



FY 21/22 Budget Update

BUDGET WORKSHOP

Office of Grants Management, Sustainability, & Innovation

ORGANIZATION & FUNCTIONS

- Grants
- Sustainability
- Innovation

The focus of this strategic team is to pursue funding sources and the delivery of key sustainability and innovation projects.

Due to budget constraints, many of these projects although needed to move the City forward, usually go unfunded.

GRANTS – PORTFOLIO & ACCOMPLISHMENTS

2020

PORTFOLIO & FINANCIALS



In Millions

Active Grants	\$18.9
Funds Requested	\$7.3
Funds Awarded	\$5.5
Funds Spent	\$5.6
Carryover Balance	\$12.9

MAJOR AWARDS/ACCOMPLISHMENTS



Transit Service Grant **\$2.5M**



FEMA Public Assistance Grant **\$145K**



CARES Funding **\$2.7M**



Highway Beautification Grant **\$100K**



Successful FY2020 Federal Single Audit

FY2021

Rebuild Florida Grant – Force Main Project \$2.8M

Florida Recreation Development Assistance Grant – Sunrise Park \$200K

GRANTS – FY21/22 INITIATIVES

- American Rescue Plan Act - Spending plan and documentation for reimbursement
- Surtax Grant Projects – Compliance oversight
- COVID-19 Recovery Grants – Infrastructure projects
- Construction Grants – Shovel ready projects

SUSTAINABILITY PROJECTS – ACCOMPLISHMENTS

- Creation and Adoption of the City's Vulnerability Assessment & Adaptation Plan
- Creation and Adoption of the City's Post-Disaster Redevelopment Plan
- Creation and forthcoming adoption hearing for the City's first Climate Action Plan to reduce emissions 50% by 2030

SUSTAINABILITY FY21/22 PROJECTS & INITIATIVES

Project or Initiative	Amount
Solar Photovoltaic Phase I City Hall	\$125,000
Solar Thermal at Water Plant	\$14,000
Irrigation Efficiency	\$15,000
EV Charging Infrastructure	\$20,000
LED Interior Lighting in City Facilities	\$41,000
Greenhouse Gas Inventory	\$25,000
Workshops with Hollywood	\$1,000
5 th Grade Water Conservation Program	\$5,100
Toilet Rebate Program	\$15,779
Commercial Irrigation Audits	\$3,000
Native Plant Giveaway	\$2,000
TOTAL	\$266,879

FY 21/22 PROJECTS

Solar Photovoltaic Installation
(Phase I) on Municipal Complex
Roof \$125,000; *CAP Project*

Solar Thermal at Public Works
Water Plant \$14,000; *SAP
Project*

Irrigation Efficiency \$15,000;
SAP Project

The Climate Action Plan (CAP) will be coming to City
Commission in August for adoption



