



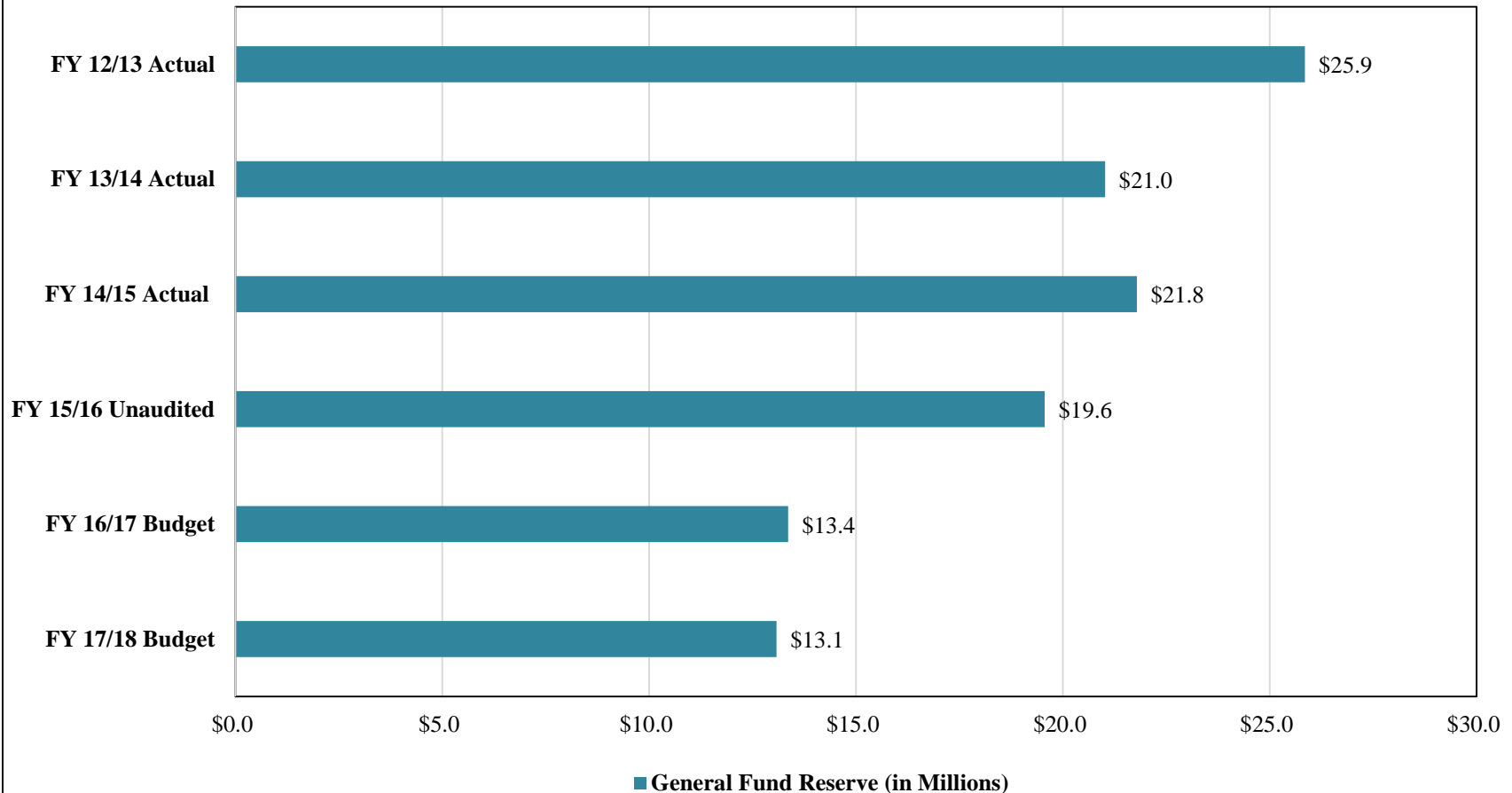
Hallandale Beach

**SUMMER STUDIES
THIRD BUDGET WORKSHOP
FOR
FISCAL YEAR 2017-2018**

FUND BALANCE

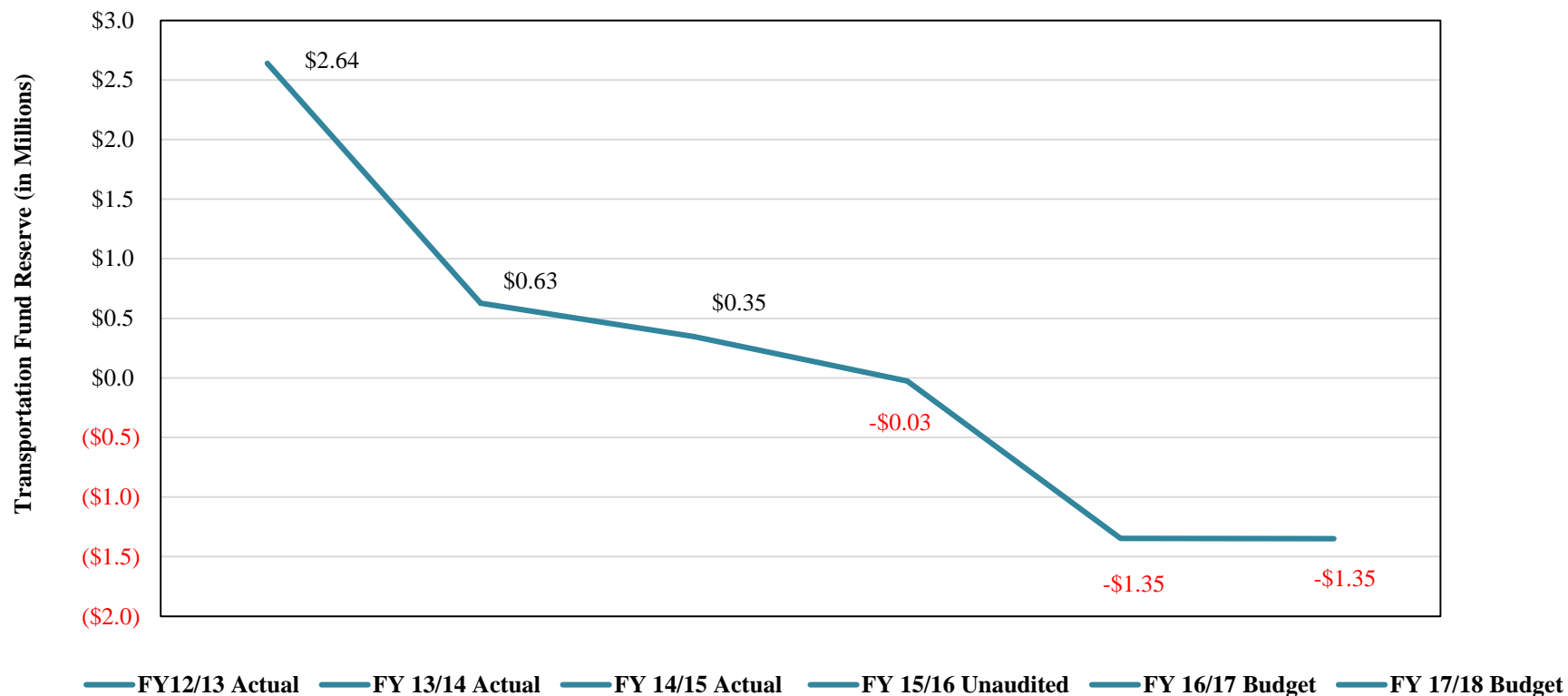
GENERAL FUND

General Fund Reserve History at End of Fiscal Year



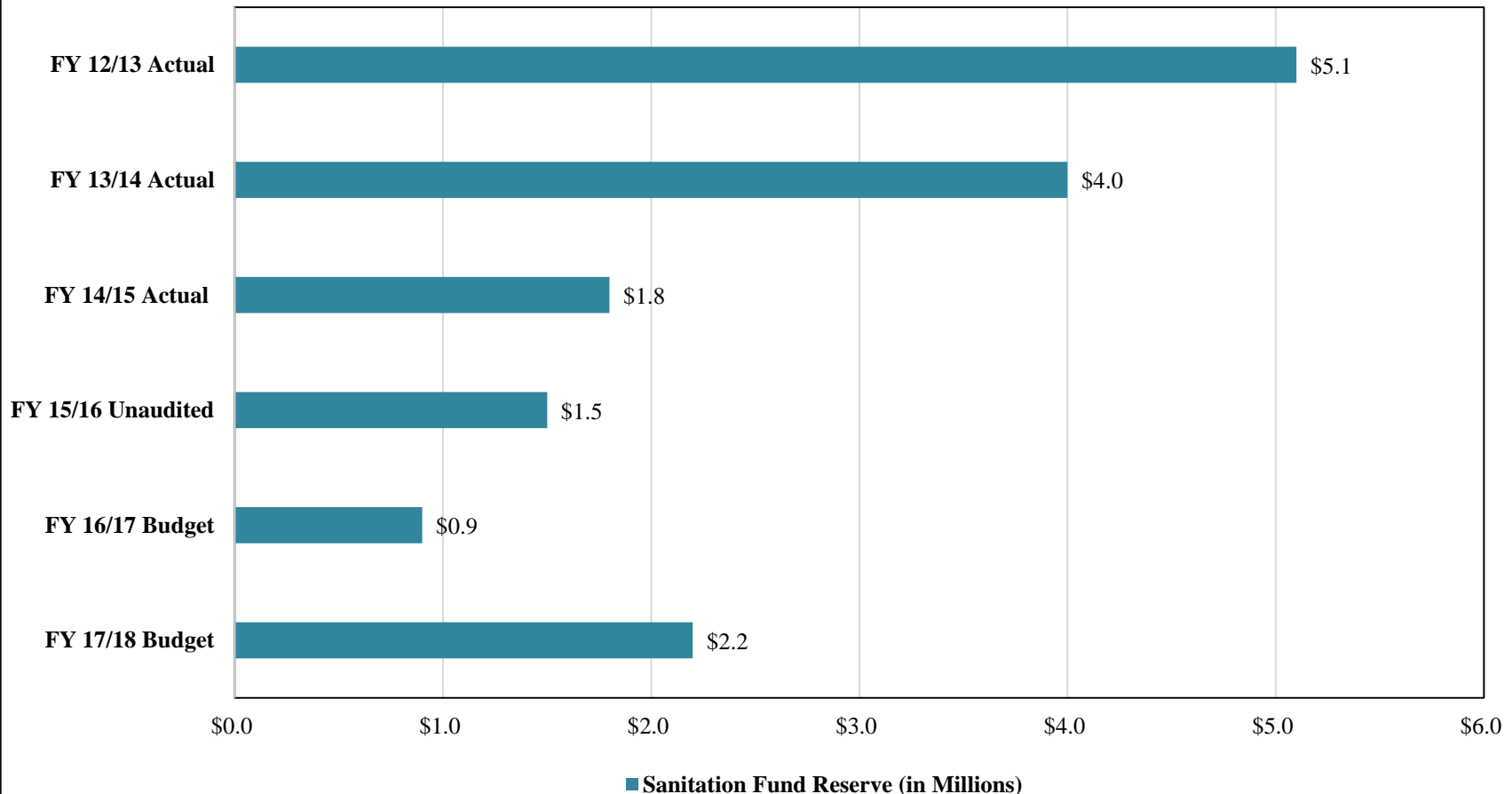
TRANSPORTATION FUND

Transportation Fund Reserve History at the End of Fiscal Year



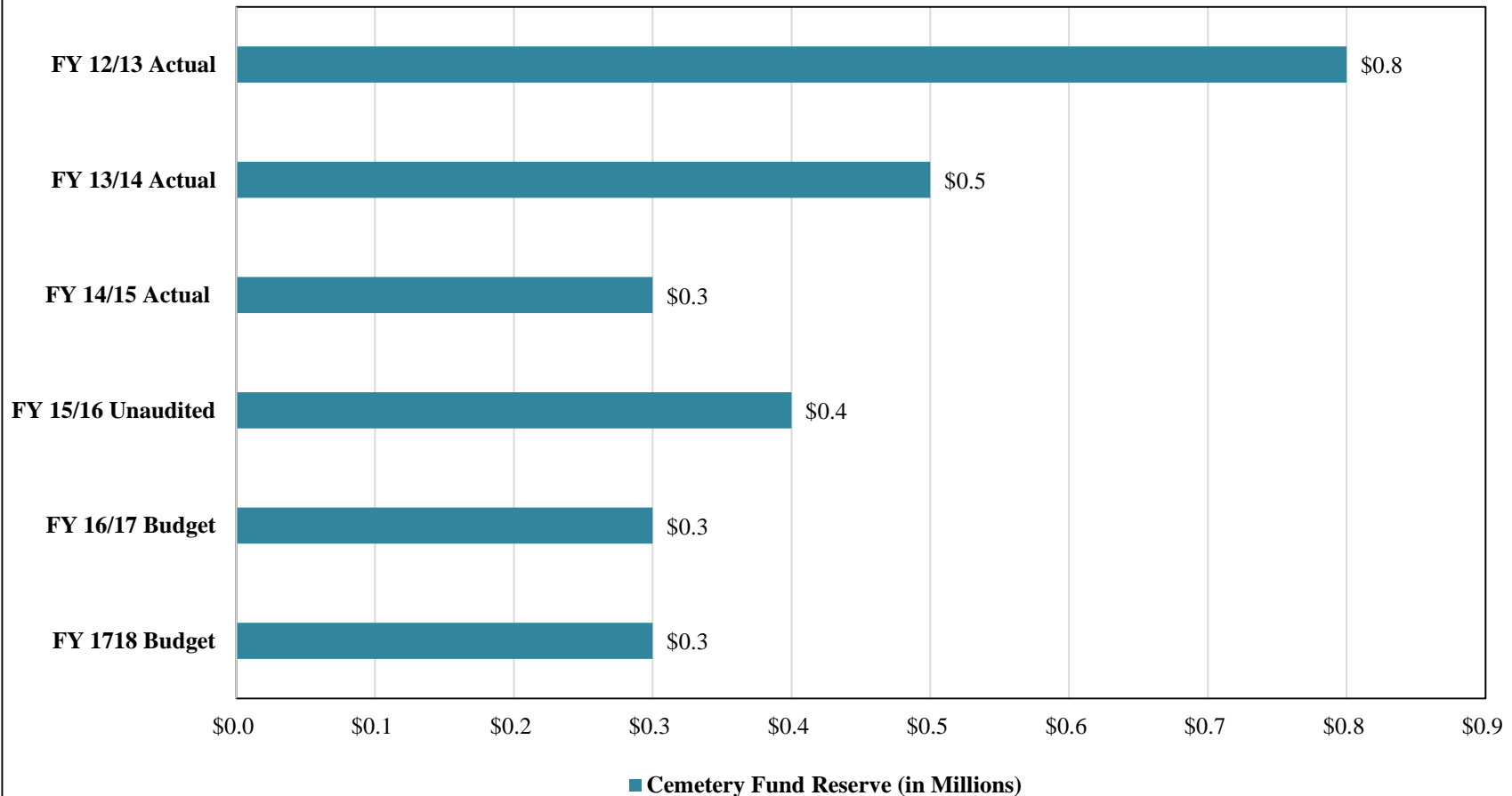
SANITATION FUND

Sanitation Fund Reserve History at End of Fiscal Year



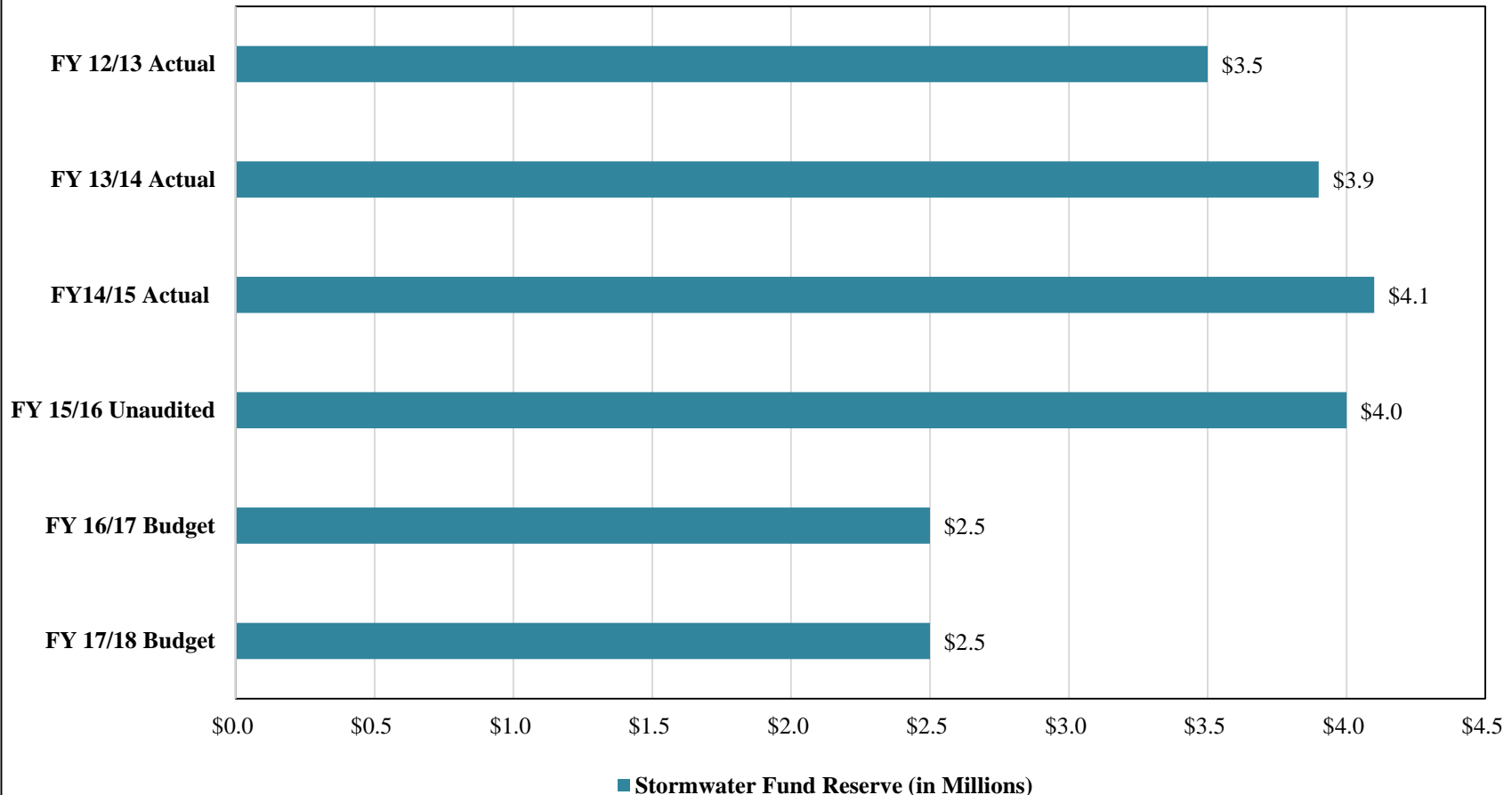
CEMETERY FUND

Cemetery Fund Reserve History at End of Fiscal Year



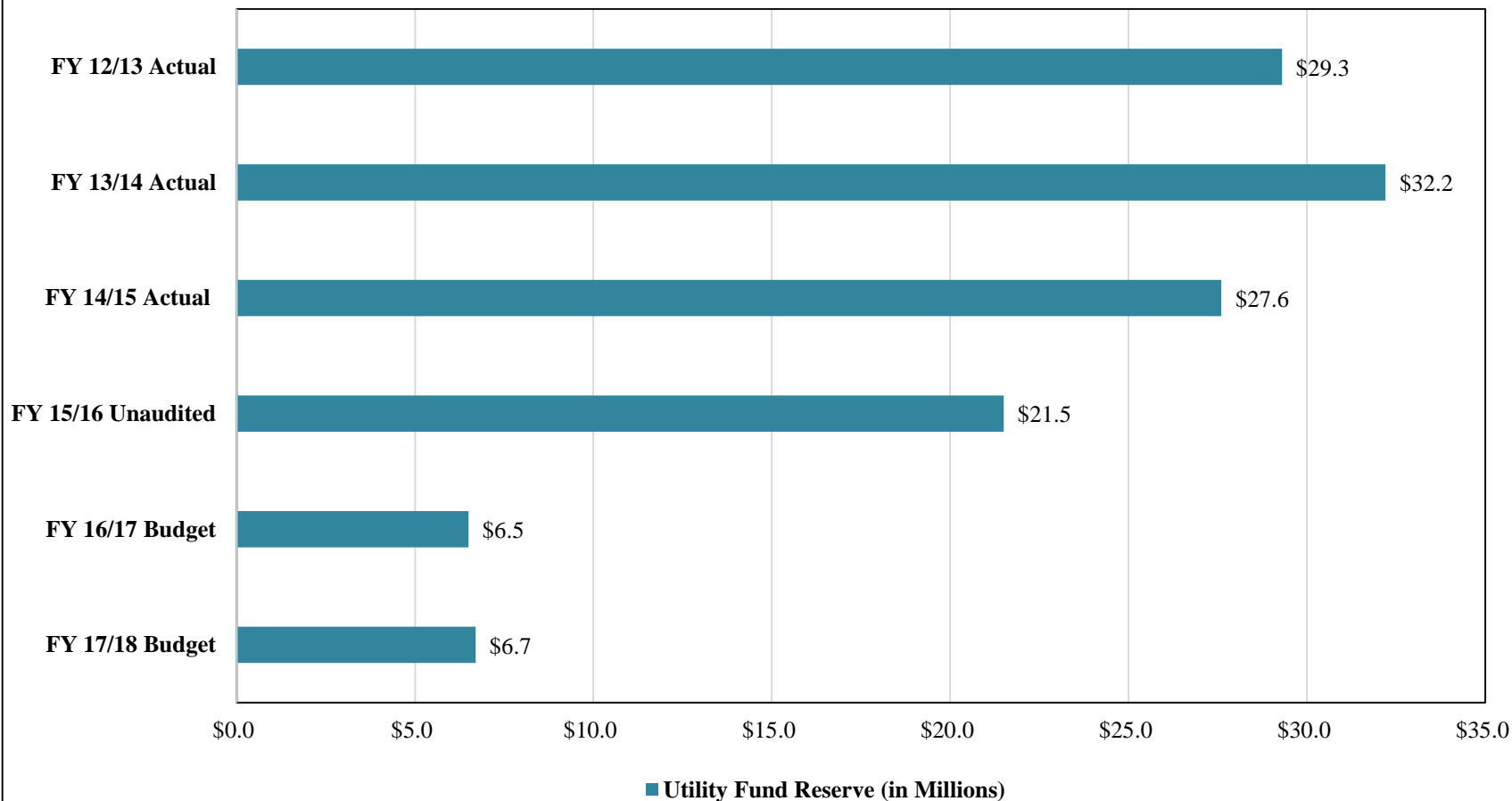
STORMWATER FUND

Stormwater Fund Reserve History at End of Fiscal Year



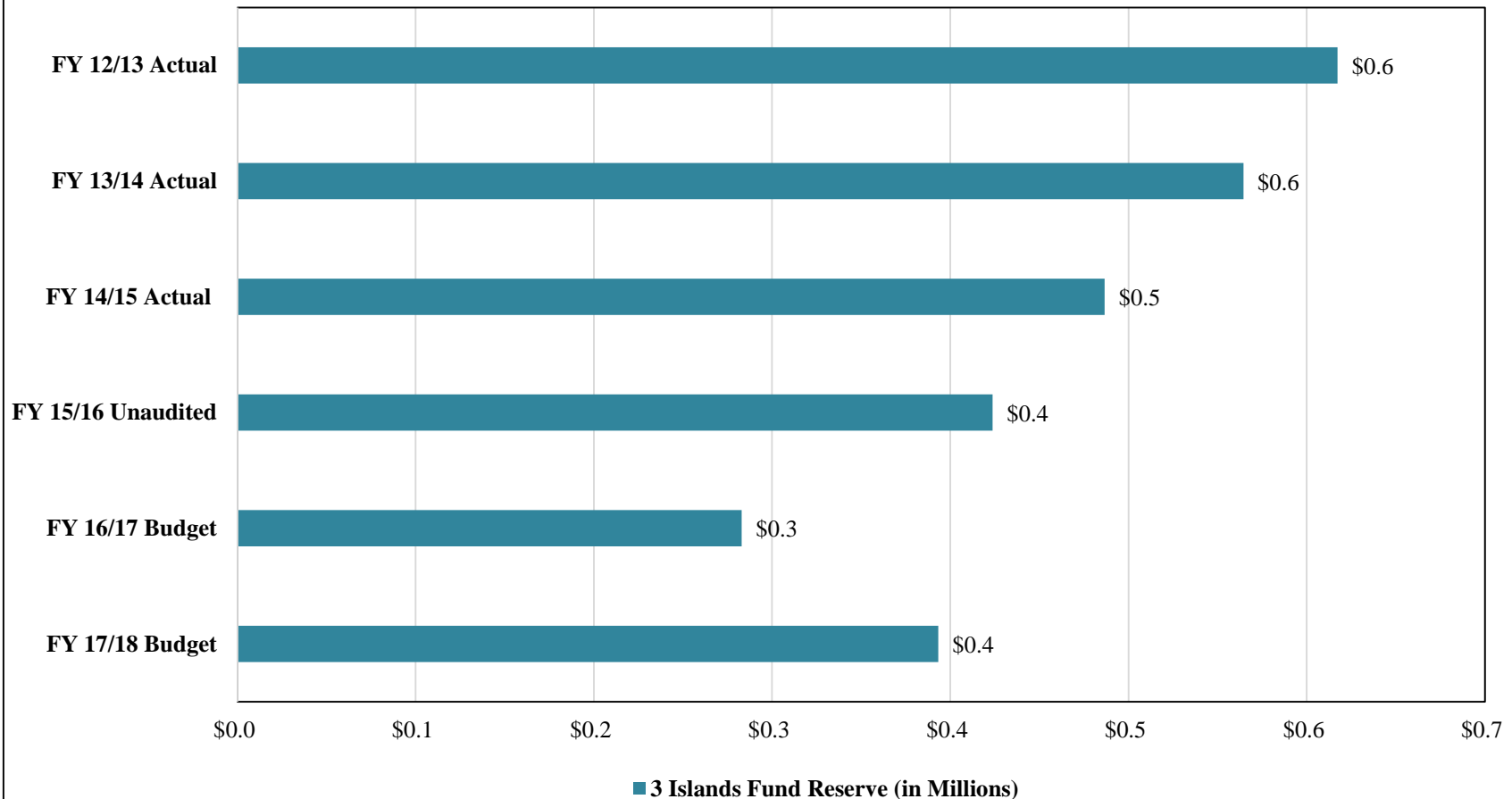
UTILITY FUND (WATER & SEWER)

Utility Fund Reserve History at End of Fiscal Year



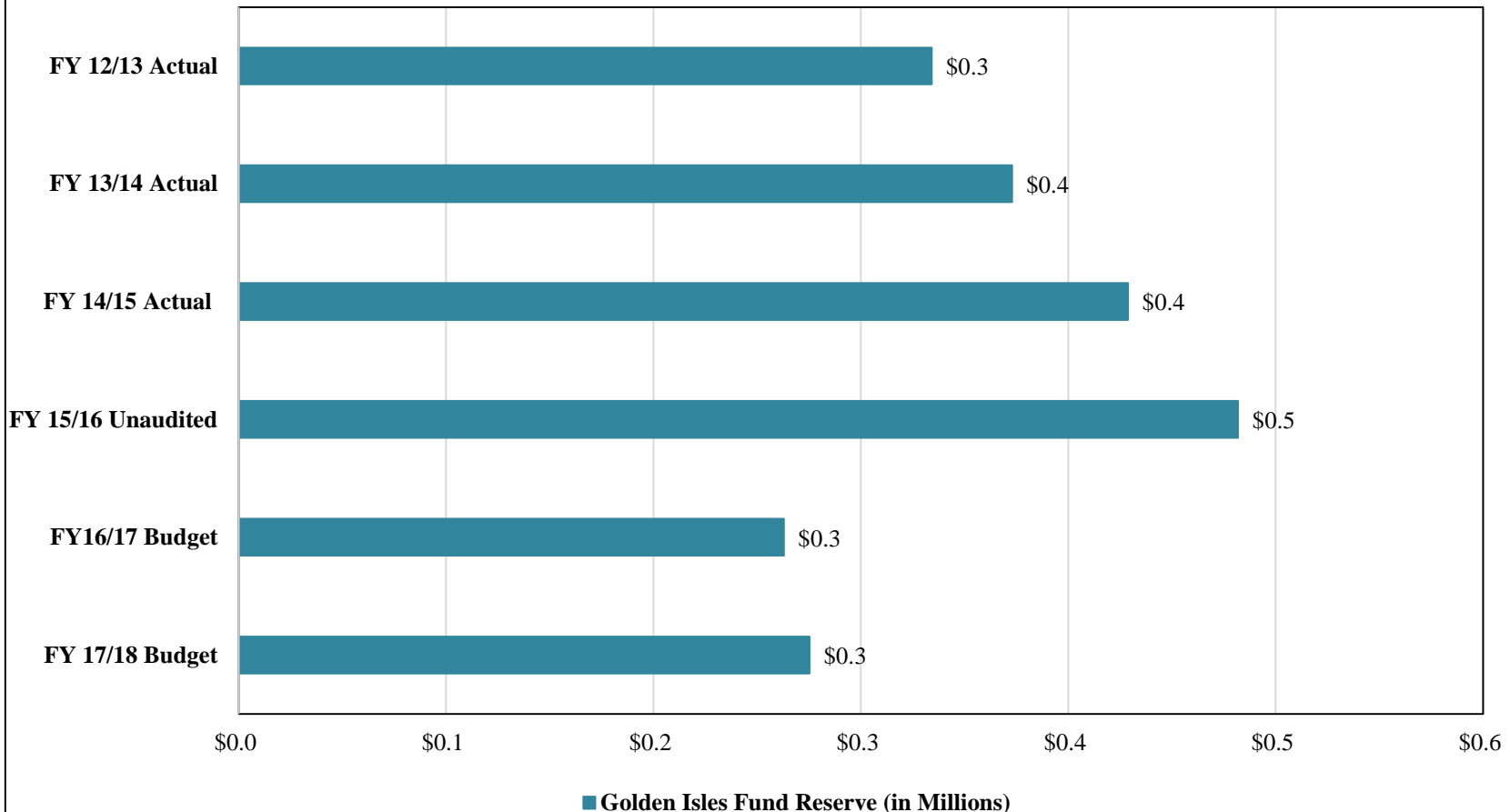
3 ISLANDS SAFE NEIGHBORHOOD DISTRICT

3 Islands Fund Reserve History at End of Fiscal Year



GOLDEN ISLES SAFE NEIGHBORHOOD DISTRICT

Golden Isles Fund Reserve History at End of Fiscal Year





WORKSHOP HIGHLIGHTS

- The First Budget Workshop laid out the basic assumption used during the Departmental Budget Reviews, as well as the cumulative deficit spending since FY 2012-13 through the projected FY 2017-18 Budget.
- The cumulative projected deficit spending at the time was:

General Fund	\$ 14,819,453
Transportation Fund	\$3,621,175
Stormwater Fund	\$913,136
Sanitation Fund	\$4,489,463
Cemetery Fund	\$222,960
Utility Fund	<u>\$6,549,434</u>
Total	\$30,615,621 *

* Includes the Projected FY 17-18 Budget

WORKSHOP HIGHLIGHTS

