

Renewal & Replacement Ordinance Adoption

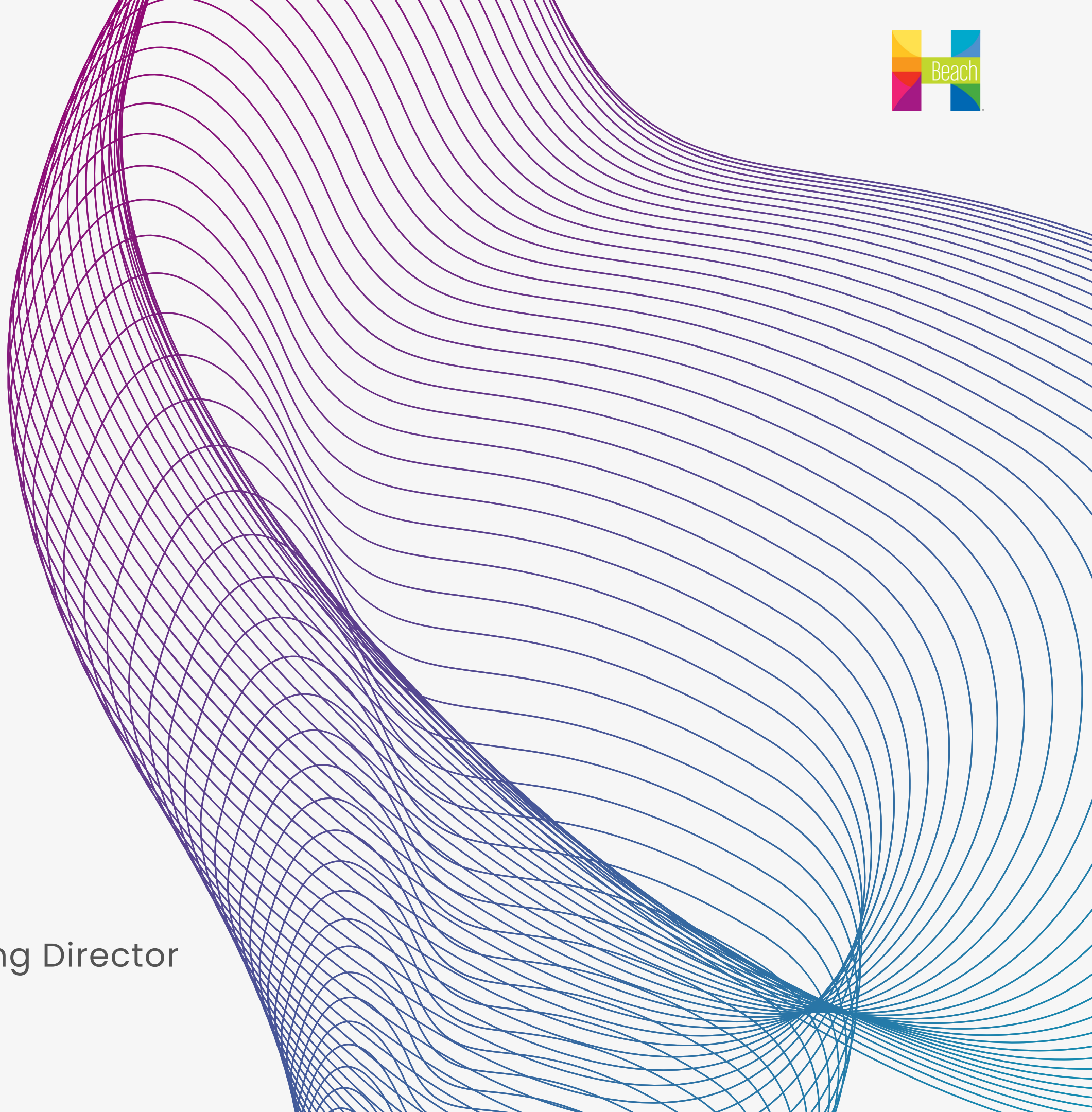
City of Hallandale Beach

January 8, 2025

Presented By:

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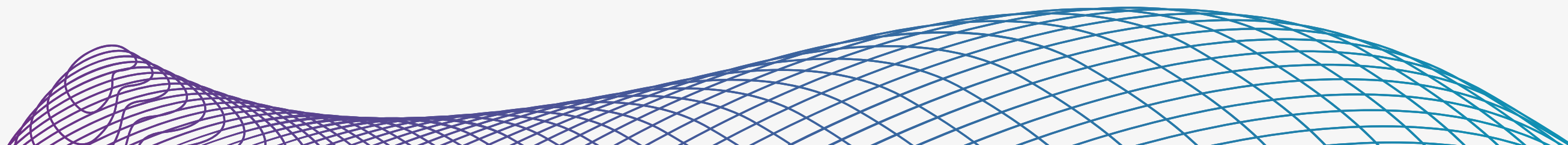
On Today's Agenda