FY 21/22 PROJECTS CONTINUED

Electric Vehicle Charging Infrastructure

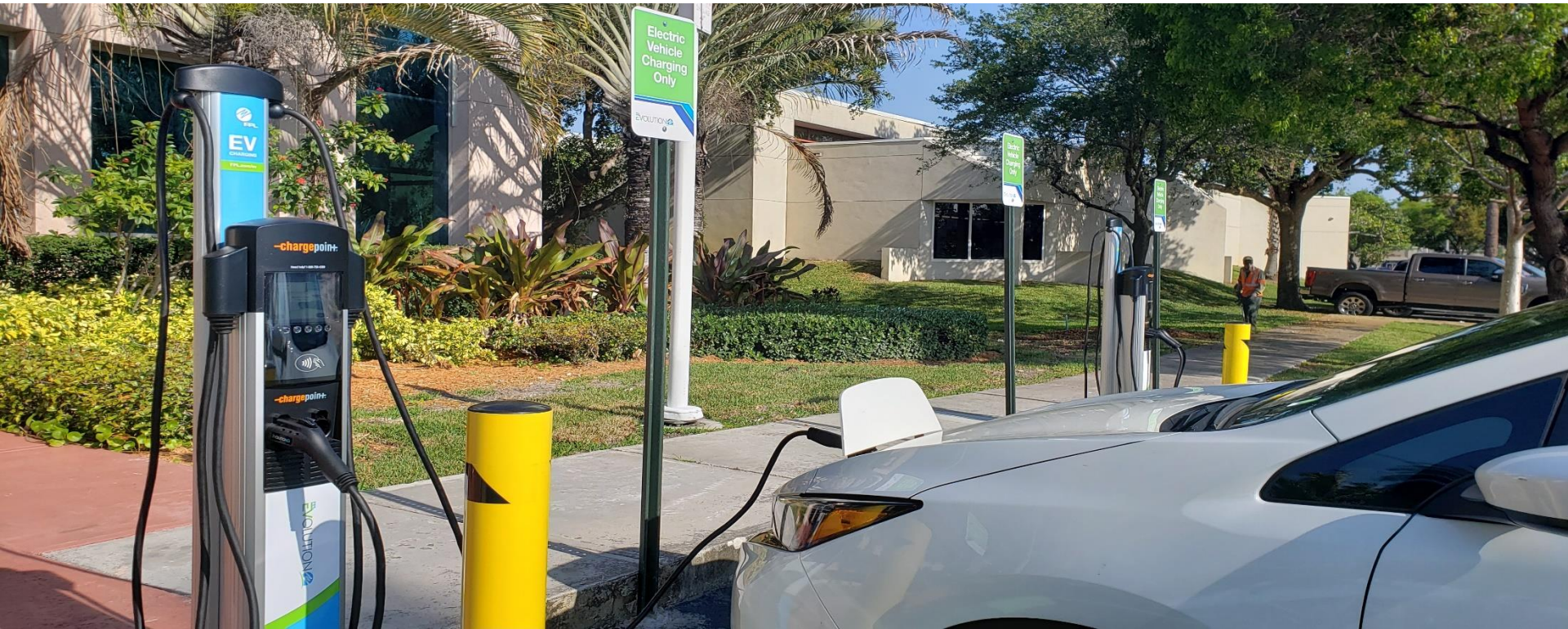
\$20,000; SAP Project

LED Interior Lighting in City Facilities

\$41,000; SAP Project

Our second Greenhouse Gas Emission Inventory

*\$25,000; CAP Project**



FY 21/22 INITIATIVES

LEED for Cities Certification (end of CY 2022 submittal)

Continuing workshops in partnership with the City of Hollywood

\$1,000, ongoing program

Continuing our Water Conservation Efforts

- 5th Grade Curriculum & Support
\$5,100, ongoing program
- Toilet Rebates
\$15,779; ILA with Broward County
- Commercial Irrigation Audits
\$3,000; ILA with Broward County
- Native Plant Giveaway
\$2,000; Tree City USA



BUDGET & FINANCIAL PLAN



HISTORY

HISTORICAL FACTS



- Financial crisis at least the past seven (7) to ten (10) fiscal years
- Reserves depleted by \$14.5 million over the past eight years
- The past practice of developing budgets with deficit spending
- Lack of new revenue generating programs

HISTORICAL FACTS (CONTINUED)

		REVENUES	REVENUES	REVENUES	EXPENDITURES	EXPENDITURES	EXPENDITURES
	GENERAL FUND	ADOPTED	REVISED	ACTUAL	ADOPTED	REVISED	ACTUAL
(1)	FY 2013-14	56,973,017	57,402,246	52,146,968	57,790,373	63,689,595	53,900,767
(1)	FY 2014-15	59,544,284	62,064,024	55,663,570	59,756,105	67,333,219	56,435,537
(1)	FY 2015-16	62,948,258	68,587,661	55,989,776	63,154,587	69,720,031	58,621,571
(1)	FY 2016-17	68,516,988	72,993,612	57,115,541	68,516,988	72,993,612	59,698,247
(1)	FY 2017-18	70,178,299	73,803,884	56,349,822	70,178,299	73,931,639	65,583,931
(1)	FY 2018-19	71,751,698	74,850,287	62,835,598	71,751,698	74,850,287	60,152,548
(1)	FY 2019-20	72,376,424	73,566,180	62,623,019	72,376,424	73,566,180	60,628,244
(2)	FY 2020-21	74,062,857	76,322,942	74,332,238	74,062,857	76,322,942	74,310,238

NOTES:

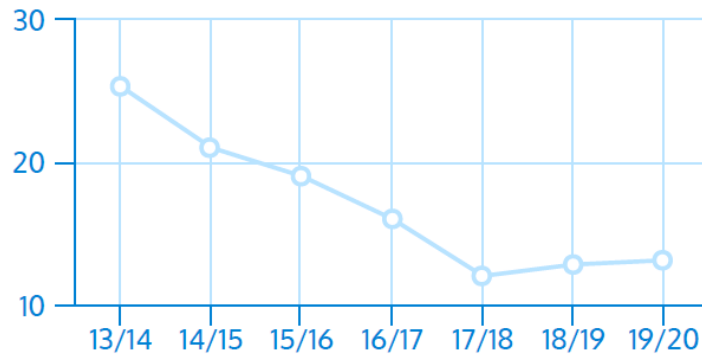
- (1) Retrieved from the Annual Financial Report.
- (2) Unaudited. The revenues and expenditures are based on projections.

GENERAL FUND HISTORY

THE CITY'S SAVINGS ACCOUNT HAS CONSISTENTLY BEEN USED TO BALANCE THE BUDGET DEFICIT FOR 7 YEARS

2013/2014 = APPROXIMATELY \$25 MILLION IN SAVINGS

TODAY = APPROXIMATELY \$13 MILLION LEFT IN SAVINGS



52% Of savings used over the last seven years

\$14.5 MILLION IN SAVINGS USED

CURRENT

Special Revenue Funds

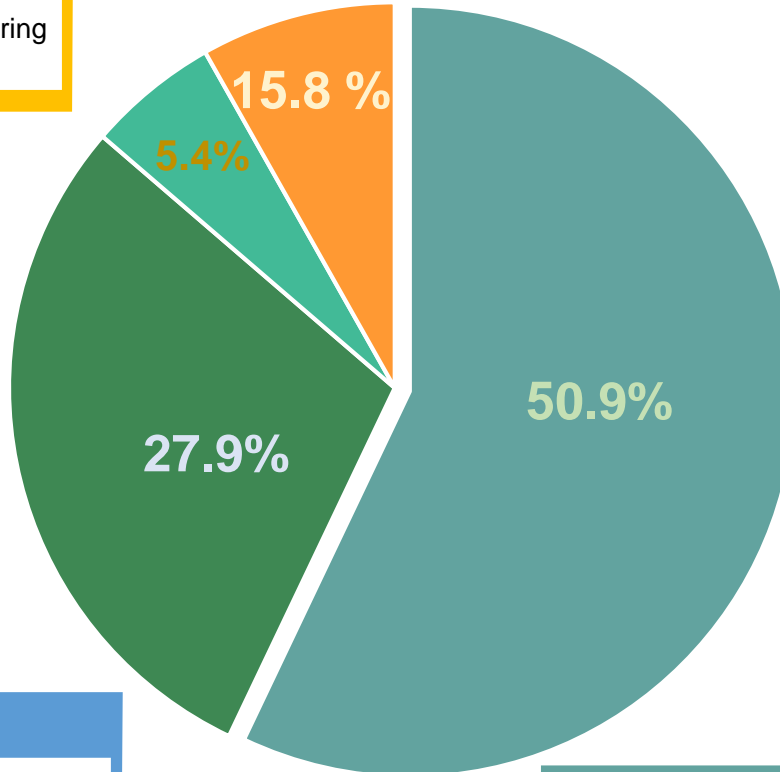
\$8,103,959

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

Other Fund Types

\$12,036,784

Debt Service, Capital Fund,
Internal Service Fund



Enterprise Fund

\$43,017,990

Cemetery, Sanitation, Utility,
Stormwater, Utility Impact Fee

General Fund

\$83,974,555

Total City Budget \$147.1 Million

The Recommended Budget for FY 2022 is \$147.1 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.