- The Second Workshop focused on the steps that needed to be taken to end deficit spending such as: expense reductions, revenue increases that will impact all segments of the community, including the employees shouldering some of the burden.
- A number of the decisions needed further detail, which led to 17 Summer Studies.
- The millage for the General Fund (5.3093 mills) and Debt Service Park Bond Issue (.4905 mills) was set on June 21, 2017 to allow the TRIM notices to be sent out by the Broward County Property Appraiser.



WORKSHOP HIGHLIGHTS

List of Summer Studies:

17-001	Landscape Maintenance Outsourcing
17-002	Human Services Department Funding Transition
17-003	Digital Imaging Strategy implementation and Financing Methodology
17-004	Health Insurance Transition – Employee Deductible Impact Analysis
17-005	Residential Parking Program
17-006	Chamber of Commerce – Street Furniture Advertising Agreement
17-007	Charging Non-Profits (non-government) Fire Assessment
17-008	Selling the Commercial Solid Waste Collection Franchise
17-009	Ansin Boulevard Storage Facility



Hallandale Beach

WORKSHOP HIGHLIGHTS

List of Summer Studies:

17-010	New Radio System for Police and Fire
17-011	Fleet Maintenance Outsourcing
17-012	Water/Sewer/Stormwater Consultant Rate Study
17-013	Police and Fire Pension Options
17-014	Development Services Backlog
17-015	Community Benefit Program
17-016	Transportation Fund
17-017	Using the Rollback Rate for FY 17-18 Budget

SUMMER STUDIES

17-001 - Landscaping

- Medians and Facilities maintained by the Grounds Maintenance Division include:
 - Atlantic Shores Boulevard
