



Office of the Town Manager
4501 N. Ocean Drive
Lauderdale-By-The-Sea, FL 33308

Date: July 26, 2016

Mayor Scot Sasser
Vice Mayor Mark Brown
Commissioner Buz Oldaker
Commissioner Elliot Sokolow
Commissioner Chris Vincent

Honorable Mayor and Commissioners:

In accordance with Article V, Section 5.5 (7) of the Town's Charter, I hereby submit the Town Manager's recommended budget for the Fiscal Year 2016-2017, which begins on October 1, 2016 and ends on September 30, 2017. Throughout this budget message, I will refer to the upcoming fiscal year as FY17.

This recommended budget is based on the ongoing policy direction that the Town Commission provides, and the 2016-2021 Action Plan that was adopted this year, as well as the input Commissioners provided in your budget briefings. So as not to keep anyone in suspense, let me note here that there is no change to the number of Town employees (37 FTEs) or contract employees and the proposed Millage Rate is 3.6873, which is a 1.4% reduction from the FY16 millage and a 5% increase in tax revenue.

The purpose of the budget message is to provide context and a brief explanation of the significant items in the proposed budget. The Recommended Budget is presented in the following Budget Worksheets. To assist the Commission in analyzing the change in the budget over time, the worksheets show actual revenues and expenditures for FY15, the budgeted amounts for FY16, and the proposed FY17 budget. Following the Budget Worksheets are the Budget Justification sheets for each department, which provide details of the more significant expenditures. The reader is encouraged to arrange the department's Budget Worksheet and Justification Sheet side-by-side.

My thanks to Assistant Town Manager Tony Bryan, Municipal Services Director Don Prince, and Development Services Director Linda Connors for the excellent job they did in preparing their respective department budgets. The Finance staff, Edner St. Jean and Danny Goyochea, provided their expertise and support during the preparation of the budget and they prepared the tables in this budget message.

My sincere appreciation goes to our new Finance Director, Lisa Fuentes, who has been with us 6 weeks and began working on the budget her first day on the job and to former Finance Director Tony Bryan, who had the task of coaching Lisa and me through this year's budget process.

Town of Lauderdale-By-The-Sea
Fiscal Year 2016 -2017 Budget Message

A great deal of recognition is due to former Town Manager Connie Hoffmann for the excellent financial condition of the Town and for facilitating the development of the 2016-2021 Action Plan just prior to her retirement. The Action Plan adopted by the Commission was one of the guiding documents in the preparation of the 5-year Capital Improvement Plan.

The Commission is scheduled to adopt the tentative millage rate and Fire Assessment fees at the Tuesday, July 26th special meeting so that the Property Appraiser may prepare the Truth in Millage (TRIM) statements and send them to individual taxpayers in August. After the tentative rates are submitted to the Property Appraiser, they can be lowered, but not increased, by the Commission (without the Town incurring the cost to notice each taxpayer).

The Public Budget Hearings are scheduled for Monday, September 12th and 26th at 6:00 pm.

The Town staff and I greatly value the leadership of the Commission; without it, this budget would not be possible.

Respectfully submitted,

Bud Bentley

Town Manager

Town of Lauderdale-By-The-Sea
Fiscal Year 2016 -2017 Budget Message

ALL FUNDS BUDGET OVERVIEW

The Recommended All Funds Budget is \$20.1 million, which is \$1.3 million (6.1%) less than the FY16 Amended Budget.

The funds that are decreasing are:

	Fund	Decrease	%
1.	Fire – 115	\$83,944	-7%
2.	Sewer - 103	\$173,688	-10%
3.	Capital - 300	\$1,120,642	-36%
4.	General - 001	\$36,117	-0.3

The Parking Fund is the only fund with an increase (\$117,509 or 7%) and that is because of the amount we are able to contribute to the Fund Balance. The operating budget is actually decreasing by 33% because of completed capital projects.

Because of accounting requirements, several large budget accounts are effectively double counted in the All Funds budget. For example, the Capital Fund receives a large transfer from the General Fund. That one transfer is counted as an expenditure in both funds. We are not spending \$3.5 million, we actually are only spending \$2 million in FY17, but both line items roll up into the All Funds budget. The same is true of the projected \$967,448 contribution to ending fund balance in the Parking Fund. We are not spending that money, but in order to show a balanced budget, it is reflected both as a revenue and expense (Acct. 999-Contribution to Fund Balance).

You can see in Table 1, while the All Funds expenditure budget is \$20.1 million, the NET expenditure budget (less transfers and Fund Balance contributions) is \$16.4 million.

The three largest components of the net All Funds budget (excluding the inter-fund transfers mentioned above) are:

1. 48% (\$7.8 million) will be spent on public safety services (Police, Fire, Emergency Medical Services and Development Services).
2. 15% (\$2.4 million) will be spent by Municipal Services Department (Public Works & Recreation) budget to maintain our beach, streets, sidewalks, parks, downtown public spaces, all town buildings (public safety, Town & Jarvis Halls), and public landscaping.
3. 12% (\$1.9 million) will be spent on capital (\$178,500 in GF; \$580,000 in Sewer; \$300,000 in Fire; \$871,667 in Capital Fund).