BUDGET – FISCAL YEAR 2021/22

Citywide



4.14%

TOTAL BUDGET

\$147,133,288

Increase from FY 20/21 are due to increased Utility capital projects, Police and Fire replacement vehicles and personnel cost



General Fund



13.38%

TOTAL BUDGET

\$83,974,555

Increase from FY 20/21 which is \$9,911,698

MAJOR COST DRIVERS FOR FY2021/22

Items	Amount
Cost of Living Increased/Merit	\$ 786,502
Police Overtime	400,000
Police and Fire Pension	1,510,094
Florida Retirement System	328,437
New Positions for FY 2021/22	560,983
Health Insurance Increase	405,358
BSO Fire Rescue Contract	1,096,624
Legal Fees	50,000
Pumper Truck	925,000
Technology Needs	240,000
Total	6,302,998

Special Revenue Funds

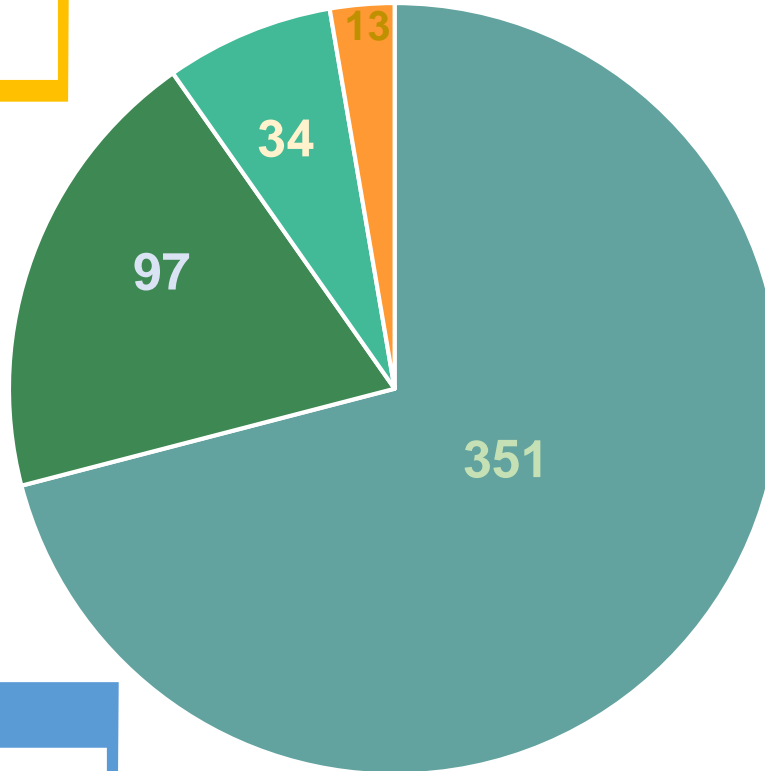
34

Grants Fund (1), Transportation Fund (10), Permits and Inspections Fund (23)

Additional Funds

13

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



Workforce by Fund 495 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

97

Cemetery (3), Sanitation (23),
Utility (64), Stormwater (7)

General Fund

351

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

GENERAL FUND HIGHLIGHTS



FY 2021 revenues Compare to FY 2022

The General Fund has a combine gain in revenues in the amount of \$6,303,727 in comparison to the FY 2020/21 Adopted Budget – largest revenues increase is in Intergovernmental Revenue because of the American Rescue Plan Act (ARPA).

Expenditure Increase

General Fund increased by \$9,911,698 or 13.38% from the previous year

General Fund Deficit

General Fund is currently out of balance by \$3,607,971

Property Value

Property Value increased 1.89% from July 1, 2020 Certified Value

TIF / CRA

Increase of \$529,671 resultant from the Tax Increment Financing (TIF) payment to the CRA as a result of higher property values in comparison to the July 1, 2020 Certified Value

OPERATING, DEBT, GOLDEN ISLES, AND THREE ISLANDS MILLAGE



Operating & Debt Service Millage

The Operating millage is 7.0000 and Debt Service Millage is 0.5376. Average Taxable Value for a Single-Family Home in the City of Hallandale Beach is \$268,813. This equates to \$2,027 in property taxes.

Golden Isles Millage

Golden Isles millage is 1.0934. Based on the Assessed Taxable Value of \$500,000 for a Single-Family Home in the district, this equates to \$547 in property taxes.

