



## Memorandum

Date: July 17, 2019

To: Honorable Mayor and City Commission

From: David Hebert, City Manager 

Subject: Recommended Fiscal Year 2020 Annual City Budget

### Introduction

I respectfully present our Recommended Annual City Budget and Capital Improvement Plan for the Fiscal Year (FY) 2020. **The proposed FY 2020 budget is a continuation of the past five budgets approved by the City Commission, maintaining the steady pace of progress on a path to redefine, revitalize, and rebuild Oakland Park.** During the recession, the City lost over a third of its tax base, \$1.4 billion, delaying the implementation of major initiatives to move our community into the future. Over the past six years, the City's tax base has been growing and now stands at \$3.5 billion, or 99.8% of the tax base prior to the recession. During this time, the City Commission has consistently articulated a vision for the City that is much more than just a return to the "status quo." The Commission has prioritized improving the quality of life for our residents, enhancing the appearance of the City, attracting unique, desirable development, and focusing on sustainability, both environmental and fiscal. Over the past five years, the City Commission has adopted budgets developed to implement these priorities. The FY 2020 Recommended Budget has been prepared to build and expand on past successes, including beginning implementation of the approved \$40 million general obligation bond program to modernize City facilities.

Guided by the City's values and aspirations, the strategic plan, and direction from the Commission, the proposed FY 2020 budget seeks to maintain momentum as the City continues on a path of progress. As property values have grown and the broader economy has done well, **Oakland Park is one of only four Broward cities that have reduced millage consecutively over the past five years, while also maintaining some of the County's lowest special assessment rates.** During these years, the City invested and improved the infrastructure and amenities provided to our residents and businesses, with much of the cost funded through grants and matched through the use of City reserves. New infrastructure creates new operating expenses that must be allocated in order to properly maintain this infrastructure investment. We have also made reasonable commitments to our employees to achieve more competitive salaries, with the Commission approving labor contracts with wage adjustments consistently above changes in the consumer price index. These wage adjustments came after a recession that included a difficult period of wage freezes and benefit cuts. Contracts also sought to establish benefits that restored those lost during the recent recession. The closing of the City's local

Police & Fire Pension Plan and the migration of our firefighters to the Florida Retirement System (FRS), created an additional annual cost of approximately \$1.0 million a year. In time, the payments to the closed plan will decline and help offset these new FRS costs, but these initial transition years elevate personnel costs, which must be funded. These costs are within the context of other growing public safety costs, including the Sheriff's contract. From FY 14 to FY 20, the annual cost of police services has grown by almost \$3 million, from \$13.5 to \$16.3 million, an increase of 21%.

**The recommended budget for fiscal year 2020 acknowledges that fiscal stability has been and must continue to be the bedrock for implementing the City Commission's vision for Oakland Park. The FY 2020 budget recommends a modest increase in the millage rate, raising it from 5.9985 to 6.0880 mills, a 1.49% increase.** Although the proposed millage rate would be the first millage rate increase since FY 14, **the millage rate would still remain the second-lowest adopted by the City since FY 13.** Oakland Park's proposed millage rate would be the 11<sup>th</sup> lowest among Broward cities. With the millage rate adjustment, the Recommended Budget maintains fiscal responsibility and stability for our City, which includes maintaining a General Fund reserve of at least 20% of operating appropriations, as required by City Commission policy.

The Recommended Budget for all funds is \$92.6 million, a decrease of 9.7% from the FY 2019 revised budget of \$102.6 million. This includes a General Fund budget of \$54.9 million that represents 59.28% of the total City budget. Transfers from the General Fund include \$0.42 million to the Community Redevelopment Agency (CRA) Fund for continued redevelopment activities, such as planning, marketing, and business development; \$0.4 million to the Capital Improvement Program (CIP) Fund for infrastructure projects; and \$2.0 million to the Debt Service Fund. The transfer to the CIP Fund has increased by \$0.3 million over the revised FY 19 budget, which reflects design for new roadway improvements downtown (NE 11<sup>TH</sup> Avenue), tree canopy expansion, and matching funds for grant projects, including improvements to the Municipal Building. Other capital projects are also contemplated during FY 20, such as the Collins Splash Pad. Funding for these projects utilizes a combination of grant funding, City reserves previously assigned for these projects, and special revenue funds. The other budgetary funds that comprise the \$92.6 million all funds budget include: Water-Sewer \$22 million (23.78%); Stormwater \$4.1 million (4.39%); Solid Waste \$6.8 million (7.31%); General Fund Capital Improvement Program \$2.2 million (2.42%); Misc. Special Revenue Funds \$0.1 million (0.1%); Debt Service \$2.0 million (2.12%); and Community Redevelopment Agency \$0.6 million (0.61%).

The revenue for the General Fund budget is based on a proposed millage rate of 6.0880 mills, which is 1.49% higher than the FY 2019 millage rate of 5.9985. The proposed rate is 9.02% above the calculated rolled-back rate of 5.5845 mills and generates \$1.7 million more than the rolled-back rate. Although the property tax base has continued to grow, the growth rate has slowed from almost 11% last year to 8.14% this year. Under the Save-Our-Homes law, the growth in the taxable value for homesteaded properties is limited to the lesser of 3% or the change in CPI. For this year, growth in taxable value of homesteaded properties is limited to the change in CPI, which is 1.9%; approximately 59% of all residential properties in Oakland Park are homesteaded.

The Recommended General Fund Budget anticipates the use of \$20.4 million in ad valorem, \$8.0 million in other taxes (utility tax, local option tax, local business tax receipts), \$14.2 million in charges for service, \$4.8 million in intergovernmental revenue, \$4.3 million in permits and franchise fees, \$0.6 million in judgments and fines and the utilization of \$2.0 million of unassigned fund balance is recommended to fund one-time expenditures included in the budget.

The majority of revenue streams in the General Fund have leveled-off, realizing minimal increases over the last fiscal year. This “revenue plateau” will present a challenge to the City’s finances, as the increasing costs of providing existing services, the implementation of new initiatives, and other operating expenses will require offsetting revenues. The only alternative to increased revenues is the reduction in the number of services offered, reduction in quality of services provided, elimination of existing and future strategic planning initiatives, decreased investment in capital equipment and infrastructure, or some combination thereof.

The Recommended Budget is a fiscally conservative plan and is consistent with the City’s adopted Fiscal Policies. The Recommended Budget maintains an unassigned fund balance of 20.27% of General Fund expenditures, within the 20 to 25% range as specified in the Section 3.a of Fiscal Policies, set by Commission during the 2012 budget process, *“The unassigned fund balance for fiscal reserve and unrestricted net assets will be considered adequate between a minimum of 20% and a maximum of 25% of the current year’s operating appropriations, including transfers, for the General Fund.”* The utilization of fund balance has decreased from FY 19, from \$2.6 million to \$2 million which can be attributed to a decrease in one-time expenditures.