Town of Lauderdale-By-The-Sea

Fiscal Year 2016 -2017 Budget Message

Table 1 – Budget Summary

BUDGET SUMMARY							
Town of Lauderdale-By-The-Sea							
Fiscal Year 2016-2017							
General Fund: 3.6873							
ESTIMATED REVENUES	General Fund	Capital Fund	Sewer Fund	Fire Fund	Police Fund	Parking Fund	Grand Total
Taxes:	Millage per \$1,000						
Ad Valorem Taxes	3.6873	7,780,185					7,780,185
Assessment (Fire)				1,032,527			1,032,527
Utility Taxes	1,013,500						1,013,500
Franchise Taxes	737,500						737,500
Licenses & Permits	1,230,000						1,230,000
Intergovernmental Revenues	1,114,360						1,114,360
Charges for Services	10,200		1,145,950	35,000		1,757,000	2,948,150
Fines & Forfeitures	85,000					45,000	130,000
Miscellaneous Revenues	146,810	1,000	-			500	148,310
TOTAL SOURCES	\$ 12,117,555	\$ 1,000	\$ 1,145,950	\$ 1,067,527	\$ -	\$ 1,802,500	\$ 16,134,532
Transfers In	22,000	1,759,263		26,800			1,808,063
Fund Balances/Reserves/Net Assets	1,407,263	275,000	430,379	60,492			2,173,134
TOTAL REVENUES, TRANSFERS & BALANCES	\$ 13,546,818	\$ 2,035,263	\$ 1,576,329	\$ 1,154,819	\$ -	\$ 1,802,500	\$ 20,115,729
ESTIMATED EXPENDITURES	General Fund	Capital Fund	Sewer Fund	Fire Fund	Police Fund	Parking Fund	Grand Total
General Government	2,713,784	213,596					2,927,380
Culture/Recreation	489,633	141,667					631,300
Physical Environment		205,000	1,576,329				1,781,329
Public Safety	6,662,527			1,132,819			7,795,346
Roads & Streets	1,894,811	450,000					2,344,811
Transportation		75,000				835,052	910,052
TOTAL EXPENDITURES	\$ 11,760,755	\$ 1,085,263	\$ 1,576,329	\$ 1,132,819	\$ -	\$ 835,052	\$ 16,390,218
Transfers Out	1,786,063			22,000			1,808,063
Fund Balances/Reserves/Net Assets		950,000				967,448	1,917,448
TOTAL APPROPRIATED EXPENDITURES	\$ 13,546,818	\$ 2,035,263	\$ 1,576,329	\$ 1,154,819	\$ -	\$ 1,802,500	\$ 20,115,729
TRANSFERS, RESERVES & BALANCES							
Created 7/13/2016							

Town of Lauderdale-By-The-Sea
Fiscal Year 2016 -2017 Budget Message

THE GENERAL FUND BUDGET

The General Fund comprises 72% of the total Town *operating* budget. It finances most of the functions of government, including legislative and management functions, police and emergency medical services, finance, public works, planning, code enforcement, development/building services, recreation facilities and programs. Another way of emphasizing the importance of the General Fund is to note that it includes everything except Capital Projects, Fire, Parking, and Sewer.

The Recommended General Fund budget for FY17 is \$13,546,818, a \$36,117 ***decrease*** from the current year budget, which is the result of a smaller transfer to the Capital Fund. The operating budget (net of contingency and transfers) increased by \$395,558 (2.9%) with the three largest increases being \$158,123 (4%) for Police (521), \$69,948 (4.5%) for Development Services (524) and \$44,249 (4%) for General Government (519).

A discussion of large revenue accounts and each department’s expenditure budget is provided in the pages that follow.

GENERAL FUND REVENUES

The General Fund has 38 revenue accounts. The 10 largest sources of recurring General Fund revenue in FY17 will be:

Table 2- Largest General Fund Revenue Sources

	Sources	Estimate	%
1	Ad Valorem Property Taxes	\$7,780,185	64%
2	Building Permits	\$1,101,000	9%
3	FPL Utility Tax	\$875,000	7%
4	FPL Franchise	\$600,000	5%
5	Sales Tax	\$406,393	3%
6	Communication Service Tax	\$336,095	3%
7	Municipal Revenue Sharing	\$155,600	1%
8	Water Utility Tax	\$125,000	1%
9	Solid Waste Fee	\$100,000	1%
10	Rent/Lease Royalties	\$67,620	1%
	Total	\$11,546,897	95%

Town of Lauderdale-By-The-Sea Fiscal Year 2016 -2017 Budget Message

Appropriations from Fund Balances

The Recommended Budget includes an appropriation of \$1,407,263 from the General Fund Balance. The money is for a \$1,359,263 transfer to the Capital Fund and \$48,000 for the one-time expense of a Public Works truck (\$28,000 in Dept. 541.100) and festive lighting for west Commercial Boulevard (\$20,000 in Dept. 519.100).