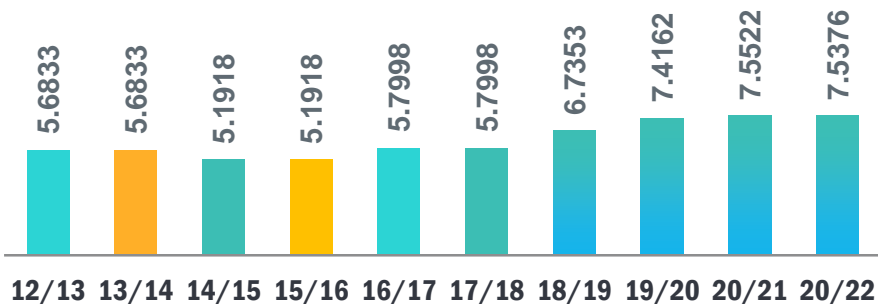
Three Islands Millage

Three Islands millage is 0.6600. Based on the Assessed Taxable Value of \$500,000 for a Single-Family Home in the district, this equates to \$330 in property taxes.

HB MILLAGE TRENDS

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 2013 until today, the millage rate has increased 1.8543. Additionally, Hallandale Beach is currently ranked 6th highest and would remain 6th highest in total millage amongst Broward County municipalities based on their current millage.



MUNICIPALITY	OPERATING	DEBT	TOTAL	RANK
LAUDERHILL	8.4898	1.8000	10.2898	1
LAUDERDALE LAKES	8.6000	1.0950	9.695	2
PARKLAND	8.5000	-	8.5000	3
HOLLYWOOD	7.4665	0.4301	7.8966	4
MARGATE	7.1171	0.6212	7.7383	5
HALLANDALE BEACH	7.0000	0.5522	7.5522	6
HALLANDALE BEACH	7.0000	0.5376	7.5376	6
NORTH LAUDERDALE	7.4000	-	7.4000	7
SOUTHWEST RANCHES	7.2899	-	7.2899	8
MIRAMAR	7.1172	-	7.1172	9
COCONUT CREEK	6.5378	-	6.5378	10
SEA RANCH LAKES	6.0543	0.4276	6.4819	11
OAKLAND PARK	5.891	0.5189	6.4099	12
DEERFIELD BEACH	6.0018	0.3542	6.3560	13
COOPER CITY	6.2280	-	6.2280	14
PEMBROKE PINES	5.8000	0.4195	6.2195	15
DANIA BEACH	5.9998	0.1620	6.1618	16
WILTON MANORS	5.9000	0.2602	6.1602	17
CORAL SPRINGS	5.8732	0.2412	6.1144	18
PEMBROKE PARKS	5.6736	0.4273	6.1009	19
DAVIE	5.627	0.2566	5.8836	20
POMPANO BEACH	5.1875	0.4194	5.6069	21
PLANTATION	5.1875	0.4194	5.6069	22
LAZY LAKE	4.7940	-	4.7940	23
FORT LAUDERDALE	4.1193	0.2218	4.3411	24
SUNRISE	4.2500	-	4.2500	25
LIGHTHOUSE POINT	3.5893	0.5546	4.1439	26
HILLSBORO BEACH	3.5000	-	3.5000	27
LAUDERDALE-BY-THE-SEA	3.5000	-	3.5000	28
WESTON	3.3464	-	3.3464	29
WEST PARK	3.3464	-	3.3464	30
TAMARAC	2.3353	-	2.3353	31
UNINCORPORATED	2.3353	-	2.3353	32
BROWARD COUNTY	5.4878	0.1812	5.6690	
AVERAGE	5.6631	0.2692	5.9323	

RESERVES



- If the City Commission approved the full suite of financial stabilization solutions, based on the projected budget shortfalls, the reserves will decrease from approximately \$13.2 million at the beginning of FY2022, to approximately \$6.3 million in FY2025
- Additional financial strategies need to be undertaken to ensure that the City does not completely run out of reserves in FY2026

CURRENT SITUATION

UNLESS AGGRESSIVE ACTION IS TAKEN IMMEDIATELY



OVER THE NEXT 4 YEARS THE CITY FACES A
**\$60 MILLION BUDGET
DEFICIT/SHORTFALL**



DUE TO ONGOING BUDGET DEFICITS THE CITY WILL
RUN OUT OF SAVINGS BY THE END OF 2022
2023 = BANKRUPTCY/INSOLVENCY

5-YEAR FINANCIAL PLAN

NO STRATEGY



- It is important to note, that the reduced impacts to reserves and the ability to remain financially solvent in the General Fund through FY2025 will be a direct reflection of the City's ability to implement all the proposal financial stabilization strategies
- If no strategy is put into place, and the absence of any federal subsidy exist, the shortfall through FY 2024/2025 will amount to \$59.8 million.

