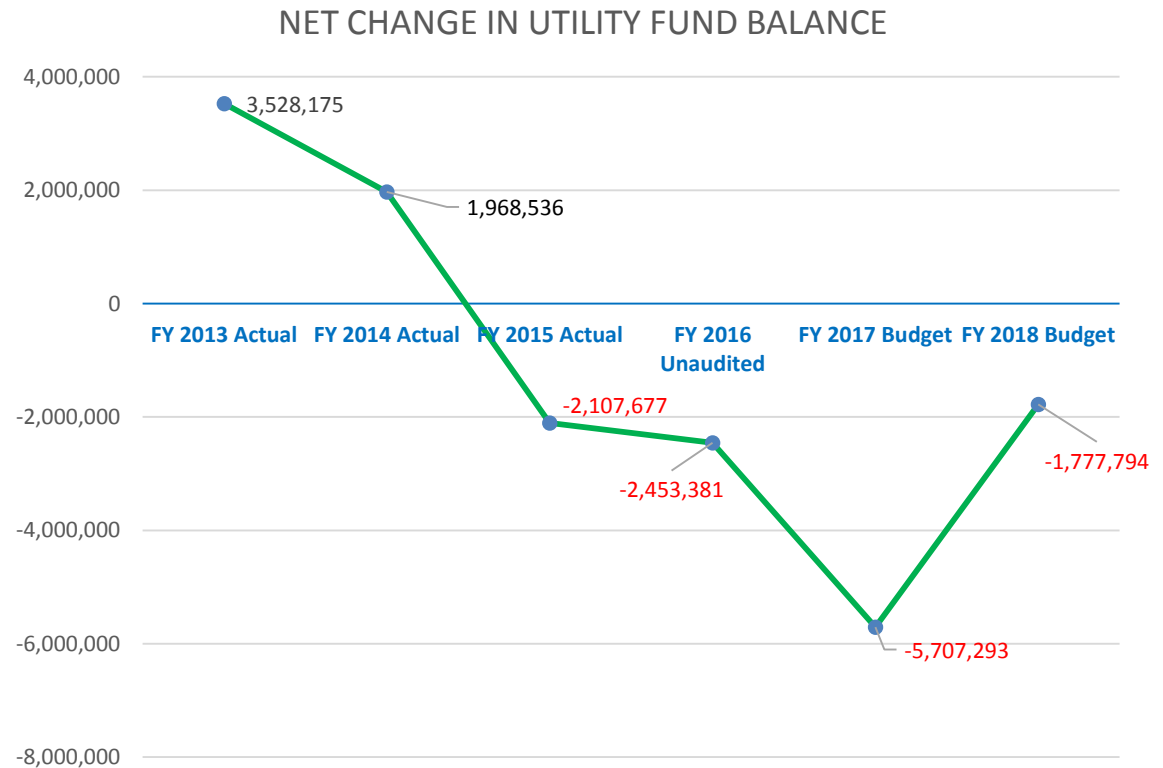
## UTILITY FUND REVENUE & EXPENSES



# UTILITY FUND (WATER & SEWER)

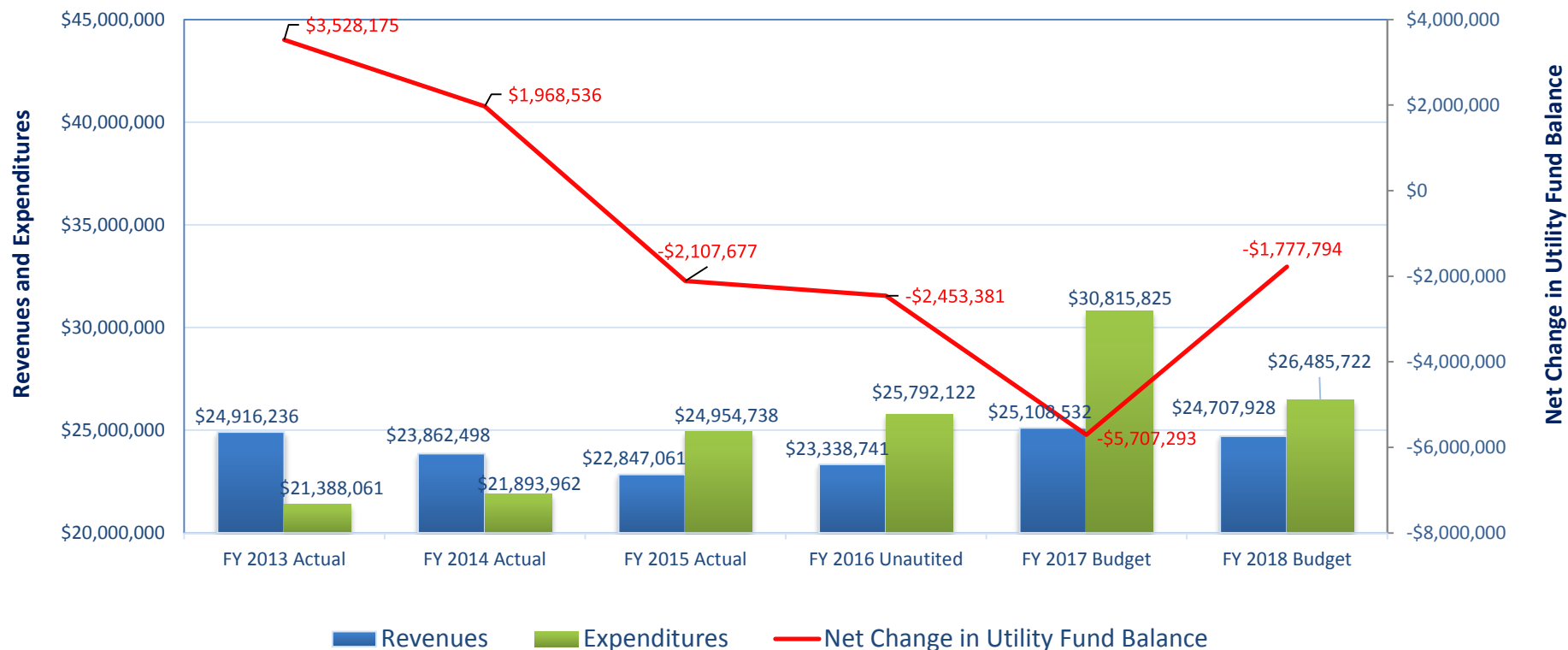
## USE OF RESERVES

FY 2013 Actual	\$3,528,175
FY 2014 Actual	\$1,968,536
FY 2015 Actual	-\$2,107,677
FY 2016 Unaudited	-\$2,453,381
FY 2017 Budget	-\$5,707,293
FY 2018 Budget	-\$1,777,794
<b>Total</b>	<b>-\$6,549,434</b>