Proposed Ad Valorem Taxes

The Recommended General Fund *operating* budget is based on the rolled-back Rate of 3.4977, which is a 6.4% reduction from the FY16 millage rate of 3.7379. This year the Commission increased the millage rate over rolled-back to generate \$400,000 that the Commission set aside for future capital projects. Those future capital projects such as the El Mar Greenway Project, neighborhood sidewalks, and neighborhood street lighting, were requested by the community in the 2016-2021 Action Plan and the Recommended Budget again includes \$400,000 to be transferred to the Capital Fund. Without putting aside money each year, we would not be able to fund those future projects.

As shown in Table 3, the proposed millage rate is 3.6873, which is a reduction of 1.4% from the current rate and a 5% increase in tax revenue.

Table 3 – Recommended Millage Rate

	Millage		Revenue @ 95%	Change
FY16 (actual YTD)	3.7379		\$7,343,820	
FY17 Rolled-back	3.4977	-6.4%	\$7,380,130	
FY17 Recommended	3.6873	-1.4	\$7,780,185	\$400,000

Ad Valorem Taxes

The single largest revenue source in the entire budget is the ad valorem tax levied on real property and commercial personal property located within the Town boundaries. The millage rate is the multiplier applied to every \$1,000 of taxable property value in the Town.

Assessed Value of Property in Lauderdale-By-The-Sea

The Broward County Property Appraiser has determined the value of property in Lauderdale-By-The-Sea as of January 1, 2016 to be \$2.2 billion. This reflects a net \$147 million (7.1%) increase in taxable values over January 1, 2015.

The taxable value takes into account:

- the property value reductions granted by the Value Adjustment Board;
- the increasing market value of commercial and non-homesteaded properties in Town;

Town of Lauderdale-By-The-Sea Fiscal Year 2016 -2017 Budget Message

- the statutorily-dictated 3% or CPI (whichever is less) adjustment of valuations for homesteaded properties; and,
- the statutorily-capped 3% adjustment of valuations for homesteaded properties that are below their Save Our Homes taxable value.

The Property Appraiser establishes the *just (market) value* of all real and personal property as of January 1st of each year. The just value is then adjusted according to Florida statute to produce the property's taxable value. It is the taxable value of your house on January 1, 2016 that is used to calculate the tax bill you will receive in November 2016.

Following in Table 4 is the recent history of taxable values for Lauderdale-By-The-Sea.

Table 4 - Taxable Values

Fiscal Year	Final Taxable Value	% Change + (-)
08-09	\$2,116,655,262	
09-10	\$1,910,328,861	-9.7%
10-11	\$1,765,210,362	-7.6%
11-12	\$1,729,694,589	-2.0%
12-13	\$1,758,359,285	1.7%
13-14	\$1,810,952,599	3.0%
14-15	\$1,928,187,948	6.5%
15-16	\$2,073,594,801	7.5%
16-17	\$2,221,047,367	7.1%

The Property Appraiser reports Lauderdale-By-The-Sea had \$5.06 million in new construction in 2015 compared to \$5.36 million in 2014 year and \$2.94 million in 2013. For the first time in five years, the value of new construction is more than the reductions made by the Value Adjustment Board.

Millage Rate

The Town's FY16 millage rate was 3.7379 making it the third lowest rate in Broward County. Only Weston (2.3900) and Hillsboro Beach (3.5000) were lower. The highest millage rate was Lauderdale Lakes (9.84) and the median was Oakland Park (6.1995).

Table 5 illustrates actual revenue collections from ad valorem taxes in LBTS since FY06, the year-to-date receipts for the current year, and what we propose to budget to receive next fiscal year.

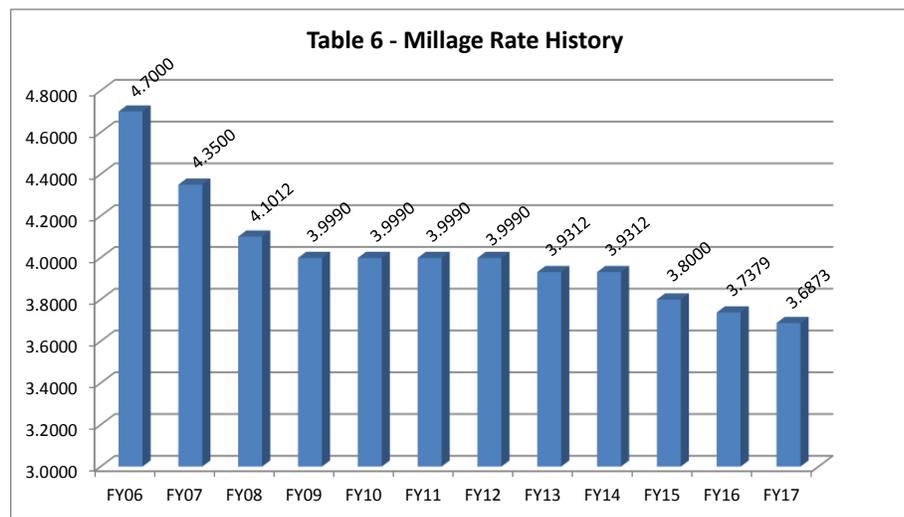
Town of Lauderdale-By-The-Sea
Fiscal Year 2016 -2017 Budget Message