In addition to the General Fund budget, the City has three “business-like” Enterprise Funds that support specific service delivery systems. These include the Solid Waste, Stormwater, and Water and Sewer Funds. Similar to the General Fund fiscal policy, the enterprise funds have parameters regarding operating budgets and reserves. Per Section 3.a of Fiscal Policies, *“a minimum of 10% and a maximum of 25% of the current year’s operating appropriations, including transfers, will be considered adequate unrestricted net assets for the Enterprise Operating Funds.”* Consistent with these policies, the budgets for the Enterprise Funds apply these guiding principles and maintain reserves above the minimum 10% of expenditures.

The City has three non-ad valorem special assessments that are set by the City Commission during the budget process: the stormwater assessment, fire assessment, and residential solid waste assessment. The Recommended Budget proposes no adjustments to the Stormwater Assessment (\$84 per unit) or the Fire Assessment (\$199 per residential unit).

An upward adjustment of \$10 per year is recommended for the Residential Solid Waste Assessment, increasing the rate from \$217 per residential unit to \$227. The Solid Waste Assessment rate remains well below the FY 14 rate of \$255 and the proposed \$10 increase is based on the increased recycling costs, which have increased as demand for recyclable goods decreases, reducing the sales value of these goods and increasing disposal costs. This challenge has been compounded by contamination of

recycling waste product. Staff plans an aggressive outreach and education effort to address this challenge.

Oakland Park purchases water from Fort Lauderdale, which is currently engaged in an extensive rate study evaluation, with new rates anticipated to go into effect within the near future. At our request, Fort Lauderdale has allowed Oakland Park staff to participate and review the work related to the study. The results of the study indicate that the bulk-user rates paid by the City of Oakland Park should be reduced. Oakland Park's Public Works and Financial Services departments are currently engaged in a rate study of our own water rates, which will incorporate the anticipated cost savings from Fort Lauderdale, passing on these savings to commercial and residential consumers.

On July 17, the City Commission will adopt a preliminary millage rate and tentative rates for the three non-ad valorem special assessments. These will appear on the TRIM ("Truth-in-Millage") notices sent to property owners in August, which will provide the estimated impact of the preliminary rates adopted. Under this recommended budget, **the median homesteaded single-family residence would see a \$25.66 increase in City-attributable property tax and a \$10 increase in their residential solid waste assessment.** This median property would see a total increase on its bill of \$35.66, or 3.30%. This is a monthly equivalent of \$2.97. The cost of the increased millage and solid waste assessment rates are expected to be offset by the decrease in utility bills of the City's water customers.

## Strategic & Business Plan

The Recommended Budget continues the goals of the City's Strategic and Business plan. The strategic plan was most recently extended in January 2019, prior to the development of the Fiscal Year 2020 budget. The Strategic Performance Areas ensure delivery of quality services and provide for investment in the future of the City of Oakland Park. The recommended budget meets these strategic goals as outlined below:

- *Infrastructure:* provides an aggressive Capital Improvement Program with a continued focus on the City's infrastructure and securing of the City's long-term investments, including utility improvements and streetscape projects that promote pedestrian and bicycle mobility, and sustainable roadways with enhanced landscaping. These projects include the design of NE 11<sup>th</sup> Avenue Improvements from 37<sup>th</sup> to 39<sup>th</sup> Street and the Complete Streets program-funded Lakeside Sidewalk Network. Additional capital investments in sewer system lining, lift station, upgrades, and other water/sewer services are also contemplated, as is the design of a new Public Works Facility at the old treatment plant location off Dixie Highway. The budget also contemplates the increased operating costs for maintaining the City's existing and new infrastructure. The City is working proactively to update, upgrade, and improve its technological infrastructure, with funding included for vulnerability assessments, hardened data centers for servers, and additional network security engineering. The City will present a plan for the implementation of the general obligation bond facilities program, which will lead to the design of the projects to be built in the first phase of the program.

- *Financial Stability & Sustainability*: maintains the reserves within the 20 to 25% range of General Fund expenditures at 20.27%; proposes a modest millage rate increase, no changes to the fire and stormwater special assessment rates, an increase of \$10 on the residential solid waste assessment to maintain recycling, and a planned decrease in water rates for City customers. To maintain the long-term financial stability of the City, numerous fee reviews will occur during FY 20: funding for reviews of the current fire assessment and stormwater assessment rates is included in this budget. Staff are currently engaged in a review of building and permitting fees, which will be offered for Commission consideration in FY 20. The Parks & Leisure Services fee schedules were last adjusted in 2010, with many rates remaining unchanged since 2007 – staff will review the fee structure during FY 20 with the intent of providing recommendations in advance of FY 2021. In FY 2020, the City’s long-term banking services contract with Suntrust will expire, requiring that the City engage in a competitive solicitation for these services; funding is included for a consultant to assist in the preparation of the bid document and technical review of proposals. The Utility Billing Division will also complete a transition to a new merchant processor, providing expanded payment options for residents and businesses. A major activity in FY 2020 will be the first issuance of bonds as part of approved \$40 million general obligation bond program for facilities improvements. The process will involve the selection of an underwriter, a structuring of the debt, credit reviews with rating agencies, the sale of bonds, and the setting of debt millage rate that will go into effect in FY 2021.
- *Smart Growth, Redevelopment and Community Appearance*: provides for projects that will deliver walkable and sustainable neighborhoods; provides enhancements to Main Street as a community-centered corridor to promote growth, cultural events, walkability and business development; continued support of downtown events to promote Oakland Park and its Culinary Arts District. Additional resources are also allocated in the Engineering and Community Development Department to focus on the implementation of the outdoor storage ordinance, new massage parlor regulations, and the certificate of use program. Funding is included for new neighborhood entryway signs, including landscaping around these newly-redesigned monuments. A new residential improvement grant pilot program is also recommended, with the Lakeside community recommended as the pilot neighborhood; this new program would allow residents to apply for matching grant resources to engage in repairs and improvements to either remediate or prevent code violations. Funding is also included for the State-required Evaluation & Appraisal Report, a component of the larger process of updating the City’s Comprehensive Plan. During early FY 20, it is anticipated that the environmental remediation and lease agreement for Oakland Square will be completed. The City’s partner, Integra Investments, will then begin preparation of building plans for the new mixed-use development and future home of City Hall. The budget also includes the creation of a new Environmental & Sustainability Manager position, which will coordinate the City’s programs relating to sustainability, climate change, and green initiatives. This position will be supported by a new Solid Waste Inspector position, which will work to reduce recycling contamination rates in the City and educate the public on what *can* and what *cannot* be recycled.
- *Public Safety*: as part of the bond implementation program, design will begin on the City’s new fire stations. Funding for an update to the 2017 Operational Study of the Fire-Rescue Department is