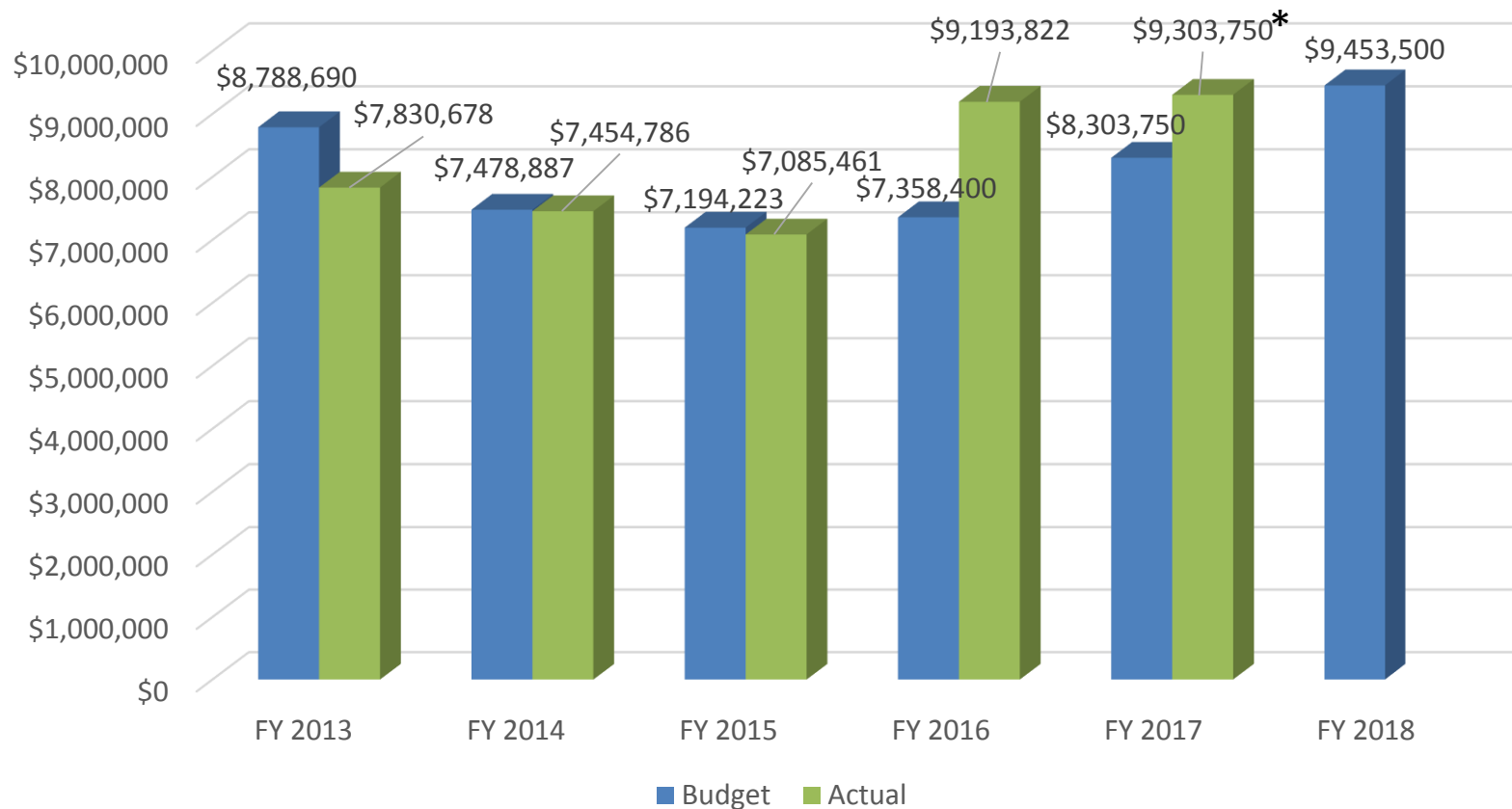
# UTILITY FUND (WATER & SEWER)