NO STRATEGY



BUDGET PROJECTIONS	FY21	FY22	FY23	FY24	FY25
Revenue (Income)	\$ 72,832,238	\$ 73,166,584	\$ 74,082,131	\$ 76,304,587	\$ 77,675,299
Expenses	\$ (74,310,238)	\$ (83,974,555)	\$ (86,908,526)	\$ (92,108,946)	\$ (96,648,702)
Budget Surplus/Shortfall	\$ (1,478,000)	\$ (10,807,971)	\$ (12,826,395)	\$ (15,804,359)	\$ (18,973,403)

\$59.8 million deficit

FINANCIAL STRATEGY & PROJECTIONS

BUDGET PROJECTIONS	FY21	FY22	FY23	FY24	FY25
Revenue (Income)	\$ 72,832,238	\$ 73,166,584	\$ 74,082,131	\$ 76,304,587	\$ 77,675,299
Expenses	\$ (74,310,238)	\$ (83,974,555)	\$ (86,908,526)	\$ (92,108,946)	\$ (96,648,702)
Budget Surplus/Shortfall	\$ (1,478,000)	\$ (10,807,971)	\$ (12,826,395)	\$ (15,804,359)	\$ (18,973,403)

STABILIZATION STRATEGIES

Federal American Rescue Plan Act	\$ 1,500,000	\$ 5,500,000	\$ 4,500,000	\$ 4,500,000	\$ -
New Parking Program	\$ -	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
New Certificate of Use Program	\$ -	\$ 300,000	\$ 590,969	\$ 602,788	\$ 614,844
Sanitation Fund Closeout	\$ -	\$ -	\$ 4,500,000	\$ -	\$ -
New Solid Waste Franchise Fees	\$ -	\$ -	\$ 1,500,000	\$ 1,530,000	\$ 1,560,600
Property Tax Increase FY23 (mills .65)	\$ -	\$ -	\$ 2,932,305	\$ 2,990,951	\$ 3,050,770
Property Tax Increase FY24 (mills .65)	\$ -	\$ -	\$ -	\$ 2,990,951	\$ 3,050,770
Elimination of 14 Grant Funded Positions	\$ -	\$ -	\$ 890,679	\$ 1,919,962	\$ 2,073,290
Hiring Freeze (Select Vacancies)	\$ 306,405	\$ -	\$ -	\$ -	\$ -
Proposed Offset to Shortfalls	\$ 1,806,405	\$ 7,200,000	\$ 16,313,953	\$ 15,934,652	\$ 11,750,274
Ending Budget Surplus/Shortfall	\$ 328,405	\$ (3,607,971)	\$ 3,487,558	\$ 130,293	\$ (7,223,129)

RESERVES

Beginning Balance	\$ 13,168,875	\$ 13,497,280	\$ 9,889,309	\$ 13,376,867	\$ 13,507,161
Budget Surplus/Shortfall after Implementation of Strategies	\$ 328,405	\$ (3,607,971)	\$ 3,487,558	\$ 130,293	\$ (7,223,129)
Ending Balance	\$ 13,497,280	\$ 9,889,309	\$ 13,376,867	\$ 13,507,161	\$ 6,284,032

Blue = 1 X revenue or expenditure reduction

AMERICAN RESCUE PLAN ACT (ARPA)



- Signed into law in March 2021
- Over \$350 billion to state and local governments
- City of Hallandale Beach expects to receive approximately \$16 million over two years
- FY 2021-22 Recommended Budget proposes the use of \$5.5 million to balance the General Fund
- Remaining second year ARPA allocation will assist in further mitigating shortfalls in the General Fund
- These funds will be necessary to maintain service levels to manage through the recovery

EXTENDED PARKING MANAGEMENT PROGRAM



- For years, the City has been missing out on significant revenues by not charging fair market rate for in-demand parking spaces
- Conservatively, the expansion of the parking program would result in approximately \$1.4 million in new revenues
- New revenues can be used to:
 - Replace aging fleet of police vehicles
 - Allow the City to keep parks open longer
 - Expedite permitting processes
 - Increase code compliance efforts
- Parking enforcement has a public safety component as it provides an authoritative presence

