



## Memorandum

**Memorandum No: 24-052**

**Date:** June 7, 2024

**To:** Honorable Mayor and Commissioners

**From:** Susan Grant, Acting City Manager *Susan Grant*

**Re:** Fiscal Year 2025 Preliminary Budget Information

At the July 2, 2024 Regular Meeting, the City Commission will set the maximum millage rate and non-ad valorem assessment amounts for Fiscal Year (FY) 2025. This memo provides early information regarding the FY 2025 General Fund budget to allow adequate time to review staff's recommendations prior to setting these rates. The adoption of the budget will occur at public hearings scheduled for September 3, 2024 and September 12, 2024.

### **Property Values – Ad Valorem Revenue**

The Broward County Property Appraiser's June 1, 2024 estimate of the City's taxable property value indicated an increase of 7.81% from \$54.3 billion to \$58.6 billion. Of the \$4.2 billion increase, \$522 million is associated with new construction. While this year's taxable value and new construction increases are less than the prior two years, the resulting \$15.0 million of additional revenue above the FY 2024 budget will offset many of the City's increasing expenses. A history of the City of Fort Lauderdale's taxable values and net new construction is included in the chart to the right.

Five Year History of the City of Fort Lauderdale's Taxable Value			
Calendar Tax Year	Net New Construction (In Billions)	Final Gross Taxable Value (In Billions)	Increase from Prior Year
<b>2024 - June</b>	\$0.52	\$58.58	<b>7.81%</b>
2023 - Final	\$1.13	\$54.34	11.34%
2022 - Final	\$1.68	\$48.80	12.95%
2021 - Final	\$1.14	\$43.21	5.73%
2020 - Final	\$0.69	\$40.87	5.43%

***Because of the continued increase in taxable values, the City can maintain its current low millage rate of 4.1193 for the eighteenth (18<sup>th</sup>) consecutive year.***

### **Fire Assessment Fee**

The City's Fire Assessment Fee provides a valuable funding mechanism to fund personnel and equipment costs associated with the City's fire services. Within the Fire Rescue Department, there is currently an operational shift towards increasing the number of third-person rescue units to increase emergency management services (EMS) unit availability – a service not eligible for cost recovery through the fire assessment program. Because of this and some one-time costs included in the FY 2024 budget, the fire assessment fee per residential dwelling unit is recommended to decrease from \$338 to \$332 per year resulting in a reduction of \$750 thousand in revenue.

**Key Revenue and Expenditure Changes**

Highlights of revenue and expenditure changes from the FY 2024 Adopted Budget, including the recommended decision packages, are included in **Attachment 1** and are summarized below:

Revenue Changes - \$19.1 Million		Expenditure Changes - \$19.1 Million	
\$15.0M	Ad Valorem	\$14.3M	Public Safety
\$2.7M	Charges for Services	\$3.2M	Culture and Recreation
\$1.4M	Franchise and Utility Taxes	\$3.6M	Other General Government
\$1.9M	Other Revenues	\$(2.0M)	Transportation and Infrastructure
\$(1.9M)	American Rescue Plan Act		

State revenues such as the Communications Service Tax and Half Cent Sales Tax have not been updated for FY 2025 estimates. These revenue estimates will be updated in the budget once the State releases their estimates.

**Commission Priorities**

As part of the City’s commitment to openness and transparency, the Commission participated in a public goal setting workshop on January 19, 2024 to develop FY 2025 Commission Priorities to articulate the organization’s highest priorities for the upcoming year. As a part of the budget process, our management team closely reevaluated every program offered by the City to re-focus efforts and resources to strategically move the most pressing priorities of the City Commission forward.

To ensure the City’s long-term financial sustainability, I am recommending a budget that strategically prioritizes the initiatives that are aligned with the City Commission’s key objectives. The full listing of recommended service level enhancements are outlined in **Attachment 2**. **Attachment 3** provides highlights of how specific funding allocations in the FY 2025 Preliminary Budget and Community Investment Plan align with the Commission’s FY 2025 priorities. This budget continues the City’s commitment to supporting public safety through staffing enhancements, competitive compensation packages, and investments in technology and facilities. Details on these initiatives can be found in the Public Safety Investment Overview in **Attachment 4**. Details on how this budget reflects the City’s commitment to addressing homelessness can be found in **Attachment 5**.

Key enhancements include:

- Addition of a Chief Waterways Officer
- Fire Rescue Staffing Increases
- Police Department - School Zone Speed Enforcement Camera Program and Administrative Detail Office
- Improvements to meet the maintenance needs of City Parks
- A Shelter Bed Access Program to support those experiencing homelessness.

This budget also includes \$2.5 million in funding for nonprofit organizations to support key community services that align with the City’s Strategic Plan, annual Commission Priorities, and operational needs (**Attachment 6**). The Special Events funded in the preliminary budget are included as **Attachment 7**. Overall, the preliminary budget makes foundational

investments that will improve the quality of life for our neighbors today and will prepare the City for tomorrow's challenges. These enhancements respond to the needs of a growing community as the City of Fort Lauderdale progresses into the future.

