



CITY OF FORT LAUDERDALE

APPROVED
BUDGET ADVISORY BOARD MEETING
CITY OF FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
8th FLOOR CONFERENCE ROOM
FORT LAUDERDALE, FLORIDA, 33301
JUNE 5, 2019 – 6:00 P.M.

| Board Member | Attendance | 10/2018 through 9/2019 | |
|-----------------------------|-------------------|--------------------------------------|---------------|
| | | Cumulative Attendance Present | Absent |
| Brian Donaldson, Chair | P | 7 | 0 |
| David Orshefsky, Vice Chair | P | 7 | 0 |
| William Goetz | P | 5 | 0 |
| Jeff Lowe | P | 6 | 1 |
| Gregg McKee | P | 7 | 0 |
| Eric Metz | A | 5 | 2 |
| Prabhuling Patel | P | 4 | 0 |
| Johnnie Smith | P | 6 | 1 |
| Christopher Williams | P | 5 | 0 |

Also Attending

- Chris Lagerbloom, City Manager
- Laura Reece, Budget Director
- Linda Logan-Short, Interim Assistant City Manager
- Rhoda Mae Kerr, Interim Assistant City Manager
- Charmaine Crawford, Budget Division and Board Liaison
- Anastasia Gurrier, Prototype Inc. Recording Secretary

Communications to the City Commission

None

Purpose: To Provide the City with input regarding the taxpayers’ perspective in the development of the annual operating budget; to review projections and estimates from the City Manager regarding revenues and expenditures for upcoming fiscal year; to advise the City Commission on service levels and priorities and fiscal solvency; and to submit recommendations to the City Commission no later than August 15 of each year regarding a budget for the upcoming fiscal year.

I. Call to Order

The meeting of the Budget Advisory Board was called to order at 6:04 p.m.

II. Roll Call

Roll was called, and it was determined a quorum was present.

III. Approval of Meeting Minutes

A. April 17, 2019

Motion made by Mr. Smith, seconded by Mr. Lowe, to approve the minutes of the Board's April 17, 2019 meeting. In a voice vote, motion passed unanimously.

IV. Floor Open for Neighbor Input

None

V. Old Business

None

VI. New Business

A. City Manager's Update and Initial Recommendations – FY 2020 Budget

Mr. Lagerbloom reported he would recommend he millage rate remain at 4.1193. He said property values had increased by 8.22%, to \$36.5 billion, which would yield \$10.3 million additional revenue. He reviewed the document he had distributed to Board members describing the revenue and expenditure changes.

Mr. Lagerbloom reviewed the "2020 Strategic Reduction and Budget Balancing Strategies" document he had provided. He had asked all departments to show how they could cut their budget by 7.5%. He said \$26 million of the budget was not staffing related, so if their reduction target was \$20 million without affecting staffing levels, they needed to consider what they could stop doing. He reviewed the suggestions submitted by departments.

In Expenditure Reductions, Mr. Lagerbloom explained the proposal for a Project Management Fund, which would bill project management fees to the specific project, based on the end user.

Mr. Lagerbloom referred to the FY 2020 City Commission Annual Action Plan and stated items with stars had been recently added. There was a corresponding form that related every budget recommendation to the Commission's top and high priorities in the

Annual Action Plan and showed what level of funding was in the budget and what level of new funding was created to match those priorities.

Mr. Lagerbloom moved on to review Budget Modification Enhancements and 2020 New General Fund Appropriations.

The Board and Mr. Lagerbloom discussed the proposed EMS substation and Mr. Goetz suggested a temporary station that could be evaluated for improvements to response times instead of committing \$3 million immediately. Mr. Lagerbloom felt \$3 million would only buy the land and Chair Donaldson said they should discuss this with the City Commission at their joint meeting. Chief Kerr stated it was not possible that Fire Station 8 would be open before they found a site for the substation. She stated they used software to model response times.

Chair Donaldson stated Mister Lagerbloom's proposed budget did not include an increase in the ad valorem and the Board should make a recommendation to the City Commission regarding this. Mr. Goetz noted that economically disadvantaged people were already paying 68% of their income for housing and transportation. He said raising the ad valorem was more equitable than increasing fees.