 - State Road A1A
 - Ansin Boulevard and Ansin Storage Lot
 - Three Islands Boulevard
 - Parkview and Leslie Drive
 - Municipal Complex
 - I-95 Ramps (north and south) and North & South Retention Basins
 - South bound exit ramp at Pembroke Road
 - Hallandale Beach Boulevard
 - Diana Drive

17-001 - Landscaping

- Layne Boulevard
- Federal Highway
- Pembroke Road Medians
- Intercoastal Bridge
- Golden Isles Drive
- NE 14th Avenue (New)
- City Cemetery
- Public Works Compound
- Fire Station 7
- Fire Station 60
- Fire Station 90

- The total square footage that will be maintained is 1,070,585 square feet.

17-001 - Landscaping

- Cost Comparison:
 - The Landscape Division will perform the maintenance at a cost of \$1.15 per square foot, compared to the quote received from the contractor who will maintain NE 14th Avenue for its first year at a cost of \$1.31 per square foot.

17-001 - Landscaping

- Staff Recommendations:
 - Given the uncertainty of realizing significant savings in relation to the other Summer Studies, it is not recommended that this outsourcing be pursued at this time.

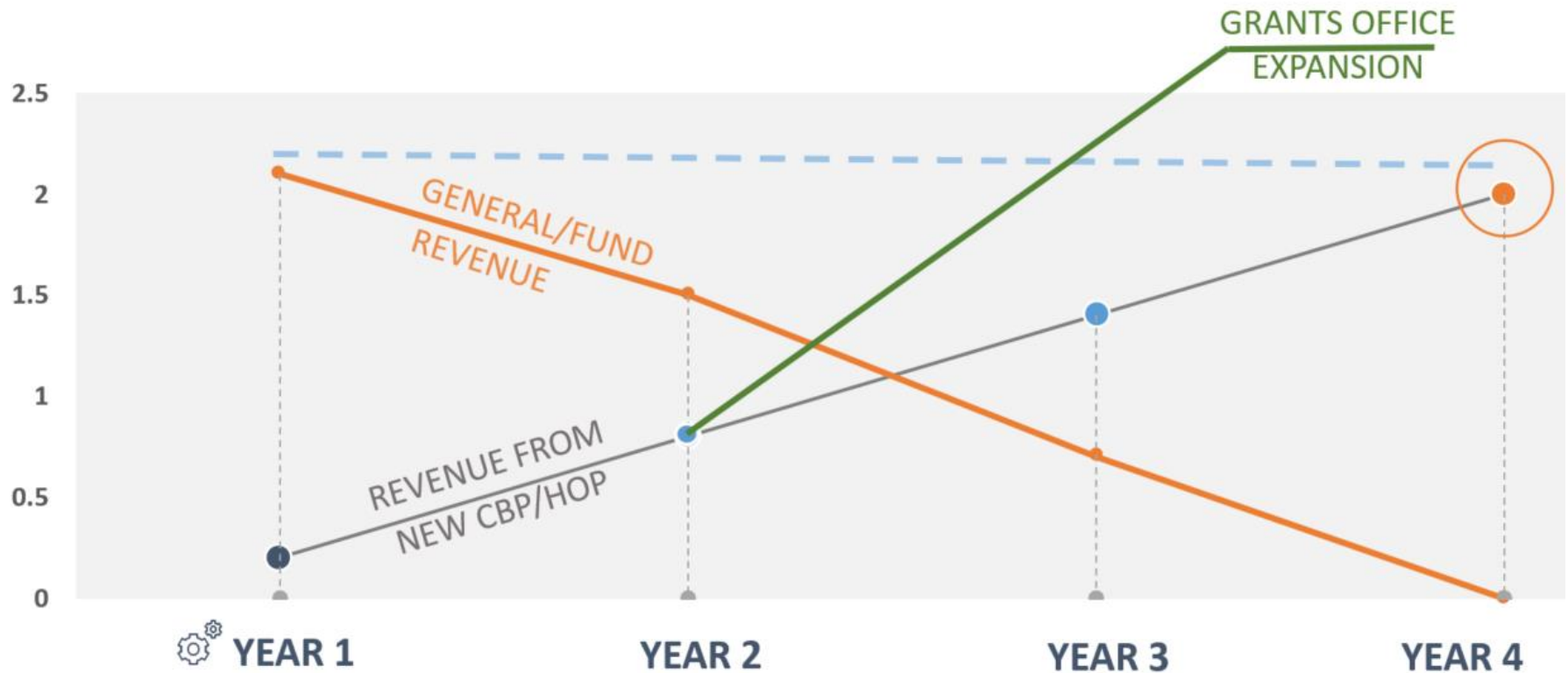
17-002 – Phase In Funding for CBP Replacement

- The Human Services Department receives General Fund Budget funding in the amount of \$1,938,312. This is the equivalent of .3586 mills of taxation.
- The Human Services Department is funded by a complex system of property tax, grants, and fees charged to the users.
- There are 42 employees: 12 are full-time employees and 30 are part-time employees.
- The Department manages the Community Benefit and Hallandale Opportunity Programs.