**Utility Fund Revenues, Expenditures and Net Change in Utility Fund Balance**



# UTILITY FUND (WATER & SEWER)

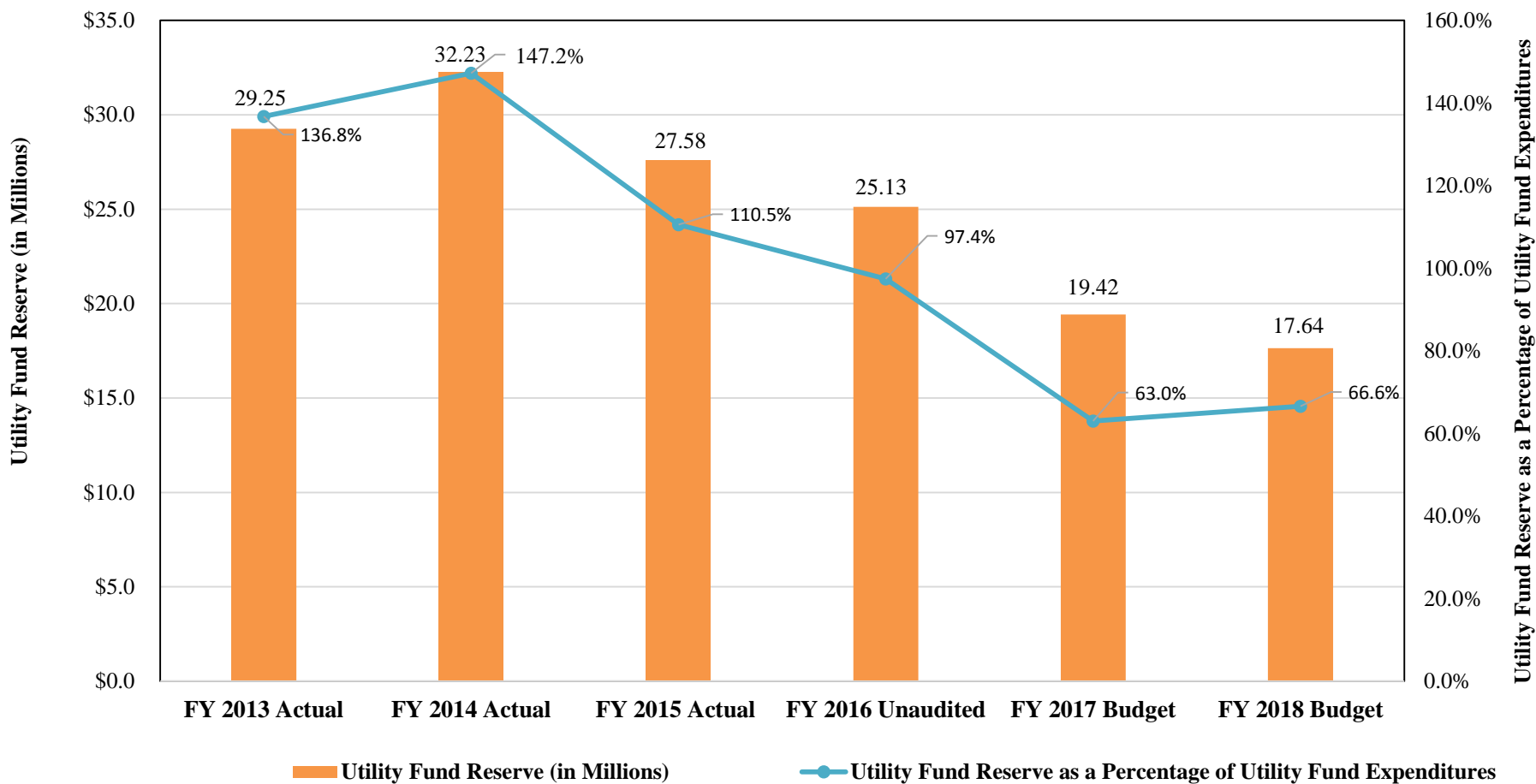
## Water/Wastewater Contract with the City of Hollywood



\* FY2017 is projected

# UTILITY FUND (WATER & SEWER)

## Utility Fund Reserve as a Percentage of Utility Fund Expenditures



# UTILITY FUND (WATER & SEWER)

## Utility Debt Compliance

- Rate Covenant - is the specified covenant in a municipal revenue bond that determines what rates to charge users
- The debt has a rate covenant that requires that the net revenues from water, sewer and stormwater operations exceed 1.15% of annual debt
- In accordance with the loan agreement, if in any fiscal year, the City fails to comply with the rate covenant, the City must hire a rate consultant to conduct a rate study
- We will be engaging a rate consultant to review the rates for utility (water & sewer) and stormwater
- A rate increase for Water & Sewer will be implemented in FY 2017-18 as required in the debt covenant



**AND.....**



# REVENUE

➤ Major revenue and expenditure impacts after initial review of the FY 2017-18 budget by the City Manager:

## **Revenues:**

- Net revenue reduction of \$2,889,772 in Sanitation related to the selling of the franchise for multi-family and commercial customers;
- Reduction of \$955,653 in Fleet Charges to other funds; including the reduction of \$387,783 to the General Fund;
- Increase of \$35,000 in Base Permit Fees from additional volume in plan reviews;
- Increase of \$78,135 in Permit Fees for proposed establishment of 3 new medical marijuana facilities in the City;

# REVENUE

- Increase of \$96,800 in revenue collected from City parking meters due to proposed parking meter rate increases;
- Net increase of \$292,487 in General Fund revenues in Electric Public Service Taxes and Franchise Fees, Sales and Use Tax and City Portion of Sales Tax; offset by a decrease in Communication Services Tax revenue;
- Increase of \$51,300 in Parks and Recreation revenues by proposed fee increases in Program Activity Fees, Camp Fees, Facility Rental Fees, Aquatics Pool Fees and Tennis Fees;
- Reduction of \$335,448 in General Fund Revenue due to elimination of one Police Memorandum of Understanding (MOU) with CRA;

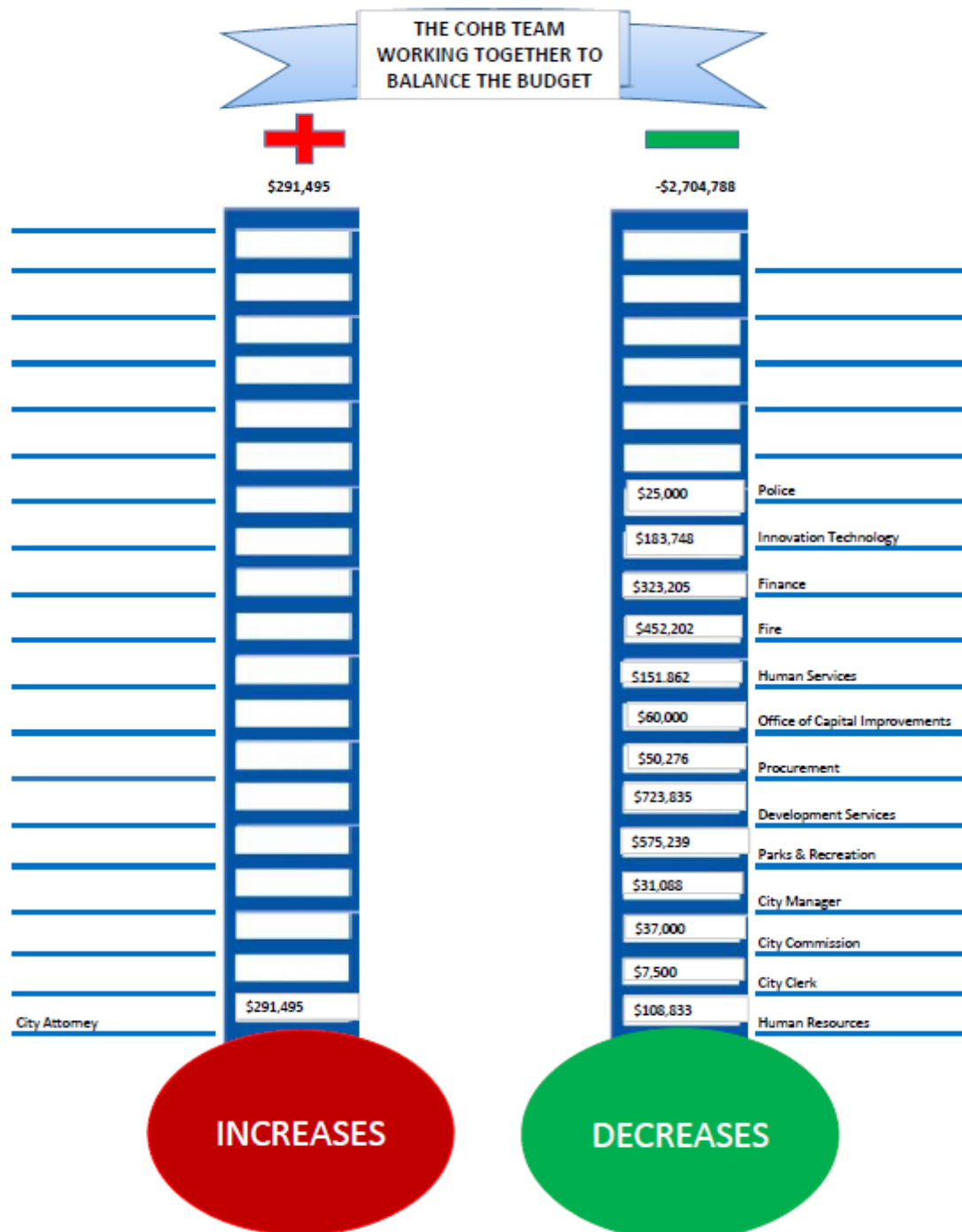
# EXPENDITURE

## Expenditures

- Reduction of \$2,541,638 in Sanitation operating expenditures including staffing due to the elimination of multi-family and commercial customers;
- Development Services cut \$633,610 with the majority consisting of consulting services;
- Fire Department cut \$172,202 in building materials and supplies to remodel the kitchen at Station 90 and new storm panels. Refurbish the generator stand at Station 60, also three new station alerting systems to work with the new county radio system.
- Police Department cut \$329,003 from CRA Memorandum of Understanding

# EXPENDITURE

- Parks and Recreation cut \$526,391 consisting of the savings associated with the closing of Bluesten Pool and special events and programs such as “The Murder Mysteries”, National Day of Prayer, Employee Picnic, Dog Dayz of Summer, Coastal Clean Up, Mayor’s Chess Challenge and Green Team (the summer beach program); due to low utilization or high unit cost of service