Our Discussion Points

- Background
- Challenges of Inadequate Planning
- Key Features of the Proposed Ordinance
- Renewal & Replacement Policy Overview
- Benefits and Fiscal Impact
- Implementation Timeline
- Questions

Background

- Approximately \$82 million in aging general capital assets.
- Current reliance on pay-as-you-go budgeting, resulting in unpredictable expenses.
- Establishment of the Repair and Replacement (R&R) Fund:
 - Launched in September 2022 with an initial allocation of \$1.5 million.
 - Through FY25, accumulated contributions are projected to total \$3.5 million.
 - Investment income is now being utilized to promote further growth of the fund.
- Objectives:
 - To formalize a policy aimed at ensuring financial stability and proactive management of assets
 - To impose restrictions on the use of R&R funding, requiring City Commission approval for any policy adjustments or fund reallocations

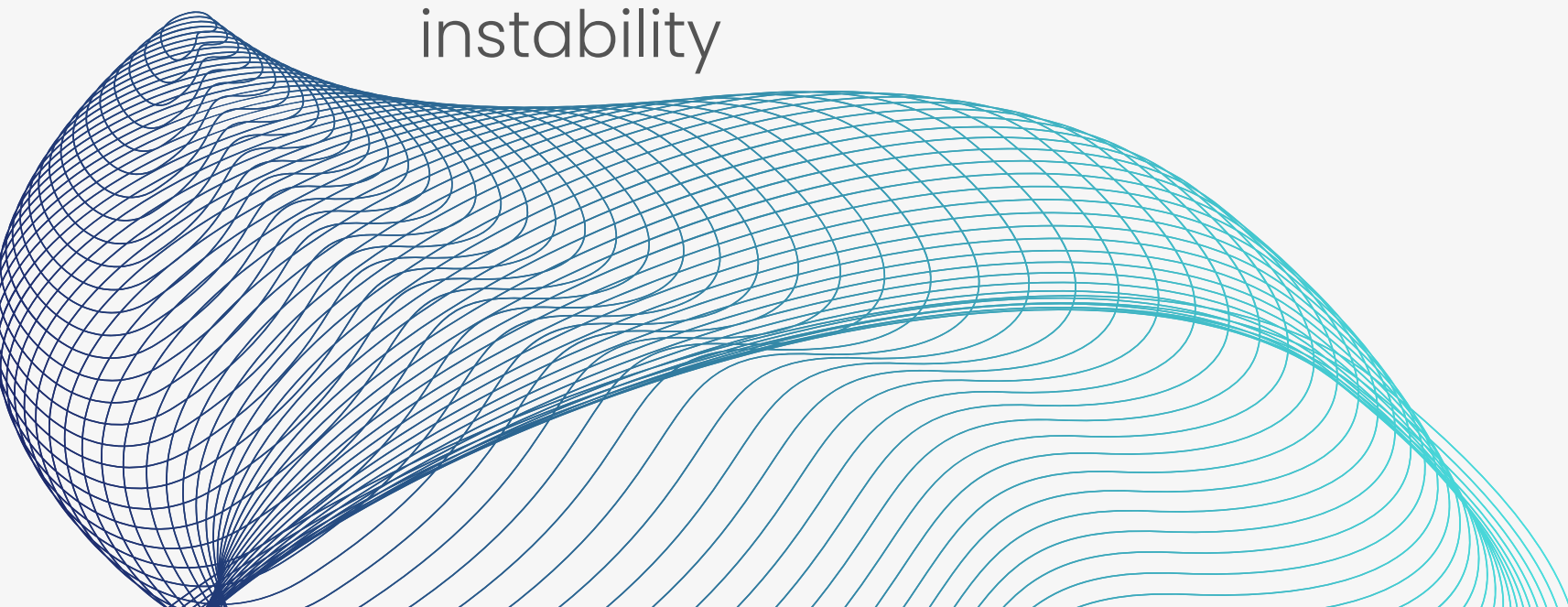




Challenges of Inadequate Planning

Scenario:

- A critical need arises to replace soccer field turf, but no funds are allocated
- Typical Solutions: Rate increases or spending cuts - causes financial instability

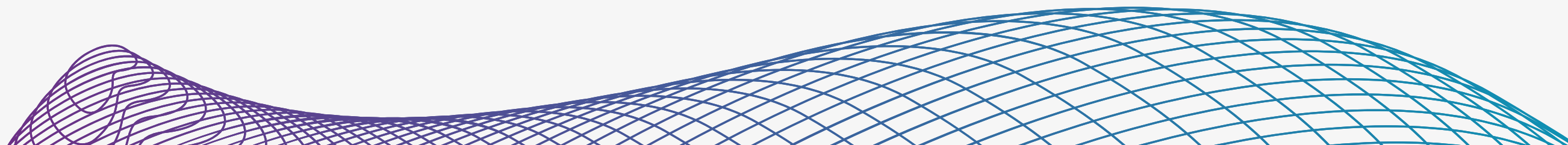


Challenges of Inadequate Planning (Cont.)