17-002 – Phase In Funding for CBP Replacement

- Major changes for FY 17-18 include partial transition of General Fund support to the new Community Benefit Program (CBP).
- Elimination of the Hallandale Opportunity Project (HOP) with \$100,000 left in the budget for monitoring services. Savings to the General Fund will be \$203,000.
- The Community Partnership Grants selection process has been improved. Savings to the General Fund will be \$207,554.
- The former independent grant efforts of this Department will be supported by the Grants Development Office.

17-002 – Phase In Funding for CBP Replacement





17-002 – Phase In Funding for CBP Replacement

- Staff Recommendations:
 - Phase down the General Fund support of this program over three budget years.
 - Reform the Community Benefit Program to a fixed percentage of public infrastructure and private developer contributions with revenues to replace the General Fund support for the entire department.
 - Eliminate the Hallandale Opportunity Project while leaving \$100,000 to support monitoring and the claw back effort for recoverable funds from the former program.

17-003 – Digital Imaging

- What We Have In Place:
 - 196 surveillance cameras (not all are operable)
 - 6 License Plate Readers (LPRs)
 - 28 body worn cameras

17-003 – Digital Imaging

- Where We Want To Go:
 - Replace 140 of 196 existing cameras
 - Add 84 more cameras
 - Increase 6 LPRs to 51 LPRs
 - Increase body worn cameras from 28 to 200
 - Install the Public Safety Incident Management (PSIM) System at the new Fire Rescue Headquarters

17-003 – Digital Imaging

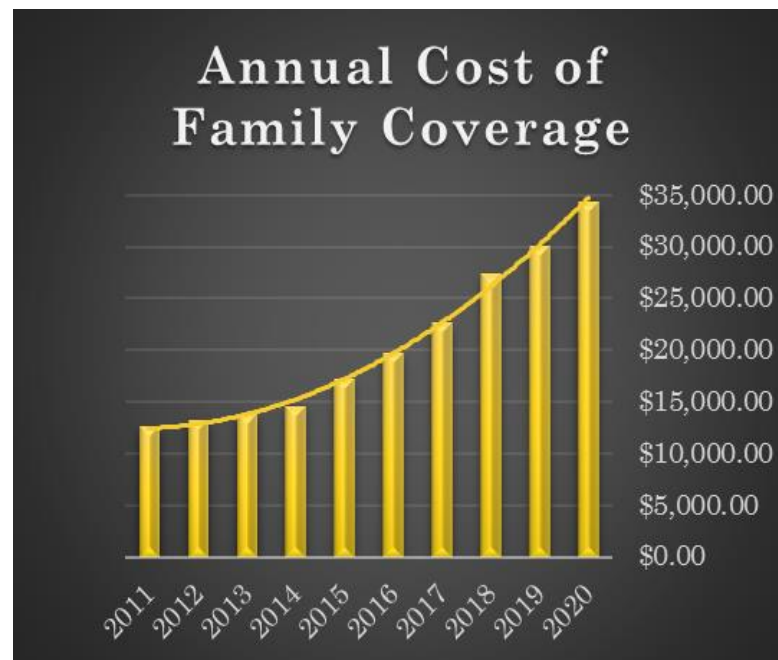
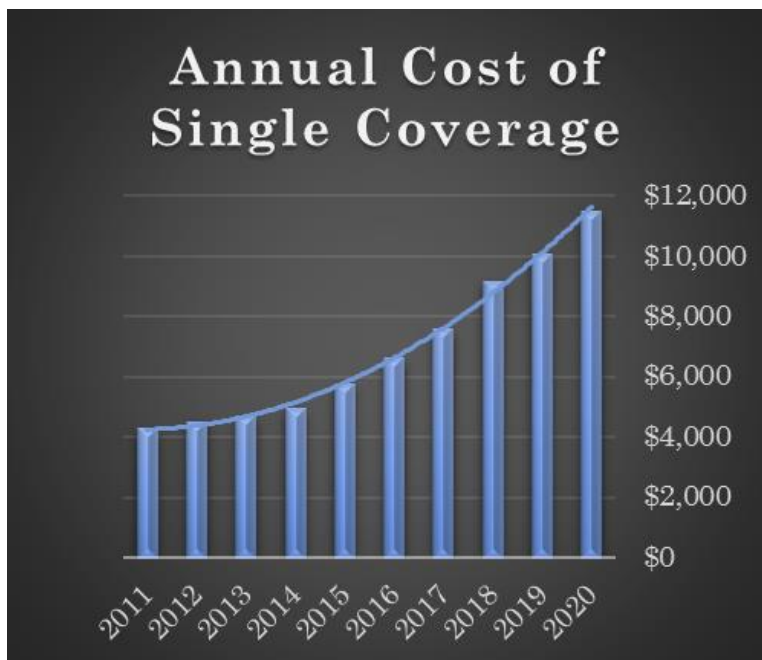
- FY 16-17 General Fund Budget included \$1,878,574 with no plan or strategy to implement the Project.
- The majority of FY 16-17 has been spent developing a strategy that will allow efficient implementation during FY 17-18.
- By allocating \$600,000 for the first year of lease payments during FY 17-18, \$1,278,924 is freed up to help balance the FY 17-18 General Fund budget. Future years will require lease payments to be budgeted.
- We will no longer use the US Communities piggy back approach. Direct purchase will be the manner of procurement unless a measurable savings can be achieved through piggy back.

17-003 – Digital Imaging

- Staff Recommendations:
 - Authorize full implementation of the surveillance camera, LPR, body worn camera and PSIM projects in FY 17-18.
 - Utilize leasing programs wherever possible to free up the unused FY 16-17 allocation to balance the FY 17-18 Budget.
 - Utilize Golden Isles and Three Islands funds for the surveillance and LPR cameras where appropriate allocation can be demonstrated.

17-004 – Health Insurance

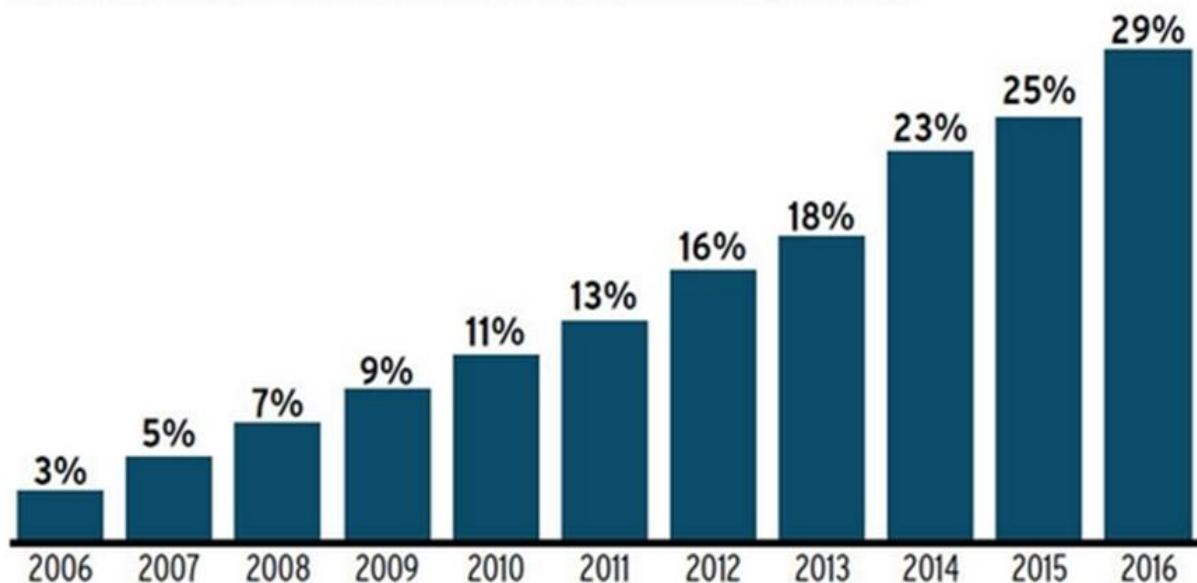
- The City's cost to provide health insurance is no longer sustainable.



17-004 – Health Insurance

- High deductible plans are growing as a means of encouraging employees to take more control of their medical costs.

PERCENT OF COVERED EMPLOYEES ENROLLED IN HIGH-DEDUCTIBLE PLANS



Source: Mercer's 2016 National Survey of Employer-Sponsored Health Plans

17-004 – Health Insurance

- The swing in cost avoidance and expense reduction for the City by conversion to a high deductible is \$2.2 million for FY 17-18.
 - FY 16-17 Budgeted Cost to City \$6,504,332
 - FY 17-18 Proposed with no Change \$7,863,738
 - FY 17-18 Bid Price \$5,918,942
 - Total Swing \$1,944,796
- Actual projected cash savings for FY 17-18 are estimated to be \$823,766.
- Of that amount, approximately \$679,000 will be shared with employees to partially cushion the higher deductible.

17-004 – Health Insurance

- The deductibles are cushioned as follows:

	Deductible Maximum	Less Subsidy	Net Maximum Annual Potential Deductible
Employee Only	\$3,000	\$1,000	\$2,000
Employee +1	\$6,000	\$1,500	\$4,500
Family (Emp. + 2 or more)	\$6,000	\$1,500	\$4,500

- The monthly employee cost for insurance has also been reduced due to the new approach.

	FY 16/17	FY 17/18	Annual Premium Savings
Employee Only Monthly Cost	\$0	\$0	\$0
Employee +1 Monthly Cost	\$198	\$179	\$228
Family (Emp. + 2 or more) Monthly Cost	\$376	\$340	\$432

17-004 – Health Insurance

- What the transition provides the employees who are not frequent users:

	Subsidy Provided by City	Annual Premium Savings	Total Annual Cost Reduction
Employee Only	\$1,000	\$0	\$1,000
Employee +1	\$1,500	\$228	\$1,728
Family (Emp. + 2 or more)	\$1,500	\$432	\$1,932

17-004 – Health Insurance

- Staff Recommendations:
 - Monitor utilization closely in FY 17-18 to track impact on all employees with emphasis on the most difficult cases.
 - Meet with Police, Fire and General Unions to discuss alternatives for collective bargaining after January 1, 2018.
 - Radu Dodea and Roger Carlton will personally monitor the most difficult hardship cases to determine what can be done to lessen impact.

17-005 – Residential Permit Parking Program

- This study has become a subset of the Transportation Fund Summer Study 17-016.
- The staff recommendation is that we do not implement a Residential Permit Parking Program until a comprehensive mobility plan is developed which includes parking solutions.
- Parking spaces that the City currently manage:
 1. North Beach Garage - 80 metered parking spaces (40 of which are allocated to a developer per an agreement between the developer and the COHB, and 16 are allocated to Fire/EMS staff.
 2. South Beach Parking Lot - 90 metered parking spaces.
 3. Scavo Park - 10 parking spaces.

17-006 – Chamber of Commerce/ Martin Gold Coast

- The Hallandale Beach Chamber of Commerce (HBCC) has been under contract with the City to support the bus bench program since 1994.
- There have been many modifications to the arrangement and a number of bus bench/advertising vendors.
- Originally, the Hallandale Beach Chamber of Commerce had specific performance requirements to achieve payments.