also included, which will allow the City to better understand the impact of recent developments on service demand, in addition to addressing other operational needs within the department. The City has applied for a SAFER grant from FEMA; if the grant is awarded, the City would be able to hire an additional three firefighter-paramedic positions at reduced cost to our taxpayers. Match funding for these additional possible position is not included in the budget request; an amendment to the budget would be needed to fund these costs. The budget recognizes the major financial commitment related to the migration of our firefighters from the City's Police and Fire Pension Plan to the Florida Retirement System. The budget accommodates a 3.25% increase over last year's submitted budget for the Broward Sheriff's office (BSO) for police services to protect and safeguard our community. This increase includes funding for the critical communications equipment needed to make the Oakland Park District compliant with the new countywide P-25 radio standards. During FY 20, the City will negotiate the successor agreement to the current police services contract with BSO, which will expire on September 30, 2020. The City has received \$500,000 in funding from the Hazard Mitigation Grant Program, which will be used to harden the City's Municipal Building, which houses the City's BSO District and serves as the City's Emergency Operations Center (EOC). In addition to hardening, the grant will assist with the installation of a fixed, permanent generator for the building, which will allow the City to maintain operations during emergencies and disasters. For long term emergency management, the City has applied for grant funding of a new EOC as part of the construction of the new Public Works facility.

- *Parks, Leisure Facilities & Activities:* provides for the construction of the Collins Splash Pad and additional improvements to the Stunson Nature Trail. In alignment with the facilities bond program activities, funding for an update to the Parks Master Plan is included, which will guide recreational programming in the City. The budget continues the City's roster of events including new favorites such as Taste of Oakland Park, Community Soul, Dancing in the Street, and Summer Nights – the budget also provides funding for a new LGBTQ event: Summon Pride. Summon Pride will be held prior to the regional Pride Parade and will include food, live entertainment, and a talent show program. Security remains paramount for events and programming: in addition to the BSO detail funding, funding for event entry screening is included, as are additional recreation staff hours for youth and active adult programming to ensure the City's recreational opportunities are accessible and safe for all residents.
- *Focus on Oakland Park's Image:* The continuation of the POP-star program to encourage businesses and institutions to promote Oakland Park as a unique destination. Ongoing emphasis is maintained on landscaping and beautification to enhance the appearance and curb appeal of the City, including funding of new neighborhood entryway signs and the dedicated, multi-year funding for restoring and growing the City's tree canopy. Funding for the City's twice-a-year tree-giveaway events has been increased to better meet demand. The budget further recommends revisions to the CRA incentive grants for businesses to simplify the applications process. Outreach through the monthly Oakleaf, the City's semi-annual Oakland Park Live publication continues. The City Clerk's Office will work on a "refresh" of the City website to make it an easier and more engaging experience for users. To attract new talent and support the development of existing staff, the budget maintains the

summer internship program, contemplates new “ride-along” programming for paramedics in training, and retains funding for the staff tuition reimbursement program, in addition to other funding for professional and occupational training opportunities.

With the adoption of the FY 14 budget, the Commission established the **Proud Oakland Park (POP)** business plan with the goal of enhancing the appearance of the City and investing in the community. The success of this business plan has helped to guide future budgets. During the development of future budgets, improving community appearance continued to be of major importance to the Commission, businesses, and the residents of Oakland Park. For the FY 16 budget, **Proud Oakland Park, Too (POP, Too)** was developed. POP, Too was an initiative to make a safer, cleaner, and more attractive city. POP, Too included approximately \$1.7m of capital and operating initiatives, such as the rebranding of Code Enforcement to Community Enhancement, Powerline Road median improvements, new Fire-Rescue vehicles and equipment, the preparation of a new CRA strategic plan, Commission chamber improvements, and more. Roughly 42% of these costs were funded by County, State, and Federal grants for beautification and improvement projects throughout the City. The fiscal year 2017 budget provided for vigorous implementation of these guiding principles by enhancing City services and community outreach efforts to ensure residents and businesses are “**Proud to Be Oakland Park**”, branded as **P2(b)OP**. This program encourages businesses to affirmatively identify as part of the Oakland Park community and publicize themselves as such. Residents and businesses are further recognized for their efforts to improve and enhance their properties aligned to the City’s high standards as “**POP Stars**”. Under these programs, the community is integrated into the City’s strategic plan and mission.

The fiscal year 2018 budget was one of the largest ever adopted at \$105.4 million and continued the Commission’s focus on **People, Progress, and Pride**. In this fiscal year, the City invested over one-million-dollars in new vehicles and equipment for our Fire-Rescue Department to ensure the safety and security of both our residents and first responders. The City and its public-sector union partners also successfully reached agreement on three collective bargaining contracts that addressed the need to maintain competitive wages while remaining fiscally responsible. A major accomplishment of these negotiations completed the City’s transition into the Florida Retirement System by including the transition of our City’s firefighters to the State system, one of the best-funded pension plans in the Country. Fiscal Year 2018 represented a period of extraordinary progress for advancing the capital infrastructure plans of the City. During the year, many major projects were completed, including multiple Bid Pack projects, the first phase of the landscape beautification on Oakland Park Boulevard west of I-95, and the opening of the Stunson Nature Trail. Major projects awarded or funded in fiscal year 2018 included two of City’s most critical corridors, Andrews Avenue and Powerline Road, in addition to enhancements along both NW 5<sup>th</sup> and NE 6<sup>th</sup> Avenues. Other projects awarded included Bid Pack 8, the City’s final bid pack project, the Smart Meters Energy Savings Project. Many of these projects were the fruit of previous planning efforts, grant awards, and sound financial policies of the Commission, which allowed the City to maintain a fund balance sufficient to transfer resources to the CIP to serve as matching funds.

The FY 2019 budget continued the many initiatives established in prior years. Importantly, FY 2019 saw the completion of major projects awarded in prior years, including Andrews Avenue, the Smart Meters Program, and -soon- Bid Pack 8; together, these three projects alone represent a \$15 million investment in the City's infrastructure. This infrastructure must be adequately maintained in order to ensure viability for the future life of the investment. The improvements to Andrews Avenue, including the new landscaping, green bike lanes, and safety enhancements, have instantly made this major corridor one of the most distinguishable and striking within the City. The Smart Meters Program is the first deployment of "smart grid" technology in the City. The new metering system provides wireless meter reading, enhanced water use analysis, early leak detection, increased meter accuracy, and decreased operating costs. The smart meters program was implemented through an Energy Savings Agreement with Energy Systems Group, with a guaranteed savings of over \$200,000 a year over a fifteen-year period. The Bid Pack 8 project addresses water, drainage, and roadway improvements in the southeastern portion of the City, in addition to adding sidewalks on NE 16<sup>th</sup> Avenue from Park Lane to the Middle River. The City will also complete the grant-funded lighting renovations at Wimberly Park. These major infrastructure improvements are only part of the extensive program of reinvestment and revitalization that the Commission has guided.