Table 5 – MILLAGE AND PROPERTY TAX HISTORY

Line No.	Year	Millage	Property Tax	Change	
				\$	%
1	FY 06	4.7000	\$8,104,119		
2	FY 07	4.3500	\$9,300,482	\$1,196,363	14.8%
3	FY 08	4.1012	\$9,369,341	\$68,859	0.7%
4	FY 09	3.9990	\$8,441,885	-\$927,456	-9.9%
5	FY 10	3.9990	\$7,655,597	-\$786,288	-9.3%
6	FY 11	3.9990	\$7,032,034	-\$623,563	-8.1%
7	FY 12	3.9990	\$6,932,332	-\$99,702	-1.4%
8	FY 13	3.9312	\$6,925,564	-\$6,768	-0.1%
9	FY 14	3.9312	\$7,124,316	\$198,752	2.9%
10	FY 15	3.8000	\$7,332,884	\$208,568	2.9%
11	FY16 (Bgt)	3.7379	7,378,700	\$45,816	0.6%
12	FY 16 (YTD)	3.7379	\$7,343,820	\$10,369	0.1%
13	FY 17 (Proposed / 95%)	3.6873	\$7,780,185	\$436,365	5.9%

Source: FY15 Comprehensive Annual Financial Report (CAFR), page 80

Table 6



Town of Lauderdale-By-The-Sea Fiscal Year 2016 -2017 Budget Message

As has been the Town’s practice for many years, the FY17 revenue budget assumes a 95% collection rate for ad valorem taxes. This is a safeguard to cover tax delinquencies and Broward County Value Adjustment Board decisions that reduce individual property valuations after our budget is adopted.

Rolled-Back Rate

State Statutes dictate how taxable values are determined, the maximum millage rate a municipality may levy, and what process has to be followed to levy taxes. The Statutes define the “rolled-back rate” as the millage rate that will generate the same tax revenue for the Town as last year’s levy produced, without consideration of any new construction value.

The rolled-back rate for FY17 is 3.4977 mills.

Utility Taxes and Franchise Fees

Franchise fees and utility taxes combined are expected to generate approximately \$1.7 million in revenues to the General Fund in FY17, which makes them the second largest source of General Fund revenue. As you can see in Table 7, the bulk of these revenues come from Florida Power and Light billings.

Franchise fees are collected from FP&L, our garbage hauler Waste Pro, and TECO, the natural gas supplier in Town, and the fees vary according to the franchise. Utility taxes are governed by state law and limited to a maximum 10% levy on the statutorily-defined portion of utility bills. The utility tax levy in LBTS is 10% on electric and natural gas bills, but only 5% on water service as a result of the Commission’s decision in FY13 to cut that rate in half.

Table 7 – Utility & Franchise Tax Revenues

Source	Actual FY 15	Budget FY 16	Recommended FY 17
FP&L Utility Tax	\$832,280	\$ 790,000	\$ 875,000
FP&L Franchise Tax	627,109	583,000	600,000
Water Utility Tax	161,676	116,000	125,000
Waste Franchise Tax	57,676	67,000	100,000
Natural Gas Utility Tax	14,910	15,000	13,500
Gas Franchise Tax	14,448	15,000	13,000
Towing Franchise Tax	780	700	500
Total	\$1,708,879	\$1,586,700	\$1,727,000

State Shared Revenues

State shared revenues include municipal revenue sharing, sales tax, the communication services tax (taxes collected on telephone and cell phone bills) and a portion of state gasoline taxes. These revenues are expected to be flat next year. They will produce about \$1.1 million in revenue to the General Fund next year based on the State’s estimates.

**Town of Lauderdale-By-The-Sea
Fiscal Year 2016 -2017 Budget Message**

We are expecting new revenue estimates from the State and if there are material changes, we will provide that information prior to the September Public Hearings.

GENERAL FUND EXPENDITURES

General Fund Department Budgets

Table 8 compares the budgets for all General Fund Departments in the current fiscal year to what is proposed for next year.