17-006 – Chamber of Commerce/ Martin Gold Coast

- In 2010 the City entered into an agreement with Martin Gold Coast LLC (MGC) that specifically states that the City's income from the advertising contract with MGC, up to \$50,000, will be shared with the HBCC for services rendered to the MGC to help the bus bench program.
- This performance-based approval has morphed to a \$50,000 annual grant to the HBCC paid at the beginning of the fiscal year without any performance required, plus free space in the City Hall.

17-006 – Chamber of Commerce/ Martin Gold Coast

- MGC has provided credible service to the City during their contract.
- MGC has requested an extension to their contract through 2025, which includes the first five years renewal approved early.
- The early extension includes improved service, greater annual payments and the ability of the City to outsource the entire bus bench operation to MGC once certain transitions are made.

17-006 – Chamber of Commerce/ Martin Gold Coast

- The City and HBCC will enter into a new agreement that is performance-based and reduces the annual payment from \$50,000 to \$25,000.
- Payments will only be made as performance is demonstrated.
- There will be five measurable elements:
 1. Community Business Directory -\$5,000 annual support.
 2. State of the City Luncheon -\$5,000 annual support.
 3. Business After Hours Events -\$5,000 annual sponsorship.
 4. Good Morning Hallandale, Lunch and Learn, and Developer Dais events - \$4,000 annual support.
 5. Community Reinvestment Act- Loan Guarantee Program -\$6,000. The Chamber will be working with its member banks in Hallandale Beach to provide a workforce housing loan guarantee program. The details will be developed, and the \$6,000 payment will be tied to the development of the program during FY 17-18.

17-006 – Chamber of Commerce/ Martin Gold Coast

- Staff Recommendations:
 - Extend and amend the MGC agreement to improve revenue and outsource bus bench/shelter operations.
 - Develop new performance-based agreement with the HBCC while reducing General Fund expense by \$25,000 in FY 17-18.
 - Provide quarterly reports to the City Commission regarding the new performance-based program with the HBCC.

17-007 – Fire Assessment

- The Fire Assessment has been in place since FY 00-01.
- The Fire Assessment will generate \$7,091,352 in FY 17-18, an increase of \$26,712 over FY 16-17.
- The amount to be charged on all properties is calculated through a complex formula that uses the number of non-medical calls apportioned among the various types of property.

17-007 – Fire Assessment

Hallandale Beach Fire Rescue							
FY17/18 - Revenue With and Without Exemption							
Property Type:	% of Fire Incidents	Billable Units W/	Billable Units W/O	Rate 2018	Revenue W/ Exemption	Revenue W/O Exemption	% Revenue Change
Residential (a)	72.89%	27,177.00	27,177.00	\$ 198.00	\$ 5,381,046.00	\$ 5,381,046.00	0%
Commercial (b)*	15.59%	46,022.77	46,022.77	\$ 28.91	\$ 1,330,518.28	\$ 1,330,518.28	0%
Race Track(b)	3.53%	8,667.42	8,667.42	\$ 22.61	\$ 195,970.37	\$ 195,970.37	0%
Institutional(b)	5.88%	916.21	4,128.56	\$ 34.30	\$ 31,426.00	\$ 141,609.61	351%
Warehouse (b)	2.11%	12,437.15	12,437.15	\$ 12.22	\$ 151,981.97	\$ 151,981.97	0%
Special/Combined					\$ 145,131.02	\$ 145,131.02	
				Sum (Gross)	\$ 7,236,073.64	\$7,346,257.25	
				Net**	\$ 7,091,352.17	\$7,199,332.10	
(a) Unit = Individual residential							
(b) Unit = 100 square foot							
Projected Budgeted Change							
	<u>Gross</u>	<u>Net</u>					
W/Exemption	\$ 7,236,074	\$ 7,091,352					
W/O Exemption	\$ 7,346,257	\$ 7,199,332					
Change	\$ 110,184	\$ 107,980					
% Change in revenue	2%	2%					
*Office and Amusement included within							
** 98% Net based on historic collection rate							

17-007 – Fire Assessment

- The institutional property category includes schools, churches, government properties, nursing homes, and mortuaries, which make up 5.88 percent of the non-medical calls.
- There is no legal impediment to charging these properties the fire assessment.
- There is substantial case law with a variety of outcomes.
- Only Fort Lauderdale in Broward County charges the fee for exempt properties that have partially non-exempt functions, such as commercial uses.

17-007 – Fire Assessment

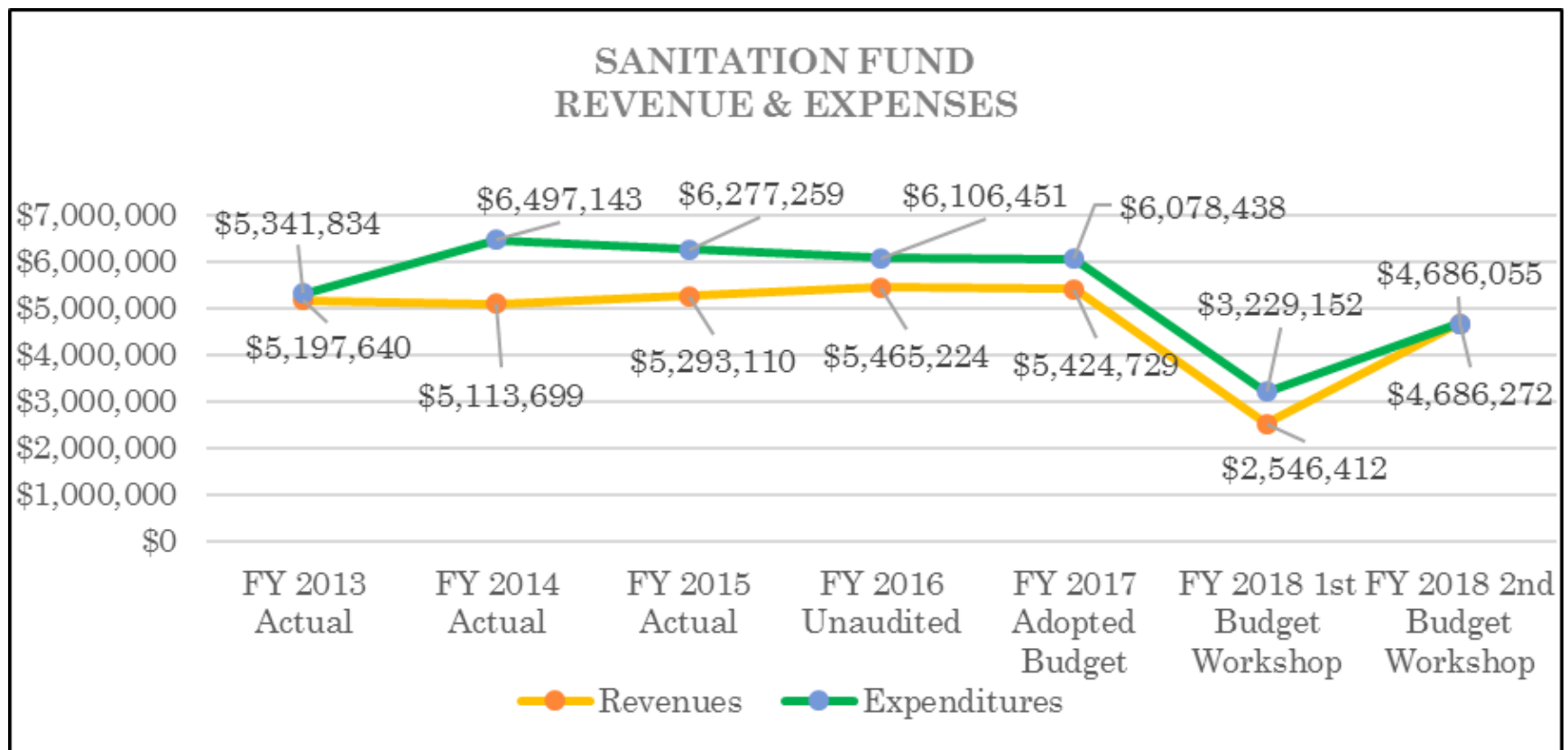
- The opportunity to adjust the FY 17-18 exempt properties with the BCPA has passed.
- Of the 525 parcels in Hallandale Beach that are classified exempt:
 - 31 are religiously affiliated
 - 6 are private, for-profit schools
 - 1 is the local Moose Lodge
- The total value of the exemption for all these properties is \$110,184

17-007 – Fire Assessment

- Staff Recommendations:
 - City Commission determine if staff should pursue the additional assessment during FY 17-18 for FY18-19.
 - Staff will then complete the analysis for City Commission review by January 31, 2018 for final City Commission determination, this will include the specific properties to pay the assessment due FY 18-19.
 - Given all the other priorities established by the City Commission for implementation during the FY 17-18, staff does not have the resources to make this effort a priority.

17-008 – Selling the Commercial & Multi-family Franchise

- The Sanitation Fund has been deficit spending for five fiscal years



17-008 – Selling the Commercial & Multi-family Franchise

- Customers include:
 - 4,728 single family
 - 647 commercial
 - 707 multi-family
- The proposal for FY 17-18 is to sell the right to serve (franchise) the 647 commercial and 707 multi-family customers.
- This will be viewed by the private haulers as a business opportunity just like buying a competing private business.

17-008 – Selling the Commercial & Multi-family Franchise

How is the Sale Achieved:

- Prepare a Request for Proposal that will be awarded for private operator(s) to begin operations in the third quarter of FY 17-18.
- Inform our current customers during the first quarter of FY 17-18 on how the transition will occur and hold a series of informational meetings.
- Award the successful proposer(s) in the second quarter of FY 17-18.
- Establish a regulatory and auditing process that ensures projected revenues are achieved and former City customers are treated fairly.
- Provide frequent progress reports to the City Commission.

17-008 – Selling the Commercial & Multi-family Franchise

Financial Implications for FY 18-19:

- Rate adjustment for single family services will bring this program into balance. Adopt \$27.87 per month from the current \$18.87 per month.
- Sale of multi-family and commercial services will generate an expected \$1.5 million, necessary to balance the FY 17-18 General Fund budget.
- Increase of franchise fees from 19.5 to 22 percent for existing grandfathered and new hauler(s) from sale of franchise will generate approximately \$986,605 annually (\$594,841 in FY 17-18 - half-year)

17-008 – Selling the Commercial & Multi-family Franchise

Minimizing Impact:

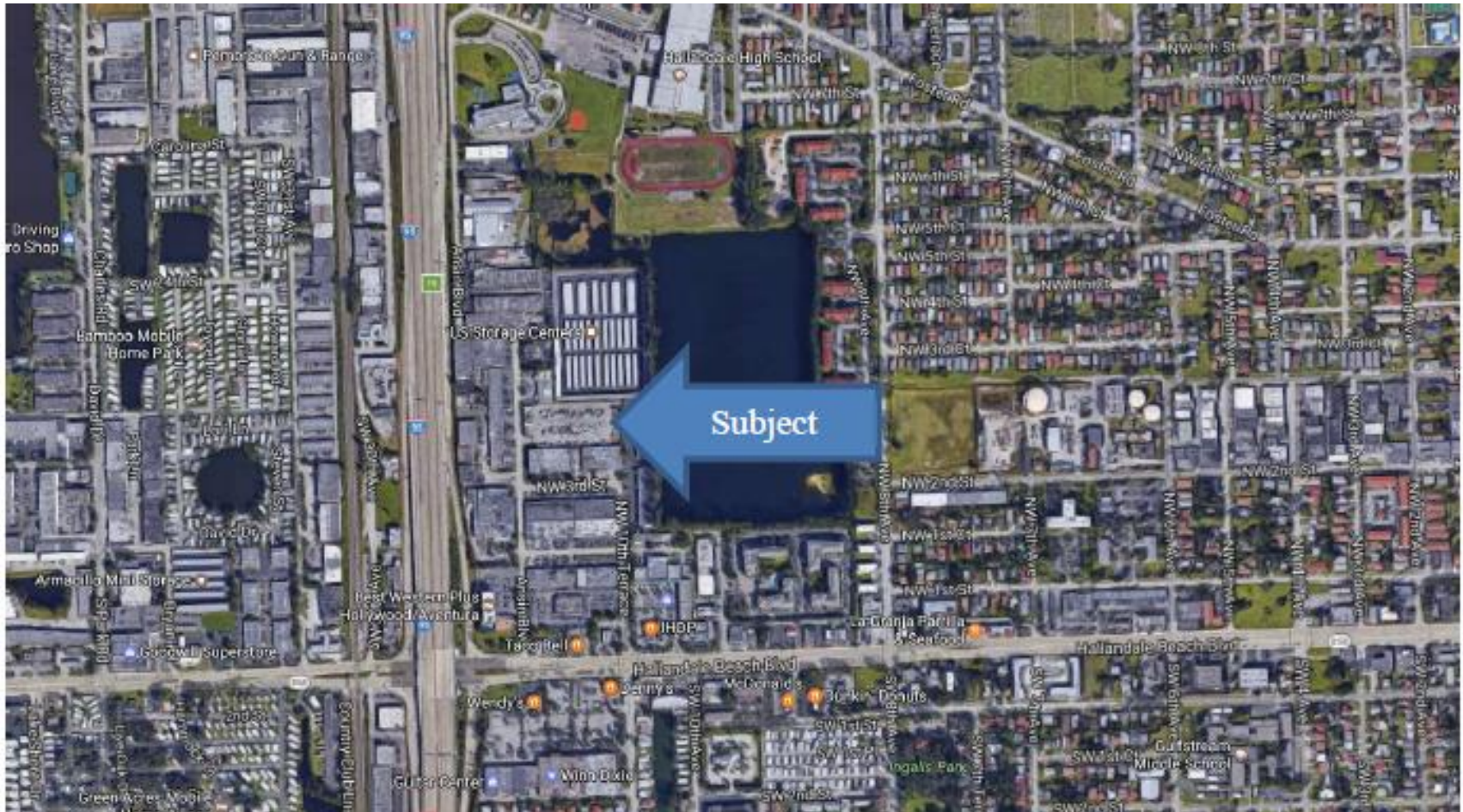
- There are eleven (11) positions which will be impacted:
 - 1 in the DROP
 - 2 are vacant
 - 4 part-time
 - 4 full-time
- The four(4) full-time employees will have the option of joining the selected firm(s) or bumping over to the single family collection program.
- The impacted employees will be treated fairly and with dignity.