### ***Infrastructure and Community Investment Plan***

The City's infrastructure assets need to be carefully managed and maintained to ensure that Fort Lauderdale remains the City you never want to leave. In the FY 2025 – 2029 Preliminary Community Investment Plan, staff has strategically outlined a roadmap that includes all the critical initiatives the City needs to undertake over the next five years. This is done in a strategic, careful, and impactful way to maximize economic development and to maintain and improve quality of life.

The Preliminary FY 2025 – 2029 Community Investment Plan (**Attachment 8**) includes \$21.3 million in General Funds and \$500,000 in Community Block Grant Funds to address the most pressing general infrastructure needs of our community. Key highlights from the Community Investment Plan are listed below:

- \$8.4 million for bridge repairs and replacements
- \$4.4 million for the repair and replacement of roadways and sidewalks
- \$600,000 for Traffic Flow Improvements
- \$500,000 for the Restoration and Replacement of Seawalls
- \$500,000 for Streetlight Improvements

### ***Government Employees' Retirement System (GERS) Cost of Living Adjustment***

During the June 4, 2024 City Commission Meeting, the Commission directed staff to evaluate the impact of providing the General Employee Retirement plan a 2.75% cost of living adjustment (COLA) to all retirees, beneficiaries, and DROP members who retired before October 1, 2022. If affirmed unanimously by the City Commission, the impact would be \$2.2 million annually over seven years. If approved by the City Commission by a 4-1 vote, there would be a one-time \$12.5 million impact to the General Fund. **Attachment 9** details the proposal for maintaining a structurally balanced budget by either reducing proposed programmatic enhancements or by delaying certain identified CIP projects.

### ***Replacement Plans***

The City has committed to systematically developing new, and updating existing, replacements plans as a part of the annual budget development process. This approach strengthens the City's long-term financial planning and minimizes fluctuations in annual expenditures. Furthermore, replacement schedules ensure that City staff are properly equipped to serve the community and maintain accountability for assets during the annual budgeting process. The preliminary FY 2025 City investment in replacing key equipment and assets, as a part of these plans, is recommended at \$13.7 million. These replacement plans have been provided as part of the preliminary budget information (**Attachments 10 – 16**).

The FY 2025 Preliminary Budget, including detailed department request packages, has been posted on the City's website at the following link: [www.fortlauderdale.gov/preliminarybudget](http://www.fortlauderdale.gov/preliminarybudget).

We are proud of the inclusive and comprehensive budget process. I have personally met with each department over the past few months to discuss their challenges and budget requests for the upcoming year. It is important to carefully review each department's funding requests and weigh them against the City's other competing priorities. In addition, departments have presented their budget requests to the Budget Advisory Board for additional guidance and input. The Budget Advisory Board will share their initial thoughts regarding the FY 2025 Preliminary Budget with you at a Joint Workshop scheduled for June 18, 2024. I would like to thank the Budget Advisory Board for their assistance in reviewing departmental needs and providing the taxpayer's perspective throughout the budget development process.

While the budgetary information is still preliminary, it conveys the Commission's priorities and provides detailed departmental budget requests and strategies recommended for achieving a structurally balanced budget for FY 2025. The budget invests in the City's highest priorities and charts our course towards a financially sustainable future.

The FY 2025 Proposed Budget and FY 2025 - FY 2029 Community Investment Plan are scheduled to be presented at the City Commission Regular Meeting on July 2, 2024. I encourage you to review the full scope of comprehensive departmental budget requests, and contact me directly with any questions, comments, or concerns.

**Attachments**

- (1) FY 2025 General Fund Preliminary Budget Summary
- (2) FY 2025 Strategic Service Enhancements
- (3) FY 2025 City Commission Priorities
- (4) Overview of Public Safety Initiatives
- (5) Overview of Funding to Address Homelessness
- (6) FY 2025 Funding to Support External Organizations
- (7) FY 2025 Special Events and Public Space Activation Budget Summary
- (8) FY 2025 – FY 2029 Community Investment Plan
- (9) Options for Cost-of-Living Adjustment Funding for General Employee Retirement System Retirees
- (10) FY 2025 – FY 2029 Fleet Replacement Plan
- (11) FY 2025 – FY 2029 Police Department Animal and Ballistic Vest Replacement Plan
- (12) FY 2025 – FY 2029 Police Department Equipment Plans
- (13) FY 2025 – FY 2034 Fire Rescue Equipment Replacement Plan
- (14) FY 2025 – FY 2034 Fleet Services Critical Equipment Replacement Plan
- (15) FY 2025 PC Replacement Plans
- (16) FY 2025 Information Technology Equipment Replacement Plans

c: Anthony G. Fajardo, Assistant City Manager  
Laura Reece, Acting Assistant City Manager  
Ben Rogers, Acting Assistant City Manager  
Thomas J. Ansbro, City Attorney  
David R. Soloman, City Clerk  
Patrick Reilly, City Auditor  
Department Directors  
City Manager's Office Managers  
Budget Advisory Board