TABLE 8 - DEPARTMENT COMPARISONS

Department (Dept Code)	FY 16 Amended Budget	FY 17 Recommended Budget	Change	
			\$	%
Commission (511)	\$124,824	\$137,313	\$12,489	10%
Donations (511.100)	\$26,218	\$31,103	\$4,885	19%
Chamber (511.200)	\$58,619	\$52,363	-\$6,256	-11%
Administration (513)	\$858,601	\$881,178	\$22,577	3%
Town Attorney (514)	\$338,000	\$338,000	\$0	0%
General Government (519)	\$1,029,833	\$1,074,082	\$44,249	4%
Business Dev/Marketing (519.100)	\$180,200	\$199,745	\$19,545	11%
Police (521)	\$4,105,091	\$4,263,214	\$158,123	4%
EMS (523)	\$754,659	\$777,270	\$22,611	3%
Development Services (524)	\$1,552,095	\$1,622,043	\$69,948	5%
Municipal Services (541)	\$1,856,135	\$1,894,811	\$38,676	2%
Recreation (572)	\$475,825	\$489,633	\$13,808	3%
Transfers (581)	\$2,222,835	\$1,786,063	-\$436,772	-20%
Total	\$13,582,935	\$13,546,818	-\$36,117	-0.3%

The larger cost impacts in the General Fund are:

1. Contracts for services with escalation clauses (police, code, EMS);
2. Merit increases given to employees whose performance warrants one in accord with the personnel rules;
3. Insurance;
4. Professional Services;
5. Florida Retirement System; and,
6. Computer expense.

Town of Lauderdale-By-The-Sea Fiscal Year 2016 -2017 Budget Message

These cost increases have been offset by a 20% reduction in Transfers to Other Funds to create the appearance of a 0.3% decrease in the General Fund. The actual proposed operating budget (less transfers and contingency) increase is 3%.

Department Information

A description of other significant changes in the department budgets is provided in the pages that follow. The departments are discussed in the order in which they appear in the budget worksheet.

Town Commission (511)

The recommended Town Commission budget is \$12,489 (10%) more than the current budget. Increases are attributable to FRS contribution, anticipated health insurance hikes, increased participation in health insurance, and a proposed 5% stipend increase, and partially offset by decreases in election expense and capital outlay.

Donations to Non-Profit Organizations (511.100)

At the June 28, 2016, meeting, the Commission considered the requests from non-profit organizations and directed that \$31,103 be included in the Recommended Budget. This is an increase of \$6,885 or 28% compared to those contributions in the current fiscal year (deducting the \$2,000 one-time contribution to the LBTS Garden Club).

Chamber of Commerce (511.200)

The budget is a 11% decrease from FY16 and provides direct funding to the Chamber for the operation of the Welcome Center, and the cost for the Town to maintain the building, grounds, and pay the Chamber's power, sewer and water bills.

The Chamber of Commerce's requested funding of \$26,340 to operate the Welcome Center is a decrease of \$6,848 (-21%). The Commission considered the Chamber's request on July 12, 2016.

Administration Department (513)

The Town Manager, Town Clerk and Finance Divisions are all accounted for in this department's budget, which is increasing by \$22,577 (or 2.6%) next year. \$19,800 of the increase is because we moved several service contracts from Dept. 519 General Government.

Town Attorney (514)

The Town Attorney proposes no increase in billing rate or in the dollar amount of her budget. If unanticipated levels of litigation do occur, we may need to amend the budget.

Town of Lauderdale-By-The-Sea **Fiscal Year 2016 -2017 Budget Message**

General Government Department (519)

This Department is where expenditures that have a broad impact on government operations are budgeted. These include the Public Information Officer, *Town Topics*, a portion (40%) of the Assistant Town Manager's expense, liability and property insurance, Pelican Hopper, computer related expenses, and the General Fund contingency account.

This Department's budget is increasing by \$44,249 or 4%. \$65,000 is included in Professional Services for public relations and lobbyist services. Account 349 Bus Contract (Pelican Hopper) appears to have increased \$87,560 but that is because we combined account 556 (Grant Matching Funds) into this account. The actual increase of \$1,560 is for the bus to operate at special events (New Year's Eve & Christmas by the Sea) and the cost of the tracking app.

We have budgeted \$225,260 for the General Fund contingency, which is a 3% decrease from the FY16 adopted budget. This account is our safety net if expenses come in higher, revenues come in lower or if something unforeseen happens during the fiscal year.

Business Development & Marketing Department (519.100)

This department is where we budget the funds to implement our Strategic Marketing Plan and our branding campaign. The budget is proposed to increase \$19,545 (11%), which is the \$20,000 proposed for festive lighting for west Commercial Boulevard (Goal 5.2 of the Action Plan).

Police (521) & Emergency Medical Services (523)

The Police and Emergency Medical Services budgets account for 42% of the General Fund operating budget.

The cost of police services will increase by \$158,123 (4%) next year. The budget includes \$53,000 to implement the body camera project. Our future operating expenses for body cameras will be about \$25,000 per year. There is no change recommended in police staffing levels. As explained to the Commission when the BSO budget proposal was reviewed in June, the increase in the BSO budget is primarily due to increased wages, pension, and health insurance costs for BSO personnel plus the implementation of the body camera project.

AMR is the Town's emergency medical services provider. They are operating under a 5-year contract approved by the Commission in 2015, which provided no increase in FY16 and 3% increases in the FY17 (\$22,611), FY18 & FY19, and then no increase in the final year (FY20) of the contract.