17-008 – Selling the Commercial & Multi-family Franchise

- Staff Recommendations:
 - Increase the single family and franchise fee rates as recommended to make that program self sufficient.
 - Authorize the solicitation for the sale of the multi-family and commercial accounts as outlined in the Summer Study.
 - Staff will report to the Commission regularly for policy guidance and to obtain approval for the solicitation document as well as the final sale of the franchise.
 - Establish the regulatory and auditing procedures before the sale is completed.

17-009 – Ansin Blvd. Storage

Location



17-009 – Ansin Blvd. Storage

- The property was acquired in 2006 for \$2,902,930 using four revenue sources.
- Investigations into using the site for a Compressed Natural Gas (CNG) facility either with the private sector or the City alone were not successful.
- The site operates today as a vehicle and boat storage facility.

17-009 – Ansin Blvd. Storage

Financial Implications of the Sale:

- The all in cost of the Ansin Blvd. property is \$3,321,884, including the construction of the storage lot and not including the cost of the various studies. This is offset by \$395,850 generated from storage fees over the years.
- The property is currently on the Broward County Property Appraiser (BCPA) roll for \$1,028,650.
- The June 28, 2017 appraisal by the Urban Group values the property at \$2,150,000.
- The FY 17-18 General Fund Budget includes a revenue of \$2,058,340 from the sale of the property.

17-009 – Ansin Blvd. Storage

- The Hallandale Beach Community Redevelopment Agency will not be reimbursed for its contribution to the original purchase price. The initial transfer of funds when the HBCRA financial operations were separated in 2012 more than reimburses the HBCRA for the investment.
- Returning the property to the tax roll will assist both the HBCRA and General Fund in the long run for both newly established taxable land value and eventually a project built on the site.
- New emphasis on revenue collection from the storage facility will more than double rent revenue to \$116,000 in the current fiscal year.

17-009 – Ansin Blvd. Storage

- Staff Recommendations:
 - The City Commission authorize the sale of the Ansin Blvd. property for the maximum price possible given the existing I-L (light industrial) zoning.
 - Direct staff to prepare an RFP for a real estate firm with specialty in marketing industrial sites to assist in obtaining the best sale price possible.
 - Sell the property during FY 17-18 in order to generate a minimum of \$2,058,340 net which is the amount needed to balance the FY 17-18 Budget.

17-010 – New Radio System

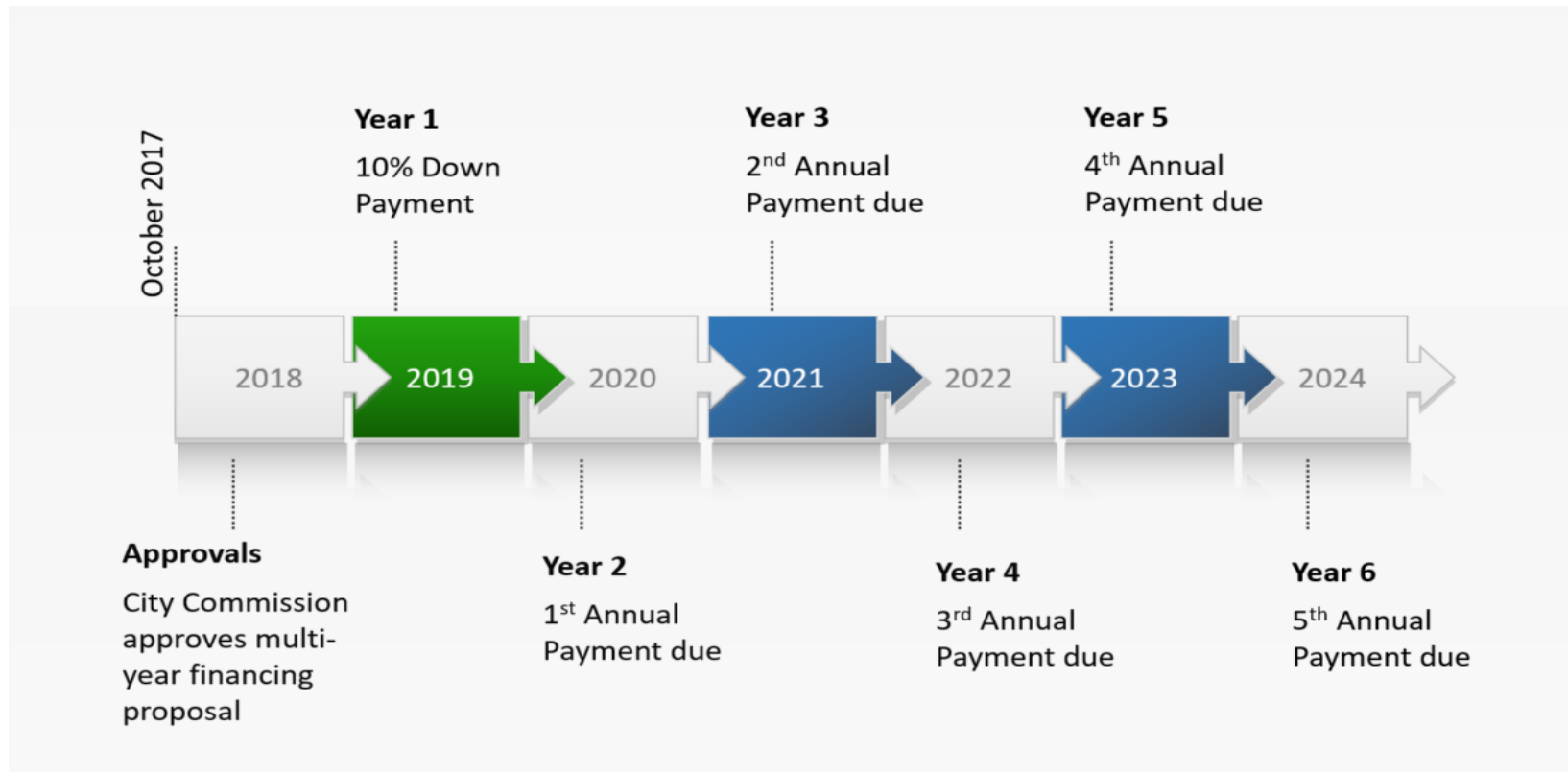
- The Broward County Sheriff's Office has made it known that the radio system for Police and Fire/Rescue will be upgraded over the next 18 months.
- FEMA has notified the City that a grant in the amount of \$77,000 has been approved. This grant does not fund the entire need.

17-010 – New Radio System

- Initial cost for the system is estimated to be \$1,980,000.
- Value Engineering underway should reduce this amount significantly.
- The exact timing of the need for funding is not known. This is the same timing question we have for the Beach Renourishment project.

17-010 – New Radio System

- Staff will investigate financial options, including leasing.



- We will also pursue additional grants to the maximum extent feasible.

17-010 – New Radio System

- Staff Recommendations:
 - The City Commission will be kept aware of this situation. Staff's goal will be to minimize the expense for FY 17-18 and be prepared to implement the most cost effective solutions possible in FY 18-19.
 - Staff will ensure that lower cost options currently under review will meet specifications required by the Sheriff's Office. We do not want to plan a solution that is inadequate and therefore be underfunded.
 - The Fire/Rescue Department in conjunction with Assistant City Manager Greg Chavarria and the Broward County Sheriff's Office will develop during FY 17-18 a very detailed implementation plan for review by the City Commission.

17-011 – Outsourcing Fleet Maintenance

- The COHB fleet includes 302 cars, trucks, heavy equipment and other items necessary to carryout the responsibilities of the entire City, net of the Fire Rescue Department.
- Various services are currently outsourced where the skills or frequency of response do not justify performing these services in house.
- The City has made a substantial investment in new vehicles, fuel management system, finding more cost effective vendors and reducing the work week to 5 days.

17-011 – Outsourcing Fleet Maintenance

- Staff does not recommend outsourcing the entire fleet maintenance program at this time.
- We are a 24/7 City with emergency needs. The fleet maintenance operation can be activated at anytime. This is not certain with full outsourcing.

17-011 – Outsourcing Fleet Maintenance

- The fleet maintenance program will become more efficient by:
 - Closer scrutiny of vehicle replacement schedules.
 - Improved procurement procedures.
 - Unify the fleet wherever possible to avoid the need for multiple parts inventory and testing equipment.
 - Increase the amount we receive for used vehicles by changing the disposal process.
 - Repurpose vehicles, i.e., when the vehicle is no longer useful for police functions it may work fine for other functions.

17-011 – Outsourcing Fleet Maintenance

Special Situation:

- The loan which was taken out to purchase the initial vehicles when the Fleet Fund was established was repaid early in FY 15-16 to “save” the repayment portion of the vehicle charges to each department (fund).
- This decision paid off a loan at 1.31% interest with a \$149,000 early payment penalty.
- The loan was repaid from the accumulated funds in the Fleet Fund putting it in deficit and eliminating the accumulated funds needed to buy new vehicles when the replacements became due.

17-011 – Outsourcing Fleet Maintenance

- While this action was known to the members of the City Commission who attended the FY 15-16 Budget Workshops, it should not have been done.
- Staff is developing a plan to resolve the issue going forward. There are no funds provided in the FY 17-18 Budget for the resolution. The solution may be to eliminate new vehicle replacements in FY 18-19 unless absolutely necessary.

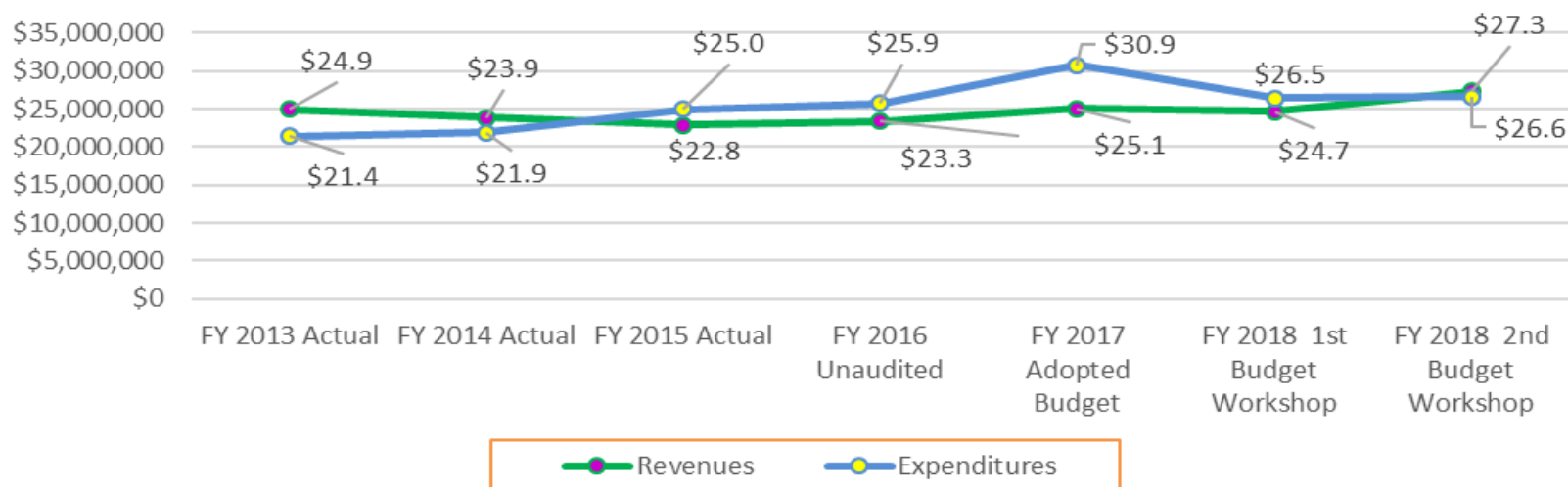
17-011 – Outsourcing Fleet Maintenance

- Staff Recommendations:
 - Do not outsource the fleet maintenance operations at this time. The savings potential has not been established in relation to loss of emergency response capability.
 - Implement Department various cost savings outlined in this Summer Study.
 - Further investigate the FY 15-16 loan repayment to determine how to rectify the situation.