NEW CERTIFICATE OF USE AND ENHANCED LOCAL BUSINESS TAX RECEIPTS PROGRAM



- Approved by the City Commission during FY 2020-21
- Full potential of the combined programs have not been realized because of various factors including staffing levels and turnover
- Estimate of \$300,000 in revenue for FY 2021-22 once the program is staffed
- The programs' full potential revenue is approximately \$590,000 per year starting in FY 2022-23

SANITATION FUND CLOSEOUT AND NEW FRANCHISE FEES

- Administration and City Commission has discussed the creation of a Request for Proposal (RFP) for the outsourcing of Sanitation services
- Performance improvements would be realized while at the same time generating approximately \$1.5 million in franchise fees for the General Fund
- Current employees in the Sanitation division would be moved to vacancies within the Department of Public Works once the services are outsourced
- One-time transfer of \$4.5 million to the General Fund in FY 2022-23
- Additionally, the City would generate revenues of approximately \$1.5 million, for a total of \$6 million in FY 2022-23
- Annual revenue of approximately \$1.5 million in subsequent years

PROPERTY TAX INCREASE

- No proposed tax increase in FY 2021-22
- Increase of 0.6500 mill for the following years:
 - FY 2022-23 (\$2.9 million)
 - FY 2023-24 (\$6.0 million)
 - FY 2024-25 (\$6.1 million)
- Total maximum millage is 10 mills, including that of independent districts such as Golden Isles and Three Islands
- Current operating millage rate is 7.0000 with a maximum potential of 1.2466
- Under the current structure, the total millage that can be assessed is approximately 8.1246 (excluding debt service millage)

ELIMINATION OF SAFER GRANT FIREFIGHTER POSITIONS



- In March 2019, the City Commission approved a SAFER Grant application in the amount of \$3.5 million to fund 14 firefighter positions that were needed to place a third Firefighter on the fire trucks
- Economic Hardship Waiver Request was submitted for the funder to consider granting 100% of the costs
- In September 2019, the City received the SAFER Grant award in the amount of \$5.7 million
- Funds the requested 14 positions for a period of 3 years (March 2020 through the end of March 2023)
- Per the grant guidelines, the City is not obligated to keep the positions at the end of the grant period
- Should the City decide to keep the positions, the financial obligations would be as follows:
 - FY 2022-23 – \$890,679
 - FY 2023-24 – approximately \$1.9 million
 - FY 2024-25 – approximately \$2.1 million
- To preserve reserves and better prepare for the end of ARPA, the elimination of the 14 Firefighter positions is recommended

HIRING FREEZE




- Administration will review possibilities for the freezing of select positions, if those positions do not interfere with the level of services that now exist because of the policy of minimum staffing levels
- In the past six years, the City lost hundreds of employees across the board
- The loss of hundreds of staff led to brain and experience drain and the higher costs associated with hiring and training new employees
- Based on the policy of maintaining minimum staffing levels to ensure current levels of service, there are no major across the board staff reductions which are a part of the financial stabilization strategies

5-YEAR PLAN & STRATEGIES

NEW REVENUES OR COST SAVINGS IN TOTAL FROM FY21 THROUGH FY25

AMERICAN RESCUE PLAN ACT	=	\$16 MILLION
PARKING PROGRAM	=	\$5.6 MILLION
CERTIFICATE OF USE PROGRAM	=	\$2.1 MILLION
SANITATION FUND CLOSEOUT	=	\$4.5 MILLION
NEW SOLID WASTE FRANCHISE FEE	=	\$4.6 MILLION
PROPERTY TAX INCREASES IN FY23 AND FY24	=	\$15 MILLION
ELIMINATION OF 14 GRANT FUNDED FIREFIGHTER POSITIONS	=	\$4.9 MILLION


**APPROXIMATELY
\$52.7 MILLION
IN PROPOSED
NEW REVENUES**

NEXT STEPS

PENDING ACTIONS



**AUG
2**

Set Millage rate
and Non-Ad
Valorem
Assessments for
TRIM Notice

**AUG
18**

Budget
Workshop

**SEP
13**

First Public
Hearing

**SEP
27**

Final Public
Hearing