Town of Lauderdale-By-The-Sea

Fiscal Year 2016 -2017 Budget Message

Development Services Department (524)

The Development Services budget is increasing by \$69,948 (4.5%). \$52,988 relates to the change of personnel in this department and \$25,000 is to replace the Code Enforcement SUV. There is \$7,500 less budgeted for consulting services. We have included \$2,000 to begin the evaluation of how best to digitize our building records since we are fast running out of physical space to store these records.

Municipal Services Department (541.100)

The Municipal Services budget is increasing by \$38,676 (2%). The majority of that increase is for a replacement truck (\$28,000) and the cost of labor (\$54,506), offset by a variety of small decreases such as -\$10,000 for street maintenance, which is possible because of the resurfacing program.

Recreation (572)

The budget was a \$3,192 (-0.7%) decrease before we transfer BugFest (\$17,000) from Dept. 519.100 to Recreation and that causes the final total to increase \$13,808 (3%).

The biggest expenses in this department budget are the \$180,000 beach cleaning contract, \$72,000 for special events, and the \$67,898 Community Center contract.

The Special Events account includes:

1. 4th of July celebrations (\$39,000);
2. Veterans' Day event (\$1,000);
3. Christmas-by-the-Sea event (\$15,000); and
4. BugFest (\$17,000)

The July 4, 2016 fireworks were shot from the beach east of 4560 El Mar thanks to the cooperation of the Florida Development Group. In early July 2016 the property received its State of Florida Coastal Construction approval and is for sale. Depending on future events, we may be able to have the 4th of July fireworks display at that beach location again next year.

Transfers (581.100)

This department is where we budget transfers to other funds. The \$436,772 decrease (20%) reflects the change in the transfer to the Capital Fund for current projects offset by the transfer of \$26,800 to the Fire Fund for the Ocean Patrol and \$400,000 for future capital projects.

End of General Fund

**Town of Lauderdale-By-The-Sea
Fiscal Year 2016 -2017 Budget Message**

FIRE FUND - 115

Overall, the Fire Fund budget is decreasing by \$83,944 (-7%). Even then, an appropriation of \$60,492 from the Fire Fund balance is necessary to balance the FY17 budget.

The VFD’s requested FY17 budget includes \$300,000 to purchase radio equipment to connect to the County’ planned purchase of a digital 9-1-1 communication system. We applaud the VFD for keeping their expenditures stable.

Earlier this year Government Services Group (**GSG**) was engaged to study our fire fees. The consultant’s report was discussed by the Commission at the July 12, 2016 Commission meeting. The Commission accepted the report and directed that a resolution be prepared implementing the recommendations. The Recommended Budget is based on the higher fire fees.

Summary of Findings and Recommendations

Scope of Services		Findings
1.	Evaluate the fire assessment methodology.	The methodology is appropriate
2.	Determine the allocation of fire cost between residential and non-residential uses.	Non-residential calls have increased as a percentage of the total thus a change in allocation is necessary.
3.	Consider the projected operating budget over the next 5 years.	The recommended fire fees should adequately fund fire service for the next 5 years.
4.	Consider the projected capital spending over the next 5 years.	
5.	Recommend a new Fire Fee based on Tasks 1 - 5.	The recommended fees are shown in the following 2 tables.

Town of Lauderdale-By-The-Sea Fiscal Year 2016 -2017 Budget Message

Residential/Unit (Single Family)		
1	Southwest Ranches	439.02
2	Lauderhill	438.00
3	Weston	408.23
4	West Park	381.00
5	Miramar	352.34
		
22	Cooper City	161.28
23	Coral Springs	147.00
24	Pompano Beach	134.00
	Lauderdale-by-the-Sea (proposed)	129.85
25	Lauderdale-by-the-Sea (current)	123.50
26	Lighthouse Point	90.34

Commercial/Sq Foot			
		6,300 Sq Ft	8,500 Sq Ft
1	Coconut Creek	5,367.20	7,160.00
2	Southwest Ranches	5,040.00	6,800.00
3	Miramar	4,907.70	6,621.50
4	Weston	4,266.57	4,266.57
5	Tamarac	3,999.00	3,999.00
			
22	West Park	1,512.00	2,040.00
	Lauderdale-by-the-Sea (proposed)	1,323.00	1,785.00
23	Coral Springs	1,246.14	1,681.30
24	Pompano Beach	1,197.00	1,615.00
25	Lauderdale-by-the-Sea (current)	1,053.36	1,421.20
26	Lighthouse Point	778.64	778.64

Source: Broward County Property Appraiser - FY16 Actual Fire Fees

Lauderdale-By-The-Sea’s residential fire fee is the second lowest in Broward County. Southwest Ranches (\$439.02) has the highest fire fee and Lighthouse Point (\$90.34) the lowest.

As we noted in the July 12th agenda report the proposed fire fee is about what we charged in FY08.

Fire Fee History

Year	Fire Fee	Change %
FY05	\$260.00	N/A
		
FY08	\$130.00	-50.0%
FY14	\$123.50	-5.0%
		
FY17 Recommend	\$129.85	5.1%

Town of Lauderdale-By-The-Sea
Fiscal Year 2016 -2017 Budget Message

PROPRIETARY (ENTERPRISE) FUNDS

Proprietary Funds (sometimes called Enterprise Funds) are funds that account for services that are provided to the public for a fee. The services provided should be priced to completely offset the cost of providing those services. The Town has two Proprietary Funds – the Parking Fund and the Sewer Fund.