17-012 – Utility Rate Study

- The functions of Water/Sewer/Stormwater are contained in the Utility Fund.
- The Utility Fund has been operating at a deficit for four years

UTILITY FUND REVENUE & EXPENSES (in millions)



17-012 – Utility Rate Study

Debt Rate Covenant:

- When loans were taken out to design and/or build infrastructure, the City entered into a covenant to establish rates that would establish net revenues of the three systems when combined to equal 1.15 times the annual debt service.
- The rates currently established do not meet that test, thereby putting the City in technical default of the covenant.
- This does not mean we are not paying the debt. The debt is current.

17-012 – Utility Rate Study

The Remedy:

- Staff reached out to the lenders to discuss the situation.
- The lenders are aware that the rates recommended in the FY 17-18 Budget will meet the rate covenant.
- However, because we went into technical default, we are required to have an independent study to establish the correct rates in the future. This study will cost \$34,540.
- Due to timing and notice requirements to our customers, we will utilize the staff developed rates in the FY 17-18 Budget.



Beach

Hallandale Beach

17-012 – Utility Rate Study

Staff Developed Rates:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Increased Amount</u>	<u>Increased Revenue</u>	<u>Percent Change</u>
Water - Proposed Rate Increase of 4%					
Base Rate:*	\$ 19.00	19.76	\$ 0.76	\$ 282,145.44	4.0%
<i>Usage (gallons):</i>					
0 - 2,000	\$ 1.03	1.07	\$ 0.04	\$ 35,480.04	4.0%
2,001 - 5,000	\$ 1.10	1.14	\$ 0.04	\$ 23,456.52	4.0%
5,001 - 10,000	\$ 1.43	1.49	\$ 0.06	\$ 8,209.78	4.0%
10,001 - 25,000	\$ 2.25	2.34	\$ 0.09	\$ 11,072.13	4.0%
25,001 - >	\$ 2.45	2.55	\$ 0.10	\$ 38,178.36	4.0%
				\$ 398,542.27	

Sewer - Proposed Rate Increase of 16.5%					
Base Rate	\$ 17.00	\$ 19.81	\$ 2.81	\$ 1,018,955.52	16.5%
<i>Usage (gallons):</i>					
0 - 2,000	\$ 3.48	\$ 4.05	\$ 0.57	\$ 454,330.47	16.5%
2,001 - 5,000	\$ 3.60	\$ 4.19	\$ 0.59	\$ 355,363.61	16.5%
5,001 - 10,000	\$ 3.75	\$ 4.37	\$ 0.62	\$ 119,409.82	16.5%
10,001 - 25,000	\$ 4.16	\$ 4.85	\$ 0.69	\$ 79,479.17	16.5%
25,001 - >	\$ 4.39	\$ 5.11	\$ 0.72	\$ 167,746.91	16.5%
				\$2,195,285.49	

Stormwater - Proposed Rate Increase of 120%					
	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Increased Amount</u>	<u>Increased Revenue</u>	<u>Percent Change</u>
Base (Monthly Rate)	\$ 3.35	7.37	\$ 4.02	\$ 204,469.26	120.0%
Base (Annual Rate)	\$ 40.20	88.44	\$ 48.24	\$ 2,249,161.86	120.0%
				\$2,453,631.12	

17-012 – Utility Rate Study

Tindale Oliver Study:

- The City Commission granted authority to negotiate with Tindale Oliver to complete the Utility Fund rate study (required by the covenant) and analyze various impact fees and parking in lieu of fee studies. This project is underway.
- Should the study require a mid-year rate adjustment, this will be brought to the City Commission.

17-012 – Utility Rate Study

- Staff Recommendations:
 - Adopt the Water/Sewer/Stormwater rates recommended in the FY 17-18 Proposed Budget.
 - Complete the Tindale Oliver study to determine if any further adjustments up or down are needed.
 - Complete the impact fee, fair share and parking in lieu of fee analyses since the outcome, if adopted, will have a significant impact on capital needs.
 - Maintain the philosophy that led to the funding of the local share of the SW Storm Drainage project with stormwater funds rather than CRA funds.
 - Continue communicating with the lending banks to end the technical default.

17-013 – Police & Fire Pension Discussion

Basic Pensions Parameters:

- The Police and Fire Pension Fund supports 150 active members and 141 retirees.
- The annual pension contribution required of the City is 58.95 percent of salary which amounts to \$8,675,861 in FY17-18.
- This is the equivalent of 1.6049 mills of taxation just to support the police and fire pension.
- All persons concerned with the pension issues should take note of the fact that Police and Fire employees also pay 9.5 percent of their salary into this pension plan.

17-013 – Police & Fire Pension Discussion

- The average monthly pension for Police and Fire retirees today is \$4,647. This will go up over time as older retirees pass on and younger employees with greater salaries retire.
- The unfunded liability for the Police and Fire pension plan is \$64,428,556.
- There are many factors which make up the State law mandated amount the City must contribute to the retirement plan.
- There are also factors imposed by the Police and Fire Pension Board. This is the reason for this Summer Study.

17-013 – Police & Fire Pension Discussion

- The main and primary purpose of the Police and Fire Pension Board is to protect the assets of the plan on behalf of the employees. This is their fiduciary role.
- The Board should not place itself in the position of bargainers of last resort on behalf of the unions or a small number of members.
- What is bargained at the table is a combination of give and take for many factors.

17-013 – Police & Fire Pension Discussion

Examples of the issues with the Pension Board:

- \$95,000 Pension CAP Exemption Claim.
- Additional Accrual Claim.
- These all cost millions of dollars and there is no room in the budget.
- What is Next?
- Mediation or Litigation.

17-013 – Police & Fire Pension Discussion

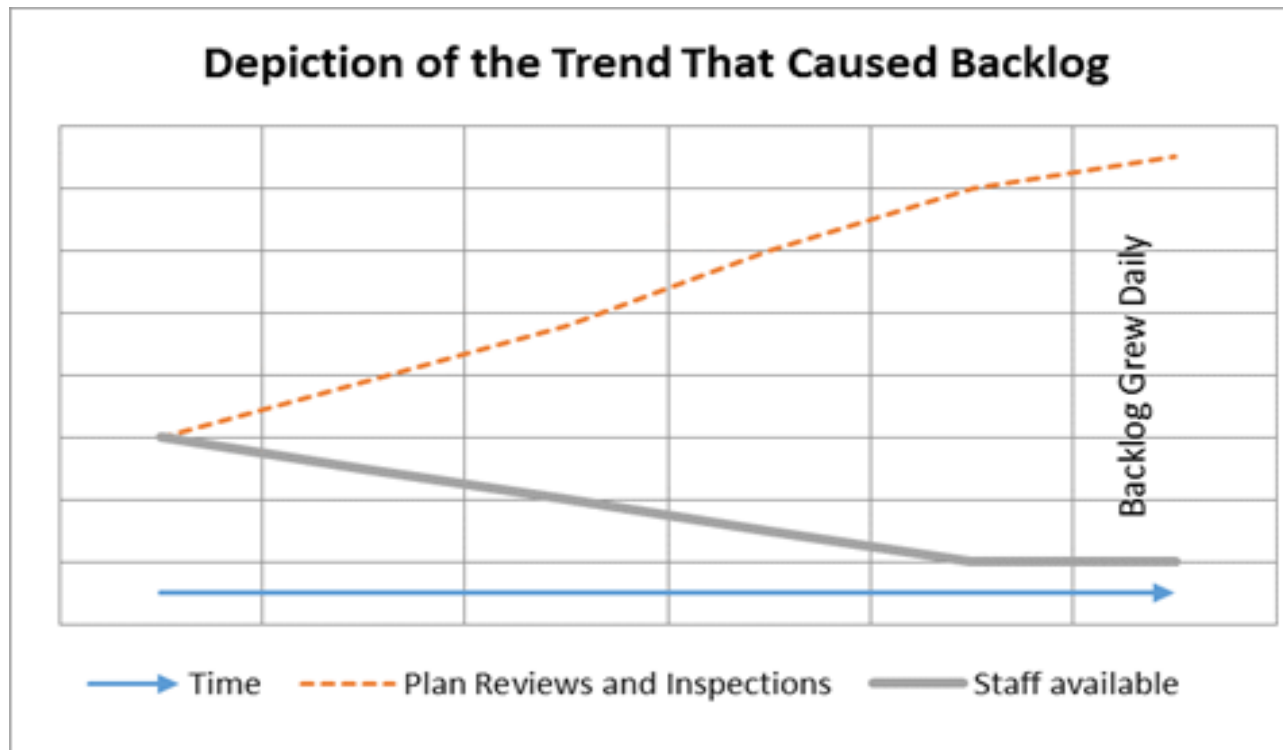
- This Summer Study is not about future benefits. Discussion will begin before we get to the bargaining table during the spring of 2018.
- This is about ensuring that the Pension Board sticks to its primary role, which is to protect the assets of the pension fund to meet future obligations on behalf of the employees.

17-013 – Police & Fire Pension Discussion

- Staff Recommendations:
 - The City Commission should ensure that appointees to the Pension Board are in compliance with the Pension Ordinance and state law.
 - There are amendments to the Pension Ordinance that will help define the primary functions and the membership of the Pension Board.
 - The City Manager will meet with Police and Fire union leadership early to start a dialog on how to ensure the long term stability of the pension.

17-014 – Development Services Backlog

- Why the Backlog Happened:



17-014 – Development Services Backlog

- Solutions:
 - Maintain a balance of permanent and temporary employees from Calvin Giordano Associates (CGA) and CAP Government, Inc.
 - Permanent employees provide stability and historical knowledge, while temporary employees maintain steady processing times during backlogs without long term fringe benefit cost.
 - Ensure that the Development Services Department remains financially stable.

17-014 – Development Services Backlog

- Need for a Rate Adjustment:
 - The projected cost for FY 17-18 for the temporary employees is \$354,000.
 - When the General Fund Budget was presented to the City Commission in order to establish the millage rate, staff believed that permanent employees could handle the workload during FY 17-18 since the backlog was gone.
 - This is not the case as the pace of building permit requests has picked up. This may be because property owners want to come in before the form based code is expanded, and there is concern that interest rates will climb.

17-014 – Development Services Backlog

- The Proposed Rate Adjustment:
 - The Base Permit Fee for projects over \$2,000,000 is proposed to increase to 1.15% from 1.0%. This fee increase is projected to raise \$400,000 in additional revenue during FY 17-18, thereby impacting the revenue to the General Fund from the Development Services Department only slightly to the positive if projections prove correct.
 - All other fees for smaller projects will remain as recommended.