As these infrastructure projects are completed, the City must take responsibility for the ongoing maintenance of these investments. Additional landscaping throughout the City requires regular maintenance, including irrigation, mowing, trimming, mulching, trash/debris collection, and replacement of trees and shrubs when warranted. As the City continues to make improvements to above-ground infrastructure (streetscapes, parks, etc.), an increased burden is placed on the General Fund to support the recurring maintenance of these investments. New recurring operating costs must ultimately be funded through recurring revenues.

On May 2<sup>nd</sup>, 2018 the City Commission approved a resolution calling for a referendum to be held on November 6<sup>th</sup>, 2018 on the question of issuing up to \$40 million in general obligation bonds ("G.O. bonds") to fund the replacement and renovation of City facilities, such as:

- Fire Rescue Station 87
- Fire Rescue Station 9
- Fire Rescue Station 20
- Park Place at Jaco
- Collins Community Center
- Ethel M. Gordon Oakland Park Library
- Spiher Community Center
- North Andrew Gardens Community Center

The inadequacy of the City's facilities was identified in a comprehensive facilities study that began in 2008 and concluded in 2010; further studies in 2017 and 2018 reinforced the inability of City facilities to meet modern safety and service delivery standards. Over last summer and leading up to the November election, staff conducted an educational outreach program about the City's facilities, which included social media, community meetings, mailers, phone calls, a bond website, and an informational video.

On November 6, 2018, the voters of Oakland Park approved the \$40 million in general obligation bonds, with 67.19% of voters being “for bonds” – the highest passage rate among all Broward County bond questions on the ballot.

With the approval of the bond referendum, the development of a formal program for implementing the bond program is underway. The choices made today relative to the bond program will have long-term ramifications on our residents, our businesses, and our community as a whole. To this end, the City must ask itself some questions: What services will be provided over the next 30 years? How will service delivery change over time? Where is the best location to deliver these services? The \$40 million general obligation represents a first-in-a-generation opportunity to ask these questions on Citywide-level and strategically plan based on the answers to these vital questions.

Developing a holistic implementation plan is a tremendous effort that includes the time and commitment of the City Commission, City staff, expert consultants, and the community as a whole. Implementation of the bond program will be guided by four major principals:

- Maintain continuity of services
- Maximize Value & Utilize Resources Judiciously
- Optimize Opportunities
- Retain Consistency with Strategic Vision and Image of the City

As discussed in numerous community outreach presentations, 2019 is considered “Phase 1” of a 10-year bond program. This first phase is focused on community engagement, developing a formal plan, and obtaining Commission direction. Over the past few months, the City has held multiple community meetings and workshops to provide the public with opportunities to ask questions, provide feedback, and state their preferences on a variety of topics, such as the future location of the Ethel Gordon City Library. During this time, the City worked proactively to secure the expert resources it needs for a successful implementation of the bond program. This includes bringing in consultants to review service delivery, help develop a uniform architectural aesthetic vision for City facilities and begin the intensive project of securing professional services covered under the State’s Consultants Competitive Negotiation Act, such as architects, engineers, surveyors, and others.

The remainder of 2019 will be spent developing a comprehensive plan for Commission consideration. After a plan is approved by Commission, the program will move into Phase 2, which will begin in 2020 and include design, preparation of bid documents, and award of construction bids by Commission over the next three to five years. It is anticipated that in FY 2020 the City will go to market for the first sale of bonds, issuing debt sufficient to fund the design and construction of Phase 1 projects, in addition to funding the reimbursement of any existing eligible expenditures related to the bond program.

Given the enormity of the undertaking, additional staffing may be required, as may reorganization of various City departments to ensure our resources are appropriately aligned to meet the challenges of maintaining the high-quality delivery of our services while engaged in Oakland Park’s largest municipal

construction effort in history. Review of organizational needs will be identified and included as part of the facility bond implementation plan that will be presented to the Commission for consideration later this year. The proposed FY 2020 budget does not recommend the addition of staffing as part of the bond program at this time, but -as a first step- structural changes to the Engineering and Community Development (ECD) and Public Works Department are included. These changes are a reorganization of how maintenance is performed by the Public Works department, with certain functions and responsibilities reassigned to better align, balance, and consolidate functional responsibilities. Median maintenance, for example, was previously shared between two separate divisions (Streets and Parks Maintenance) but will now be the sole responsibility of the Streets Division. The budget also returns the Community Enhancement to ECD. Further restructuring of the City's functions is anticipated to retain the exceptional level of government operations expected by the citizens of Oakland Park.

The bond is just one part of the larger vision for the City. The Commission has consistently prioritized improving the quality of life and the appearance of the City, attracting desirable development, and increasing sustainability. Oakland Park has seen tremendous change and improvement over the last few years, with projects, programs, policies, and code modifications that have improved the quality of life for residents, enhanced public safety, promoted economic development, modernized our underground infrastructure, created new streetscapes, expanded our tree canopy, and much more. The City has great plans for the future and the Commission has succeeded in creating tremendous momentum to make these plans a reality. Investing in this vision of Oakland Park is something supported communitywide, as shown by the overwhelming approval of the \$40 million general obligation bond.

Guided by the City's values and aspirations, the strategic plan, and direction from the Commission, the proposed FY 2020 budget seeks to maintain momentum as the City continues on a path of progress. As property values have grown and the broader economy has done well, we have been one of only four Broward cities that have reduced millage consecutively over the past few years, while also maintaining some of the County's lowest special assessment rates. During these years, the City invested and improved the infrastructure and amenities provided to our residents and businesses, with much of the cost funded through grants and matched through the use of City reserves. These projects must be maintained, creating additional operating expenses that must be funded. We have also made reasonable commitments to our employees to achieve more competitive salaries, with the Commission approving labor contracts with wage adjustments consistently above the annual change to the consumer price index after a recession that included a difficult period of wage freezes. Contracts sought to establish benefits that restored those lost during the recent recession, such as the closing of the City's local Police & Fire Pension Plan and the migration of our firefighters to the Florida Retirement System (FRS), which created an additional annual cost of approximately \$1.0 million a year. In time, the payments to the closed plan will decline and help offset these new FRS costs, but these initial transition years elevate personnel costs which must be funded. These costs are within the context of other growing public safety costs, such as of the Sheriff's contract; from FY 14 to FY 20, the annual cost of police services has grown by almost \$3 million, from \$13.5 to \$16.3 million.