SEWER FUND - 103

The FY16 Sewer Fund budget increased 55% on July 12th when the Commission approved the expense for the planned \$630,000 contract for cured in place pipe (CIPP). The FY17 budget is a decrease of \$173,688 (-10%) as we have less CIPP planned to be installed. Even with the decrease in expenditures, \$430,379 is needed to be appropriated from the Fund Balance, for the \$580,000 in capital expense.

At the June 28, 2016 meeting, the Commission accepted the agenda report, which recommended the CIPP project and a 2.5% increase in sewer rates (instead of the planned 3.5% increase). The implementing ordinance is planned to be on the July 26th agenda.

PARKING FUND - 310

Revenues

Parking Fund revenues continued to be strong in the current fiscal year and, if the weather and economy remain favorable, we project a 7% increase in FY17.

At the January 12, 2016 meeting, the Commission adopted Resolution 2016-01, which set parking rates for FY16, FY17 and FY18. There are no changes to meter rates this fiscal year. Permits such as Hardship, Resident, and Employee will increase on October 1, 2016, according to the adopted schedule.

Expenditures

The Parking Fund budget reflects a \$117,509 (7%) increase. We are conservatively estimating that the unrestricted balance of the parking fund will increase by approximately \$967,448 by the end of FY17.

We did not budget for the acquisition of land for parking. If we are able to negotiate to buy a property, the funds for such a purchase would come from the Parking Fund balance, which we expect to be approximately \$4.2 million at the beginning of FY17.

Town of Lauderdale-By-The-Sea
Fiscal Year 2016 -2017 Budget Message

GOVERNMENTAL FUND

CAPITAL PROJECT FUND

There are only three sources of funding for the Capital Fund next fiscal year:

- \$1.36 million transfer from the General Fund for current projects;
- \$400,000 transfer from the General Fund for future capital projects;
- \$250,000 from the Capital Fund balance; and,
- \$25,000 from the El Mar Reserve (matching expense for El Mar pre-design work).

The Capital Project Fund budget will decrease by \$1.1 million (-36%) in FY17, because we completed many large projects in FY16 (Commercial mid-block, Basin drainage, street resurfacing and El Mar Plaza). In FY 17, we will work on the following projects:

1. \$150,000 to update the Stormwater Master Plan and begin the design for priority projects;
2. 25,000 for pre-design work on the El Mar Greenway Project;
3. \$25,000 for the final phase (south plaza) of the Freidt Park Improvement Project;
4. \$350,000 for the second year of the street resurfacing project;
5. \$30,000, which typically will fund one Neighborhood Improvement grant.
6. \$75,000 for the Town's share for renovations to the Terra Mar bridge;
7. \$50,000 for a new sidewalk on Hibiscus Avenue;
8. \$116,667 for the first of three payments for the County's Segment II Beach Nourishment project.
9. \$50,000 for projects that will be defined during the year such as traffic calming, walkability (Goal 3.4) and Sustainability (Goal 1.3).

The Multi-Year Capital Fund Plan (**CIP**) and how it is proposed to be funded is the last page of the Justification Section. We have assumed that the El Mar Drive Greenway project will be primarily funded by the FDOT and MPO in FY19, but that the Town will need to supplement FDOT funds to add amenities that the community wants included in the renovated El Mar Drive.

End of Other Funds

**Town of Lauderdale-By-The-Sea
Fiscal Year 2016 -2017 Budget Message**

FUND BALANCES AND RESERVES

The following table provides information on the amounts available in the various reserve and fund balance accounts.

TABLE 9 - Fund Balances and Reserves

	Actual 9/30/2015	Estimated 9/30/2016	Appropriated FY17	Contribution	Estimated 9/30/2017
GENERAL FUND					
Emergency Reserve	2,333,105	2,333,105			2,333,105
Unassigned Fund Balance	4,610,094	3,689,848	(1,407,263)	-	2,282,585
Subtotal	6,943,199	6,022,953	(1,407,263)	-	4,615,690
CAPITAL FUND					
El Mar Drive Improvements - Restricted	677,566	677,566	(25,000)		652,566
Fund Balance - Designated for Capital Projects	1,243,045	1,219,807	(250,000)	950,000	1,919,807
Subtotal	1,920,611	1,897,373	(275,000)	950,000	2,572,373
FIRE FUND Balance - Restricted	981,661	915,924	(60,492)	-	855,432
LAW ENFORCEMENT TRUST FUND (LETF) Balance - Restricted	2,654	-	-	-	-
PARKING FUND	2,744,722	4,163,388	-	967,448	5,130,836
SEWER FUND	1,546,085	1,031,592	(430,379)		601,213

Note:

1 - Unassigned General Fund Balance includes amount assigned to subsequent year's expenditures.