- **Key Impacts of scenario:**

- Financial instability due to reactive spending
- Service delivery disruptions
- Increased public dissatisfaction
- Escalated long-term costs from emergency repairs

PROPOSED SOLUTION: Adopt a proactive, multi-year planning policy as recommended by the GFOA Best Practice to help avoid the challenges of inadequate planning and ensure a more sustainable approach to infrastructure maintenance and replacement.





Key Features of the Proposed Ordinance

Amends Section 10-31 to limit unauthorized transfers

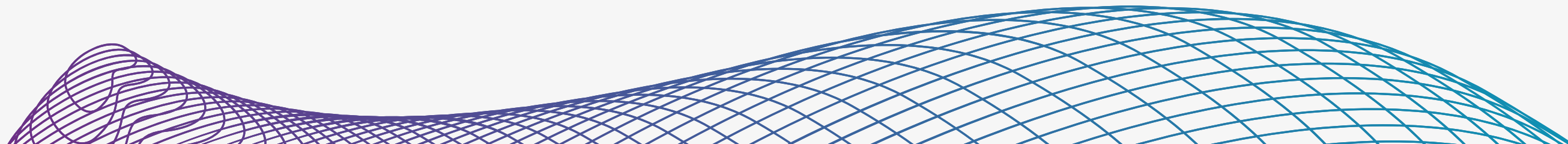
Creates Section 10-34 to formalize the R&R Fund

Adopts Policy that includes 25-year replacement schedules for better alignment with asset lifecycles

Requires City Commission approval for fund adjustments and policy changes

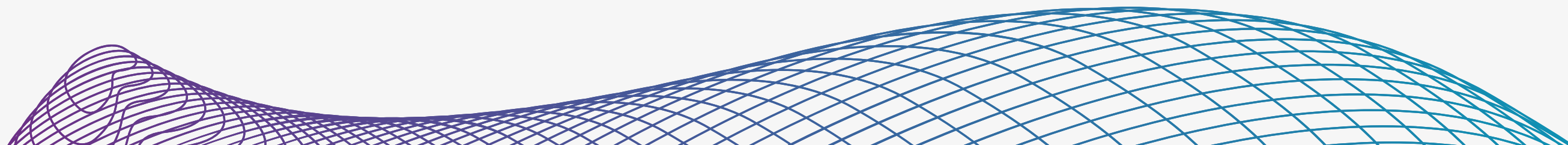
Renewal & Replacement Policy Overview

- **Purpose:** Strengthen fiscal health by addressing both anticipated and unforeseen needs
- **Key Components:**
 - Comprehensive inventory and periodic assessment of assets
 - 25-year schedules for long-term planning in key categories:
 - Technology
 - Facilities
 - Fire Equipment
 - Police Equipment
 - Parks, Recreation & Open Spaces
- **Alignment with Best Practices:**
 - Facilitates a shared vision for fiscal responsibility
 - Enhances transparency and credit strength



Benefits and Fiscal Impact





- **Financial Stability:**
 - Smooth, predictable budgeting through annual contributions
- **Operational Efficiency:**
 - Proactive funding reduces reliance on emergency expenditures
- **Public Awareness:**
 - Engages the community in understanding and supporting long-term planning
- **Intergenerational Equity:**
 - Balances current needs with future sustainability
- **Credit Strength:**
 - Viewed positively by bond rating agencies



Implementation Timeline

Major Deliverables

-  **OCTOBER 2022**
FY23 R&R Contribution of \$1.5M
-  **OCTOBER 2023**
FY24 R&R Contribution of \$1.0M
-  **OCTOBER 2024**
FY25 R&R Contribution of \$1.0M
-  **JANUARY 2025**
City Commission – Presentation and First Reading of the Ordinance
-  **FEBRUARY 2025**
City Commission – Second Reading of Ord.

-  **MARCH 2025**
Transition from 5-year to 25-year schedules as part of the budget cycle
-  **JUNE 2025**
Finalization of 25-year supporting schedules. Include in Proposed Budget.
-  **OCTOBER 2025**
Full integration of the R&R Program into the FY26 Budget.
-  **FY26 and Beyond...**
Fiscal Stability Achieved for the Renewal & Replacement of General Assets 😊

Questions?

THANK YOU