Stability and sustainability are the two values that drive the development of the annual budget recommendation. The millage rate reductions of the past five years were not dramatic or extreme; they

were adjustments that could be made while maintaining the financial integrity of the City, ensuring sufficient resources were available to fund City services at the level and quality expected by the Commission and the community. **The recommended budget for fiscal year 2020 acknowledges that fiscal stability has been and must continue to be the bedrock for implementing the City Commission’s vision for Oakland Park. The FY 2020 budget recommends a modest increase in the millage rate, raising it from 5.9985 to 6.0880 mills, a 1.49% increase.** Although the proposed millage rate would be the first millage rate increase since FY 14, **the millage rate would still remain the second-lowest adopted by the City in seven years.** With the millage adjustment, the Recommended Budget maintains fiscal responsibility and stability for our City, which includes maintaining a General Fund reserve of 20.27% of operating appropriations, in line with City Commission policy. The budget and the millage rate in this proposal are recommended to ensure the City can continue to implement the strategic vision of the City, allowing us to make continued progress on the path to **redefine, revitalize, and rebuild Oakland Park.**

### FY 20 Recommended Budget Summaries by Fund

The following table summarizes the FY 20 Recommended Budget by fund (in \$ millions) and compares it to the original budget adopted for FY 19 and the revised budget for FY 19. As is typical for local governments, much of the difference between the adopted and revised budget for a given fiscal year is attributable to the “rolling-over” of encumbered monies between fiscal years. A comprehensive summary of all funds by division is attached hereto as Exhibit A.

Fund Description	FY 19 Adopted	FY 19 Revised	FY 20 Recommended
General Fund	53.0	53.6	54.9
Community Redevelopment Agency (CRA) Fund	0.6	0.6	0.6
Debt Service Fund	1.7	1.7	2.0
Water & Sewer Fund	20.6	27.5	22.0
Solid Waste Fund	7.4	7.5	6.8
Stormwater Fund	3.9	5.0	4.1
Other Special Revenues	0.1	0.1	0.1
General Fund Capital Imp. Plan Fund*	2.5	6.6	2.2
<b>Total Budget (in \$Millions)</b>	<b>89.8</b>	<b>102.6</b>	<b>92.6</b>

\*The CIP excludes projects from the Enterprise Funds. These projects are reflected within each of the separate Enterprise Fund Budgets.

## Detailed Fund Summaries

### Governmental Funds

#### General Fund

The Recommended Budget for the FY 20 General Fund is \$54.9 million, representing an increase of \$1.91 million (3.6%) from the FY 19 Adopted Budget.

The City continues to experience increases in personnel and operating costs. The contract with the Broward Sheriff’s Office for services next year will be \$16.3 million, a \$0.5 million, or 3.25%, increase over FY 19. This includes mandatory upgrades for enhanced communications equipment compatible with new countywide standards in the amount of approximately \$175,000. Absent the equipment upgrades, the BSO contract increase is 2.1%. Other recurring expenses include growing maintenance costs (\$0.3 million) for recently completed infrastructure projects and for higher quality maintenance of existing infrastructure. This budget includes the costs of closing the local Police & Fire Pension and transitioning firefighter staff to the Florida Retirement System, a cost of approximately \$1.0 million. As cyber-crime becomes more prevalent, new recurring security costs for the City’s information technology infrastructure are essential to maintain the safety of the City’s operations, creating approximately \$0.1 million in new operational costs. Current contracts with the City’s labor unions expire at the end of FY 2019 and the City is currently engaged in negotiations; funding is also contemplated in the budget to accommodate the results of this bargaining. A more detailed, department-by-department description of General Fund costs can be found in the General Fund Departmental Summary section below

The FY 2020 Budget also recommends a number of other transfers from the General Fund to other funds. Proposed transfers are as follows:

#### Transfers from General Fund

	FY 19 Revised	FY 20 Proposed	\$ Change	% Change
<b>To CIP</b>	\$100,000	\$386,593	\$286,593	287%
<b>To Debt Service*</b>	\$1,729,120	\$1,962,629	\$233,509	14%
<b>To CRA</b>	\$550,243	\$417,919	-\$132,324	-24%
<b>Total</b>	<b>\$2,379,363</b>	<b>\$2,767,141</b>	<b>\$387,778</b>	<b>16.30%</b>

Transfers are increased by \$0.4 million over FY 19. The FY 19 Adopted budget included a \$0.1 million transfer to the CIP Fund. By contrast, the FY 20 transfer to the CIP includes a \$0.4 million transfer. The increase is driven by tree canopy projects, streetscape design, and match funding for a grant to make improvements to the Municipal Building. Debt service costs are increased to reflect servicing the 2018 loan for the acquisition of the Omega Church Property on Park Lane East and repayment of an interfund

loan from the Water & Sewer Fund used to acquire the Alster properties on NE 35<sup>th</sup> Street in 2017. These increases are partially offset by a reduction in the transfer to the CRA.

Property tax continues to represent the single largest source of revenue for the General Fund, providing 38.5% of revenues. Property tax revenue is determined by two main elements: 1) the assessed property tax base, and 2) the millage rate set by Commission. The certified data provided by the Property Appraiser shows that the City's property tax base has expanded for the seventh time since 2007. The property tax base has grown by 8.14% since last year, the seventh-highest growth rate of all Broward County cities. However, growth has started to slow. Last year, the City's growth rate was almost 11%, the second highest among all Broward cities. The City's property tax base is now \$3.5 billion.

Since adopting a millage rate high of 6.3995 in FY 14, the City has reduced millage for five consecutive years, with a post-recession low of 5.9985 mills achieved in FY 2019. **Oakland Park is one of only four cities in Broward County that has consecutively reduced millage over the past five years.** These reductions were not drastic; the recommendations to reduce millage were done with a firm commitment to maintaining the financial sustainability of the City's operations. The Commission's commitment to financial stability is the chief reason that this recommended budget includes a modest millage rate for the first time in half a decade.

The City has made substantial investments that create recurring expenditures, which require funding. These expenditures reflect increased public safety costs for both fire and police services, maintenance of recently completed projects, and overall increased compensation costs for a City workforce that has experienced only minor staffing level increases over the past five years.

**The proposed millage rate is 6.0880, the second-lowest millage rate for the City since FY 13. The recommended rate is an increase of 1.49%, or 0.0895 mills, over the FY 19 millage rate of 5.9985 and is the first recommended increase since FY 14.** The recommended millage is 9.02% greater than the calculated rolled-back rate of 5.5845 and generates an additional \$1.7 million in revenue needed to maintain compliance with the City's financial policies and continue the steady pace of progress within the City.