Regarding the increase in the Fire Assessment, Mr. Orshefsky stated the Board had consistently favored charging a fee that would provide 100% cost recovery. The recommended \$30 increase was meant to "soften the blow" and the remaining amount would come out of the General Fund.

Mr. McKee did not favor increasing the millage rate because property values had already increased 8.22%. Mr. Smith did not favor increasing the ad valorem and wanted to balance the budget. Mr. Patel agreed with Mr. Goetz that fees should not increase but the ad valorem should, if an increase was needed. Mr. Williams agreed with Mr. Lagerbloom's proposal to maintain the current ad valorem rate but wanted 100% cost recovery for the Fire Assessment.

Mr. Orshefsky said he thought that when the ROI was recaptured, some would be used to ameliorate the need for the automatic 5% Water and Sewer rate increases. The new study indicated that increases of 3.5% and 7% would be needed after 2020 and would continue to increase at a very regressive rate. He felt that after so many years of the same ad valorem rate, the City should consider an increase, if only to add to capital expenditures for roads, bridges and seawalls that were not currently funded by enterprise funds.

Mr. Lagerbloom stated they had looked at revenue sufficiency modeling for the future. He said if they could raise the Fire Assessment this year to \$286 and bring it up full cost recovery next year, they could postpone making a recommendation for a millage increase to the year after that.

Chair Donaldson asked Board members' opinions about the residential Fire Assessment increase, which represented a \$4.9 million increase in the proposed budget.

Mr. Patel favored increasing the fee to \$286 and Mr. Goetz did not want any increase. The other Board members favored 100% cost recovery.

Motion made by Mr. Williams, seconded by Mr. Smith to support 100% cost recovery from the Fire Assessment Fee. In a roll call vote, motion passed 6-2 with Mr. Goetz and Mr. Patel opposed.

Motion made by Mr. Goetz to support an increase in the millage rate of 0.15% instead of increasing fees. Motion died for lack of a second.

Motion made by Mr. Smith, seconded by Mr. McKee, to maintain the current millage rate of 4.1193 mils. In a roll call vote, motion passed 6-2 with Mr. Goetz and Mr. Orshefsky opposed.

B. Joint City Commission Workshop Preparation

- Tuesday, June 18, 2019 from 11:30 – 1:00pm

Chair Donaldson asked Mr. Lagerbloom what other input he would like from the BAB in preparation for their joint meeting with the City Commission. Mr. Lagerbloom requested the Board's input regarding things that were appropriately funded or funding that had been overlooked.

The Board listed the following discussion items:

- Fees when residents paid City bills by credit card
- Collection of delinquent water bills
- City lighting upgrades
- Streets, roads, bridges, seawalls

C. Pension Review and Actuarial Reports Discussion – Finance Department

Ms. Logan-Short stated the Police and Fire Pension Fund had reduced their assumed rate of return from 7.4% to 7.35 for the coming year. The fund had actuarial gains of 8.6% last year and because of those gains, the City's additional contribution would increase only from \$17.7 million to \$17.9 million next year. The goal was to decrease the assumed rate of return by 5 basis points per year from 7.5 to 7.0.

Ms. Logan- Short reported GERS was reducing their assumed rate of return from 7.40 to 7.30 and also had a gain in earnings. Because of their gains, the City's contribution would decrease by \$700,000.

VII. Communications to/from the City Commission

None

VIII. Board Member Comments

Chair Donaldson wished to discuss the Board's schedule and calendar: he believed they had an opportunity to forego some meetings.

Motion made by Mr. McKee, seconded by Mr. Smith, to cancel the July 17 meeting and to move the August 21 meeting to August 14. In a roll call vote, motion passed 8-0.

IX. Adjourn

Upon motion duly made and seconded, the meeting was adjourned at 8:05 p.m.