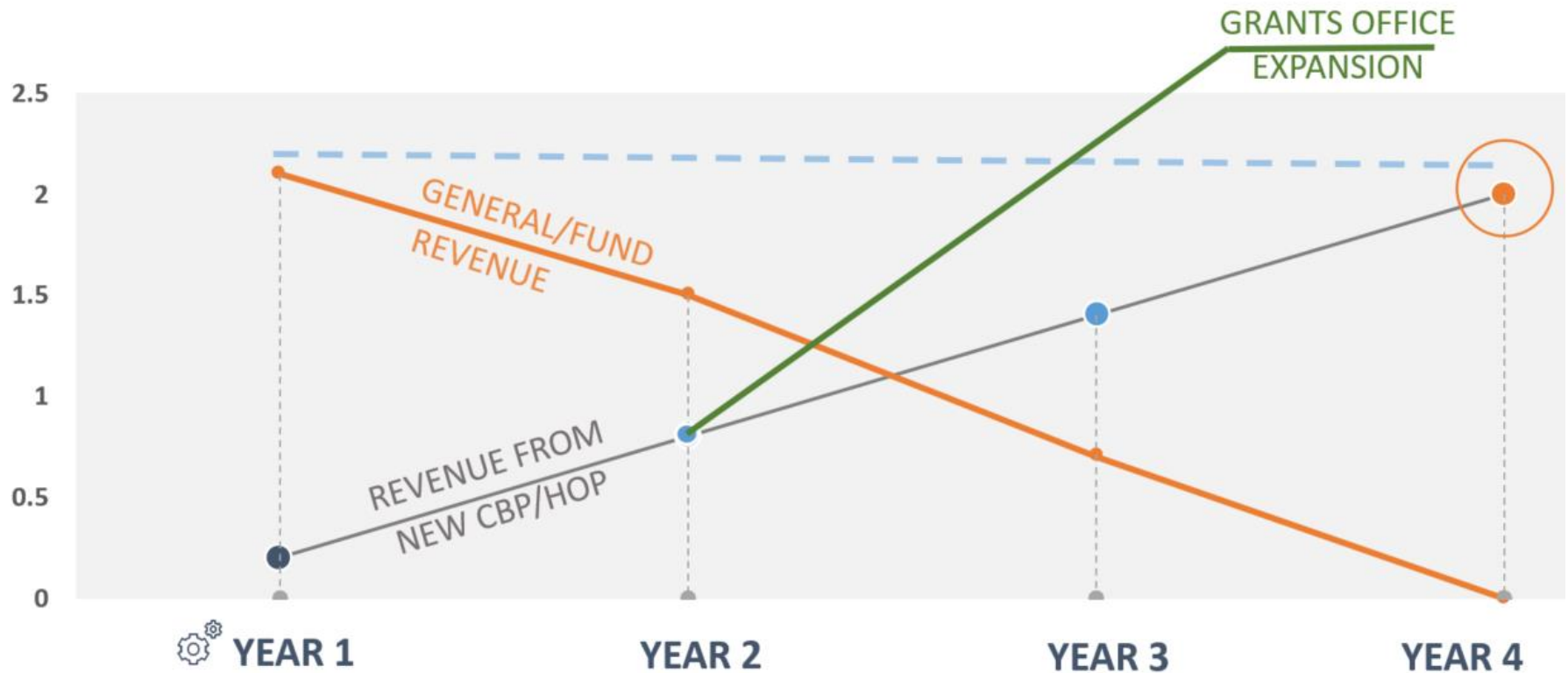
17-014 – Development Services Backlog

- Staff Recommendations:
 - Maintain the balance of permanent and temporary employees in order to avoid backlogs building up again.
 - Adjust the fee for large scale projects to fund the additional cost.
 - Monitor the backlog closely all year and take action necessary to maintain rapid and accurate response to ensure public safety and adherence to the codes.

17-015 – CBP/HOP

- 31 Agreements both completed and underway have been analyzed.
- The goal is to present a recommended program that utilizes funds from developers and contractors for City projects to fund a phase down over three years of General Fund support for the Human Services Department without reducing services to the seniors and young people in need.
- A second goal is to analyze whether any of the funds previously spent could be clawed back.
- The Community Benefit Program detailed report will be provided to the City Commission on September 6, 2017.

17-015 – CBP/HOP



17-016 – Transportation Fund

- This Summer Study will pose long term solutions to evolve the Transportation Fund to solve the much larger challenge of mobility and how it impacts the quality of life and the long term future of our community.
- The Transportation Fund has been used over the years to provide resources to maintain our roadways.
- The Transportation Fund has operated in a deficit for the past five fiscal years. This deficit was funded with reserves which have been depleted.

17-016 – Transportation Fund

- The FY 16-17 Transportation Fund Budget (current) was balanced with a loan from the Utility Fund in the amount of \$725,013, of which approximately \$650,000 will be needed during FY 16-17.
- The FY 17-18 Budget does not include the repayment of the loan.
- It will be the goal of the FY 18-19 Budget to repay the loan.
- The FY 17-18 Transportation Fund Budget stops the deficit spending.
- The only new capital project is the design for the Atlantic Shores Boulevard project.

17-016 – Transportation Fund

- Further initiatives need to be taken to find resources to fund mobility improvements throughout the City.
- The following are initiatives that are being considered:
 - The Bloomberg Mayor's challenge grant provides a pathway to set the stage for the future. This program will provide an initial grant of \$100,000 to 35 communities.
 - Hallandale Beach's training was held August 8, 2017, and 15 employees, including Mayor Cooper, attended a full-day session.
 - The grand winners will have the potential to receive one of four \$1 million grants and a grand prize of \$5 million. However, the probability of success without consensus on a mobility plan is very low.

17-016 – Transportation Fund

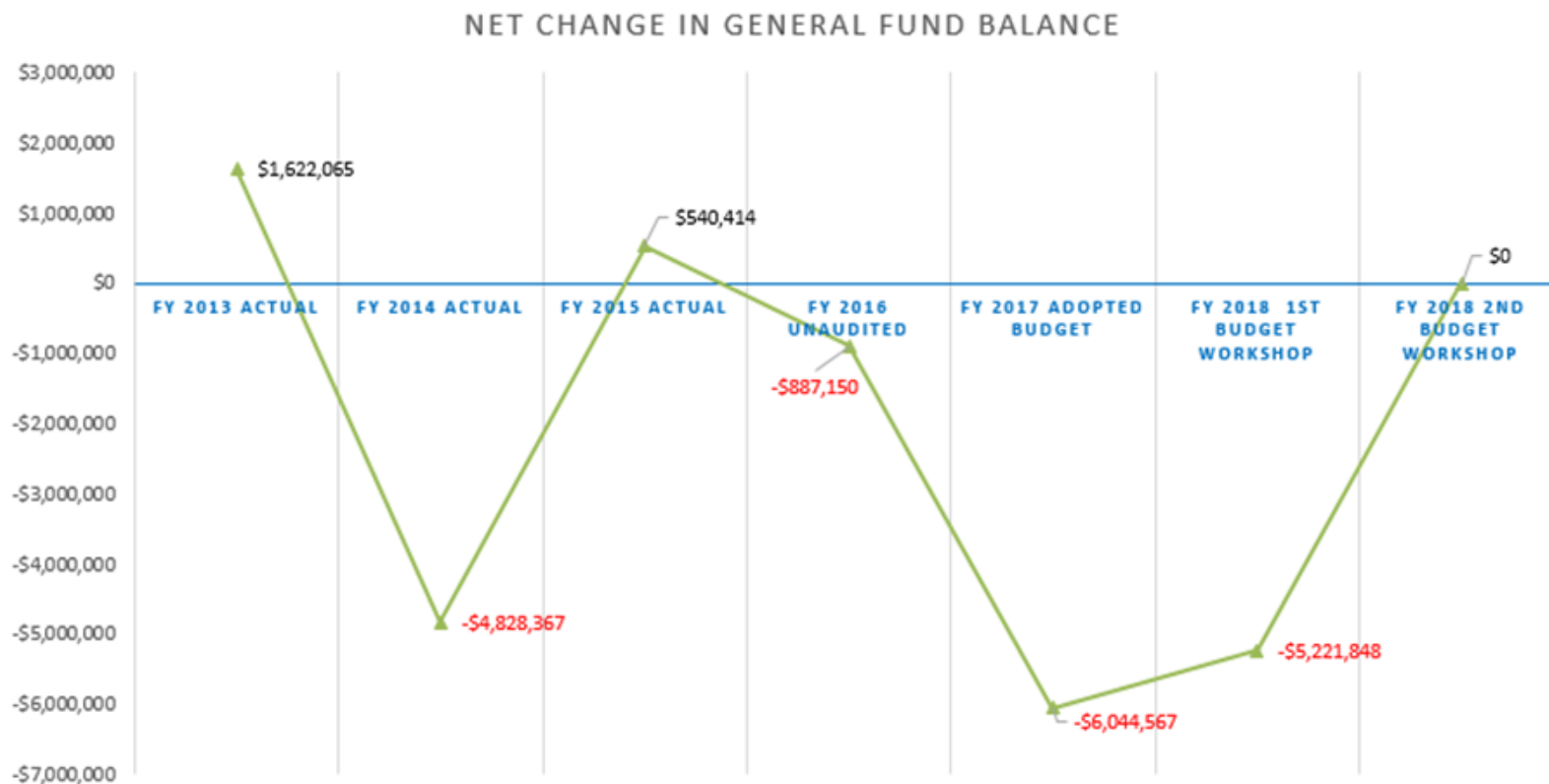
- We will also apply for the Broward Metropolitan Planning Organization's (MPO's) Complete Streets and other Localized Initiatives Program (CSLIP). These represent grants in the amount of \$2 million with a high probability of success.

17-016 – Transportation Fund

- Staff Recommendations:
 - Defer the Bloomberg's Mayors Challenge grant opportunity until a new funding round and after consensus is reached on a mobility plan.
 - Move forward with the two MPO grants.
 - Develop the consensus on the mobility plan during FY 18-19.

17-017 – Rollback Rate

- Over the past five years the City has utilized General Fund reserves



17-017 – Rollback Rate

- Since FY 09-10 the millage rate has been reduced cumulatively by approximately .7082 mills.
- On June 21, 2017 the City Commission approved the proposed millage for FY 17-18 at 5.3093 mills, which is an increase of .1175 mills higher than the current millage of 5.1918 which is offset by a decrease of .1175 mills in the General Obligation Bond debt service millage. The total millage will remain the same in FY 17-18 as it was in FY 16-17.

17-017 – Rollback Rate

- If the City Commission adopts the rollback rate of 4.9525 during the budget hearings, property tax revenue will decrease by \$1,870,890, which will decrease the General Fund revenue by \$1,538,364 and HBCRA revenue by \$332,526.

Rollback Reductions Alternatives:

\$ 1,870,890

Police Command Staff (2 positions)	\$	(466,000)
Fire Command Staff (1 position)	\$	(217,000)
Adjust Minimum Manning Procedure in the Fire Rescue Department without Impacting Service Quality	\$	(300,000)
TIF Payment Share of Property Tax Revenue Reduced at Rollback Rate	\$	(332,526) *
General Fund New & Partial Reduction to Vehicle Replacement Allocations	\$	(388,000)
Across the Board Reductions in the General Fund (Shared by all Other Departments not Listed Above)	\$	(167,364)

***Note: The HBCRA would be required to reduce its budget for FY 17-18 in a like amount.**

17-017 – Rollback Rate

- Staff Recommendations:
 - City Administration strongly recommends anything less than the proposed rate of 5.3093 mills, not be approved.
 - However, some of the ideas presented in the rollback reductions may make sense to initiate after in-depth analysis is done. The financial impact would take place in the FY 18-19 Budget.



AND.....

MILLAGE RATES

Millage rates approved to be sent to the Broward County Property Appraiser by the Commission on June 21, 2017:

Taxing	Fiscal Year 2016 - 17	Fiscal Year 2017 – 18
Base Citywide General Fund Millage	5.1918 Mills	5.3093 Mills
General Obligation Bond – Debt Service Millage	<u>0.6080 Mills</u>	<u>0.4905 Mills</u>
Total	5.7998 Mills	5.7998 Mills
GISND Millage	1.0934 Mills	1.0934 Mills
TISND Millage	0.6600 Mills	0.6600 Mills

BUDGET NOTES

- Following is a list of major changes since the last workshop:
 - Commission incentives plus benefits \$66,183
 - Cost of Election \$80,000
 - Criminal Justice Teacher \$30,000
 - Building Inspectors/Planners \$354,000
 - Other Miscellaneous Adjustments \$105,000
 - Harvard Kennedy School Executive Education \$50,000

BUDGET PROCESS TIMELINE

- ❖ 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 29-30 – Third City Commission Budget Workshop and Discussion of Summer Studies
 - ❖ September 13- First Public Hearing on the Adoption, including resolution adopting Fire Rescue Assessment Rate and Lot Maintenance Assessments
 - ❖ September 25- Final Public Hearing and Commission Adoption, including approval of resolution adopting new and revised fees. Ordinance adopting Capital Improvement Element of the Comprehensive Plan



THANK YOU!