Although the overall tax base increased by 8.14% percent, the maximum increase in property valuation for single-family residences that experienced an increase in their Save-Our-Homes value would be 1.9%. With the proposed rate of 6.0880, the median homesteaded single-family residence from last year would see a \$25.66 increase in City-attributable property tax on its TRIM notice, a 4.42% increase. The monthly impact would be approximately \$2.97 a month. The City has approximately 15,272 single-family homes, townhomes, and condominiums; of these, 59% are homesteaded. City taxes only comprise a small portion of what appears on residents' tax bills; about 31% of the tax bill represents the City levy and the rest is paid to separate taxing authorities, such as Broward County, the School Board, and other special taxing districts. It is worth noting that in years to come, the developments of O & O2, Oakland Square, the former K-mart/Walmart site, -potentially- Oaktree, and others will add a significant

amount of new construction to the City's tax rolls and help generate new revenue to help support our growing City ambitions.

Another key source of General Fund revenue is the Fire Assessment fee, which generates approximately \$5.7 million and represents 10.4% of the General Fund's revenue. All proceeds are used to fund the Fire-Rescue department's fire protection/suppression services; emergency medical service-related activities cannot be funded through this assessment. A fire assessment rate study was conducted in 2016 and the results of this study were incorporated into the FY 2017 budget. Based on changes in the proportional demand for fire services among the different property classes, adjustments to the rate schedule were adopted ensuring revenue collection would be in proportion with service demand by use class. The residential rate adopted for FY 17 in accordance with the study results was \$199 per residential unit. This rate was maintained for FY 18 and for FY 19. No change to the existing fire assessment residential rate of \$199 is recommended as part of the FY 20 budget. The City's residential rate remains well below the countywide average, particularly as other jurisdictions have increased their rates. In 2014, the average residential rate was \$219 in Broward County; as of 2019, the residential rate average is \$270. Staff recognizes that the structure of the fire assessment fee is regressive and disproportionately affects those least able to afford it. Nevertheless, as fire suppression costs increase, future adjustments to the assessment may be considered. The City's existing budget for the Fire-Rescue Department has grown in recent years to reflect increased funding for equipment replacement, training, raises, and -most importantly- the costs of converting to the Florida Retirement System. Funding for a new fire assessment study is included in the proposed FY 20 budget.

Most other General Fund revenue categories remain essentially flat, with some accounts showing modest improvements, while others are expected to decrease, e.g. Communication Services Tax. Many of the City's revenues, such as half-cent sales tax, local option gas tax, etc. are products of general economic activity and determined State-approved distribution methodologies. As these externally determined revenues level off, the rates directly controlled by the City Commission become increasingly important.

As was shown in the City's FY 2018 Comprehensive Annual Financial Report, the City's budgeted use of fund balance has compared favorably against the actual need to utilize these resources thanks to improving revenues, additional grant funding, and operational savings. Fund balance declined in recent years to accommodate significant transfers to the CIP for the Andrews Avenue Roadway Improvement Project, the City's Powerline Road TIGER-grant contributions, and other one-time expenditures. City policy requires unassigned fund balance, or reserves, be kept at between 20 and 25% of operating expenditures. The proposed FY 20 budget includes the utilization of \$2.0 million in unassigned fund balance, which would leave a reserve fund of 20.27% operating appropriations; reductions to the proposed modest increase to millage rate could potentially result in a violation of the policy.

#### Community Redevelopment Agency (CRA) Fund

In recent years, the Community Redevelopment Agency has revitalized downtown Oakland Park and helped spur new interest in redevelopment along Andrews Avenue and elsewhere. During FY 17, the

City Commission approved a new 5-year strategic plan for the CRA and the FY 20 budget reflects continued funding for initiatives, innovative projects, and studies to continue this momentum. This emphasis is intended to attract new development, redevelopment and stimulate economic activities within the downtown and the other areas of the CRA.

The Recommended Budget also includes \$17,500 for additional art projects and an additional \$80,000 in new money for façade and incentive grants. As presented earlier this year, the CRA intends to simplify the grant programs it currently offers. By streamlining the programs, the CRA hopes to attract more applications and help businesses invest in Oakland Park. The CRA budget also includes \$96,000 for CRA consulting assistance to provide strategic planning implementation, special project planning and development, and enhanced marketing. Enhanced marketing also includes a redesign of the CRA website, creating a one-stop shop for businesses and investors interested in learning about what the Culinary Arts District and other parts of the CRA have to offer.

Oakland Park's CRA is not funded by tax-increment financing. As such, it has relied on a close partnership with Broward County to assist in providing funding for major projects. This continued partnership between the County and the CRA has provided fruitful economic investments for the community.

The City participated in the County's Redevelopment Capital Program (RCP) to acquire properties downtown and fund various infrastructure projects. Distributions from the RCP are loans and include provisions to convert these loans into grants if certain levels of development are achieved as measured by improvements in the CRA's property tax base. The City has 11 different RCP loans, totaling \$4.8 million in principal. Debt service for these loans is staggered and the first two of these loans had debt service payments beginning in 2017. Staff worked directly with the County to defer principal payments of these first two loans, as a result of the continued economic activity in the CRA, and in FY 2018 submitted conversion documentation using the most recent data from the Broward County Property Appraiser. Based on these initial submissions, the City has successfully converted \$1.4 of the \$4.8 million owed, completely eliminating two loans and partially converting another. Although not reflected in the CRA budget itself, the debt service budget for FY 2020 includes debt service costs for those RCP loans which are due and payable. Staff will continue to work with Broward County on the conversion of the outstanding loans.

The County's RCP program was recently replaced with the Broward Redevelopment Program (BRP). Oakland Park has successfully worked with Broward County and was awarded two BRP project grants: one for the Andrews & Prospect Plaza project and another for the Grand Plaza at Jaco Pastorius Park.

In 2019, the CRA was able to work cooperatively with Broward County to secure a "gap financing" grant of \$1.1 million for the City's public-private partnership project, Oakland Square. During 2019, the CRA also played a critical role in ongoing planning studies concerning revisions to the Downtown Mixed-Use District, as well as coordinating the feasibility studies related to a potential commuter rail platform in downtown Oakland Park.

Expenditures in the CRA for FY 20 total \$562,440, of which \$417,919 is funded through transfers from the General Fund. The remaining expenditures are funded by the CRA's rentals and leases revenue and other sources.