2 - Estimated 09/30/16 Balances - A Balance increases with contributions and decreases if funds are appropriated.

Source: The 9/30/15 Fund Balances are from the FY15 Comprehensive Annual Financial Report (CAFR)

Town of Lauderdale-By-The-Sea
Fiscal Year 2016 -2017 Budget Message

Table 10 – AUTHORIZED POSITIONS

DEPARTMENT & TITLE	POSITION COUNT						+ (-) from FY 16
	FY12	FY13	FY14	FY15	FY16	FY17	
GENERAL FUND - 001							
Town Commission - 511							
Mayor	1.00	1.00	1.00	1.00	1.00	1.00	
Vice-Mayor	1.00	1.00	1.00	1.00	1.00	1.00	
Commissioner	3.00	3.00	3.00	3.00	3.00	3.00	
Total Commission	5.00	5.00	5.00	5.00	5.00	5.00	0.00
Administration - 513							
Town Manager	0.80	0.80	0.80	0.80	0.80	0.80	
Assistant to the TM		1.00	1.00	1.00	1.00	1.00	
Senior Office Specialist	1.75	1.75	1.85	1.85	1.85	1.85	
Town Clerk	1.00	1.00	1.00	1.00	1.00	1.00	
Deputy Clerk	1.00	1.00	1.00	1.00			
Finance Director	1.00	0.90	0.95	0.95	0.85	0.85	
Accountant	1.00	1.00	1.00	1.00	1.00	1.00	
Accounting Specialist	1.00	1.00	1.00	1.00	1.00	1.00	
Total Administration	7.55	8.45	8.60	8.60	7.50	7.50	0.00
Development Services - 524							
Assistant Town Manager		0.50	0.45	0.40	0.40	0.40	
Development Services Director					1.00	1.00	
Ass't Director /Town Planner				1.00			
Town Planner	1.00	1.00	1.00				
Zoning/Code Supervisor	1.00						
Senior Office Specialist	1.00	1.00	1.00	1.00	1.00	0.00	
Code Enforcement Officer	1.00						
Planning Technician				0.80	1.00	2.00	
Total Development Services	4.00	2.50	2.45	3.20	3.40	3.40	0.00
General Government - 519							
Assistant Town Manager	0.80	0.50	0.40	0.35	0.40	0.40	
Public Information Officer	0.75	0.75	0.75	1.00	1.00	1.00	
Total General Government	1.55	1.25	1.15	1.35	1.40	1.40	0.00
Municipal Services							
Public Works - 541.100							
Assistant to Town Manager	1.00						
Municipal Services Director	0.80	0.80	0.80	0.80	0.80	0.80	
Senior Office Specialist	1.00	1.00	1.00	1.00	1.00	1.00	
Assistant Director				1.00	1.00	1.00	
Maintenance Supervisor	2.00	2.00	2.00	1.00	1.00	1.00	
Maintenance Worker II	4.00	5.00	5.00	7.00	6.75	6.75	
Maintenance Worker I	4.75	4.75	4.75	3.75	5.00	5.00	
Total Public Works	13.55	13.55	13.55	14.55	15.55	15.55	0.00

Town of Lauderdale-By-The-Sea
Fiscal Year 2016 -2017 Budget Message

DEPARTMENT & TITLE	POSITION COUNT						
	FY12	FY13	FY14	FY15	FY16	FY17	+ (-) from FY 16
Chamber Facility - 511.200							
Maintenance Worker I	0.25	0.25	0.25	0.25	0.25	0.25	
Total Chamber Facility	0.25	0.25	0.25	0.25	0.25	0.25	0.00
GENERAL FUND TOTAL	31.90	31.00	31.00	32.95	33.10	33.10	0.00
SEWER FUND							
Town Manager	0.10	0.10	0.10	0.10	0.10	0.10	
Mun Services Director	0.20	0.20	0.20	0.20	0.20	0.20	
Maintenance Worker II	1.00	1.00	1.00	1.00	1.00	1.00	
TOTAL SEWER FUND	1.30	1.30	1.30	1.30	1.30	1.30	0.00
CAPITAL IMPROVEMENT FUND							
Town Manager	0.10	0.10	0.10	0.10	0.10	0.10	
Project Manager	1.00	1.00	1.00				
Maintenance Worker II				1.00	1.00	1.00	
TOTAL CAPITAL FUND	1.10	1.10	1.10	1.10	1.10	1.10	0.00
PARKING FUND							
Assistant Town Manager	0.20		0.15	0.25	0.20	0.20	
Finance Director		0.10	0.05	0.05	0.15	0.15	
Parking Enforcement Supervisor	1.00						
Meter Repair Technician	1.00				1.00	1.00	
Parking Enforcement Officers	2.00						
Senior Office Specialist	0.25	0.25	0.15	0.15	0.15	0.15	
Total Parking Fund	4.45	0.35	0.35	0.45	1.50	1.50	0.00
TOTAL POSITIONS - ALL FUNDS	38.75	33.75	33.75	35.80	37.00	37.00	0.00

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