- Innovation Technology cut \$151,862 consisting of computer devises and software upgrades;
- Human Services cut \$151,862 mostly in the community partnership grants;
- Human Resources cut vacant Generalist position \$72,833
- Public Relations Specialist - \$68,484



# PROPERTY VALUE/MILLAGES

Taxing	Fiscal Year 2016 - 17	Fiscal Year 2017 - 18
Base Citywide General Fund Millage	5.1918 Mills	5.2907 Mills
General Obligation Bond – Debt Service Millage	0.6080 Mills	0.5091 Mills
GISND Millage	1.0934 Mills	1.0934 Mills
TISND Millage	0.6600 Mills	0.6600 Mills

Note: Per the Broward County Property Appraiser's Office presentation given on April 27, 2017, staff calculated the Citywide value to possibly increase from 2.4 to 6.3 percent. The numbers are based on a constant mill value.

# TIMELINE

## Time line for Budget Process:

- ❖ January 24 - Budget Kick Off
- ❖ March 24 - April 2- City Manager Budget Reviews
- ❖ May 5 – First Budget Workshop
- ❖ June 1 – Preliminary Estimate of Taxable Value released from Broward County Property Appraiser's Office
- ❖ June 13- Second Budget Workshop
- ❖ June 21 – City Commission to Set Tentative Millage Rate
- ❖ July 1- Certification of Taxable Value provided by Property Appraiser
- ❖ August 4- City submits proposed Millage Rate, Fire Rescue Assessment Rates and Lot Maintenance Assessments to the County  
(within 35 days of certification)
- ❖ August 23-24 – City Commission Budget Workshop
- ❖ September 13- First Public Hearing on the Adoption, including resolution adopting Fire Rescue Assessment Rate and Lot Maintenance
- ❖ September 25- Final Public Hearing and Commission Adoption, including approval of resolution adopting new and revised fees

# CONCLUSION

- Today we covered the funds that we felt needed policy decisions and items that needed to be discussed with the Commission
- The Commission's input will bring more specific recommendations at the June 13<sup>th</sup> Workshop





**THANK YOU!**