#### Debt Service Fund

This fund reflects General Fund principal and interest payments and is for all City debt other than that related to Enterprise Funds (Water & Sewer, Solid Waste and Stormwater). This is repayment of debt for the acquisition of vehicles, municipal facilities, property acquisition, and the development and upgrading of some of the City's recreational facilities. The proposed debt service budget for FY 20 is \$1,962,629,120, an increase of \$233,509 over FY 19. This increase is primarily attributable to the servicing costs of debt for the acquisition of the Omega Church parcel on Park Lane East and the Alster lots on NE 35th Street.

The Financial Services department has worked with the City's Financial Advisor to refund prior debt issuances to take advantage of the historically low-interest rates. The City has only added medium-term debt (3 to 10 years) in recent years, all of which has been exclusively used to facilitate the purchase of Fire-Rescue capital items, such as a fire engine in 2013 (\$697,394), three rescue transport vehicles and a command vehicle in 2015 (\$749,561), and additional replacement fire trucks in 2016 (\$745,000) and 2018 (\$599,612). The two most recent issuances for long-term debt attributable to the General Fund were for the acquisition and renovation of the Municipal Building in 2007 (\$4 million) and the acquisition of the former Omega Church Property on Park Lane East (\$1.66 million). Both loans have final principal payments in 2028.

The November 2018 approval of the \$40 million in general obligation bonds represents a major change to the City's governmental debt portfolio. The \$40 million program will be implemented over a period of approximately 10 years, rather than all at once. The City anticipates issuing two to three tranches of debt. A tranche is a "slice", or portion, of the total \$40 million in bonds that would be sold, or issued, together at the same time; this is the process by which the City "draws down" on the approved \$40 million to provide funding for the bond program. The first tranche will be issued during the 2020 fiscal year, with the amount issued based on design and construction costs for the initial round of projects. The general obligation debt will be funded through the voter-approved debt millage, which is separate and distinct from the operating millage used to support the General Fund. The debt millage would be adopted and advertised in a similar fashion to the operating millage. The debt millage would be levied as part of the FY 2021 budget. Based on existing interest rates, it is anticipated the full value of servicing the \$40 million once issued will be the equivalent of \$10 a month or less for the median single-family home. As the debt would be issued over multiple tranches, this full servicing cost would be phased in overtime.

## Enterprise Funds

### Water & Sewer Fund

This fund generates revenues through user fees paid by the City's water and sewer customers. The City's water and sewer utility system covers most of the City, with the exception of certain areas, e.g. North Andrews Gardens, Twin Lakes South, and parts of the Lakeside neighborhood. Recent major infrastructure projects have also been funded by the proceeds of the 2010 and 2012 bond issuances. Service charges cover ongoing operations, debt service, and capital expenditures. A multi-year sewer lining project continues to reduce inflow and infiltration, saving the City hundreds of thousands of dollars.

The overall Water & Sewer Fund budget for FY 20 is \$22.0 million, an increase of \$1.4 million from the adopted FY 19 budget of \$20.6 million. This increase is primarily attributable to the increased level of investment in the Water and Sewer Fund's capital program. The FY 20 budget includes \$1.6 million in capital improvements compared to \$0.7 in FY 19. The proposed CIP budget includes funding for continued investment in the City's inflow and infiltration program for sewer lines, upgrade of sewer laterals, water main improvements, service line upgrades, and design of the new public works facility. The proposed budget also includes \$205,000 for additional bypass pumps and trailer-mounted generators to provide additional coverage and ensure continuity of operations during emergency events. Funding is also included for the ongoing costs of the Smart Meter Badger Beacon portal, which is estimated to be \$0.1 million. A required 10-Year Water Utilities Supply Plan is also funded. Promoting water conservation and sustainability remains a paramount priority and funding is provided in the budget to maintain the existing water conservation rebate for the purchase of high-efficiency toilet fixtures and expands the program by adding a water-saving showerhead component.

A rate schedule was adopted in 2009 that provided for programmed water and sewer rate adjustments to support the projects and maintain the City's AA- utility credit rating. The scheduled rate increases are also required to provide for pass-through of rate increases from Fort Lauderdale and Broward County (which provide the City's potable water and wastewater processing services). These programmed rate adjustments will keep the fund on track to retain the City's favorable credit rating and maintain the schedule for construction of infrastructure improvements. The success of this strategy was demonstrated when the City's rating was upgraded by Standard and Poor's to AA in 2015 and has been consistently affirmed as AA- by Fitch Ratings.

The FY 2019 budget included funding for a new utility rate study for Oakland Park. As indicated above, the City's current rate structure is based on a self-adjusting formula that takes into account cost increases from our service providers, Fort Lauderdale and Broward County. Fort Lauderdale is currently engaged in an extensive rate study evaluation, with new rates anticipated to go into effect within the near future. At our request, Fort Lauderdale has allowed Oakland Park staff and our own rate study consultants to participate and review the work related to the study. The results of the study indicate that the bulk-user rates paid by the City of Oakland Park should be reduced. Oakland Park's own rate

study will incorporate the anticipated cost savings from Fort Lauderdale, passing on these savings to commercial and residential consumers.

As part of the rate study, Oakland Park's consultants are also reviewing options to require utility accounts to be in the property owner's name only. Unpaid tenant utility balances, both residential and commercial, remain a challenge. Utility accounts would become the responsibility of the owner of the property, who would then make arrangements with the tenant. The City then has the option to lien properties with unpaid utility charges. Any such change in the account structure for utility services would require an ordinance approved by Commission.

The timeline for completion of the Oakland Park rate study is contingent on finalization of Fort Lauderdale's own rate study, as the bulk user rates charged to the City and the timeline for their implementation are critical components of adjusting Oakland Park's rates. It is anticipated that through the adoption of a new rate schedule, Oakland Park will be able to pass along significant savings to residential and commercial customers.

#### Stormwater Fund

The Stormwater Fund is almost exclusively funded by revenues generated by the citywide stormwater assessment. In FY 15 the City contracted with a firm to conduct a utility rate analysis of the stormwater system in order to ensure the fiscal stability of the fund to meet current and future projects. Based on the results of this study, it was determined that the then-current rate was not adequate to meet the ongoing operational and capital demands of the stormwater system over the next four years. The assessment rate was increased for the FY 16 budget from \$72 to \$84 per equivalent residential unit (ERU), the first increase since 2006.

With the exception of governmental entities, all properties in Oakland Park are assessed for stormwater services. As a utility service, governmental entities are billed monthly for the prorated value of the assessment. In September 2018 the School Board provided notice that it would no longer pay these charges beginning October 2018, citing legal precedents concerning sovereign immunity that limit the ability of Oakland Park to force payment of these utility services. The refusal to pay for these vital services resulted in an unanticipated \$0.2 million loss of revenue in fiscal year 2019, which continues in the 2020 budget. This represents a loss of approximately 5% of fund revenues, which required greater than anticipated use of stormwater reserves to fill the shortfall.