City of Fort Lauderdale
Preliminary FY 2020 CIP General Fund New Appropriations

| Project # | Project Title | FY 2020 |
|---|--|----------------------|
| P12328 | SOUTHEAST EMERGENCY MEDICAL SUB-STATION | \$ 3,000,000 |
| P12446 | PUBLIC WORKS JOINT FACILITY | 1,898,450 |
| P12087 | BRIDGE REPLACEMENT AT SOUTH OCEAN DRIVE | 1,467,824 |
| P12162 | FACILITIES ASESSMNT - HVAC, ELECT, PLUMB | 1,300,000 |
| P12247 | BROWARD CTY SEGMENT II BEACH NOURISHMENT | 1,253,877 |
| P12134 | SIDEWALK AND PAVER REPLACEMENT | 1,000,000 |
| FY 20200930 | LAS OLAS MOBILITY IMPROVEMENTS | 825,433 |
| P12343 | PARKER PLAYHOUSE RENOVATION | 500,000 |
| FY 20200927 | WATER TOWER LIGHTING | 500,000 |
| FY 20190799 | SEAWALL MAINTENANCE | 470,000 |
| FY 20200929 | CITY-COUNTY JOINT GOVERNMENT CENTER CAMPUS | 300,000 |
| P12163 | FACILITIES ASESSMNT - EXT REPAIR/ CONSTR | 250,000 |
| P12161 | FACILITIES ASESSMNT - ROOFING PRIORITIES | 250,000 |
| P12164 | FACILITIES ASESSMNT - INT REPAIR/ CONSTR | 200,000 |
| FY 20200926 | POLICE K-9 TRAINING TRAILER | 200,000 |
| P12344 | FIRE ALERTING SYSTEM - REPLACEMENT | 150,000 |
| FY 20200921 | NCIP CITY MATCH | 150,000 |
| P12010 | BRIDGE RESTORATION | 100,000 |
| P12223 | ANNUAL ASPHALT RESURFACING CONTRACT | 55,843 |
| Total New FY 2020 Appropriations (General Capital Projects Fund) | | \$ 13,871,427 |

Non-Ad Valorem Fire Assessment Fee



Fire Assessment Fee

The Fire Assessment rate is developed based on dwelling units for residential properties and a per square foot charge for non-residential properties. This assessment is charged in support of the City's Fire services (dedicated offset to Fire Suppression or Non-EMS assessable costs). The revenue is billed on the Ad Valorem tax notices sent out in November from the Broward County Property Appraiser's Office.

City of Fort Lauderdale Fire Assessment Fee History Single Family Residential Property

| Fiscal Year | Annual Fire Assessment | Annual Increase | Monthly Increase |
|-------------|------------------------|-----------------|------------------|
| FY 2014 | \$225 | \$90 | \$7.50 |
| FY 2017 | \$256 | \$31 | \$2.58 |
| FY 2020 | \$286 | \$30 | \$2.50 |

Fire Assessment Fee Options

| Residential Rate | Cost Recovery %* | Total Revenue Generated (97%) | Increase from \$256 |
|------------------|------------------|-------------------------------|---------------------|
| \$256 | 76.4% | \$39,143,440 | \$0 |
| \$286 | 92.15% | \$43,731,509 | \$4,588,069 |
| \$296 | 93.76% | \$45,261,097 | \$6,117,657 |
| \$311 | 100% | \$47,518,972 | \$8,375,532 |

*The Cost Recovery is for all Fire Assessable costs

Fire-Rescue Department Expenditures

| Expense Description | FY 2017 Adopted | FY 2018 Adopted | FY 2019 Adopted | FY 2020 Preliminary | FY 2020 vs. FY 2017 |
|------------------------------|---------------------|---------------------|---------------------|------------------------|------------------------|
| Personal Services | 67,376,449 | 70,107,189 | 75,158,801 | 79,674,332 | 12,297,883 |
| Operating Expenses | 11,616,388 | 15,703,014 | 18,026,301 | 17,873,056 | 6,256,668 |
| Capital Outlay | 406,955 | 292,280 | 823,500 | 93,355 | (313,600) |
| Total | \$79,399,792 | \$86,102,483 | \$94,008,602 | \$97,640,743 | \$18,240,951 |
| Full Time Equivalent* | 472.8 | 484.8 | 485.8 | 485.8 | 13.0 |
| Fire Assessment | \$38,526,329 | \$38,985,934 | \$39,366,346 | \$44,431,509 | \$5,905,180 |
| Fire Assessment Fee | \$256 | \$256 | \$256 | \$286 | \$30 |

*The Fire Assessment does not fund new positions that are dedicated to Emergency Medical Services (EMS) functions.