The proposed Stormwater Fund budget for FY 2020 is \$4.1 million, an increase of \$0.2 million from FY 2019's adopted budget of \$3.9 million. This increase is largely driven by funding for a new stormwater master plan, which is estimated to cost \$0.2 million. This master plan will help evaluate the new long-term need for drainage infrastructure in the City, with a particular emphasis on how to address the challenges of sea-level rising, flooding, and surface water quality. The capital intensity of the master plan will also play a role in future rate for the fund, as sufficient revenue will need to be generated to fund these improvements. The proposed budget also includes funding for an Environmental &

Sustainability Manager, which will coordinate sustainability issues within the City, including planning for the effects of climate change and sustainable infrastructure.

Although recurring revenues have decreased, and recurring expenses have increased, no change to the rate of \$84 per ERU is recommended at this time. Adjustment to the rate structure may be recommended after the completion of the stormwater master plan. The current stormwater assessment rate will generate approximately \$3.4 million in FY 2020. The City will continue the revenue collection process through the placement of the annual assessment for the Stormwater program on the property tax bill.

#### Solid Waste Fund

The Solid Waste Fund is funded through two primary sources: a non-ad valorem special assessment for residential customers and utility service charges for commercial services. The citywide special assessment program was introduced in FY 2012 and the residential fee was \$255. In FY 2014, the residential fee was reduced by \$50 to \$205, a 19.6% reduction, and commercial rates were decreased by the same proportion, resulting in a revenue reduction of \$1.2 million.

As part of a comprehensive study on City's solid waste program, the consultants concluded that the reduction in rates that occurred as part of the FY 2014 budget is not sustainable and adjustments would be needed to provide increased stability in the fund's reserves and to cover increasing disposal, fleet, and other operating costs. In FY 2018, the rates were adjusted slightly, with the residential assessment increase be \$12 and the commercial rates by 5.5%, with both rates still well below the 2013 rates. In FY 2019, the residential rate of \$217 remained unadjusted and the commercial rates were increased by 3.5%.

The total budget of the fund for FY 2020 is \$6.8 million, a decrease of \$0.6 million from the FY 2019 adopted budget of \$7.4 million. This decrease represents the lack of major vehicle purchases in FY 2020 compared to FY 2019, but the budget does reflect increased disposal and processing costs, in addition to personnel cost increases.

Oakland Park's recycling program, like all such programs nationally, is highly affected by changes in the market for recyclables. The City's contract with Waste Management's Recycle America costs the City \$96 per ton for processing the recyclables. The cost of sorting and processing single-stream recycling is partially offset by revenue generated by the sale of the recyclable materials. In prior years, the sales value of recyclable goods was greater than the processing cost, but as the market has cooled the sale of the goods has only partially offset processing costs. Historically, the market for recycling has been such that, after the sale of the materials, the net cost per ton of recycling was substantially lower than the cost of general municipal solid waste disposal (\$41.19 per ton).

Over the past year however, the sales value of recyclables has continued to decline due a shrinking market of purchasers for recycled materials and high contamination rates. These factors have greatly

increased the net cost of recycling. The net cost of recycling has grown from \$12.46 per ton in October 2018 to \$55.27 per ton this May, an increase of more than 300% in less than a year.

Not all material placed by residents into their recycling carts is recyclable; the City's contract allows a "contaminated" percentage of up to 17%, with contamination rates higher than this level resulting in loads becoming unsaleable. This raises solid waste costs as the City then pays the \$96 per ton processing fee in full without any offsetting sales value. Recent regional audits by Waste Management show a contamination rate of 34% for Broward cities, which results in higher costs for Waste Management customers, including Oakland Park. The City plans an aggressive outreach effort to educate residents on how to productively recycle.

The Solid Waste Fund's budget for next fiscal year includes funding for a new position, a Solid Waste Inspector. Key responsibilities of this position include auditing of municipal customers' recycling loads prior to being sent for processing, providing an opportunity to reduce contamination, which will prevent more recycling from being sent to landfills and saving the City money. In coordination with the Environmental & Sustainability Manager, the position will also be part of the larger program of education related to recycling to help residents and businesses understand what can and can't be recycled. The Solid Waste Inspector will work with Community Enhancement's Code Officers to identify bulk trash and other related violations.

The City's solid waste rates remain well below 2013 levels (\$255 per residential unit) even as operating costs for the solid waste fund increase. These increasing recycling costs place an additional burden on the solid waste. Oakland Park is dedicated to sustainability and the Commission has consistently voiced their support of maintaining a vigorous recycling program. To maintain the existing recycling program, a \$10 increase in the special assessment rate for residential (an increase from \$217 to \$227 per residential unit per year) is recommended. The rate still remains \$28 lower than the earlier 2013 rate.

It is worth noting that not all residential properties are assessed for residential solid waste services. Residential properties with more than four dwelling units, such as a condominium development, receive commercial services rather than residential ones. The utility bills for these commercial services are typically billed to condominium associations.

The proposed \$10 increase in the residential assessment would generate an additional \$104,000 for the fund, which roughly offsets the current recycling costs. An increase of 3.5% in commercial rates is proposed, which is anticipated to generate an additional \$150,000 to \$200,000. Commercial rates are set by ordinance. These increases will help offset increased disposal and operating costs, but both commercial and residential rates will remain substantially below the 2013 rates (\$255 residential).

The City continues the revenue collection process by placing the annual assessment for the residential solid waste program on the property tax bill. As noted above, commercial billing rates are set via ordinance. First and second readings of the ordinance will be held in September.

## Capital Improvement Program (CIP) Plan

The City's CIP plan over the past several years has focused on the upgrade of our infrastructure. These projects have ensured that the City's distribution and collection systems meet the capacity needs of our current and future citizens. By providing the improved capacity to address flooding, as well as residential and commercial water and sewer needs, the City has realized significant reductions in operational and maintenance costs, which help offset the costs of the 2010 and 2012 Water-Sewer Bonds.

### *Building on Past Successes*

Building on the prudent fiscal management of years past, FY 17 marked a major transition in the CIP five-year plan, beginning a shift away from underground improvements to above-ground components including downtown enhancements, streetscapes, parks facilities, mobility enhancements, and redevelopment projects. The City's investment in the downtown has provided the momentum and commercial interest from investors that is spreading throughout the City. The success of downtown redevelopment has generated an increase in development, property sales, and new investments. The City's strategic CIP efforts to upgrade the infrastructure have led to the next stage of planning and implementation for the City's renewed prosperity. The five-year CIP continues to provide projects that promote a sustainable future through enhancements in our City parks and other above-ground beautification improvements that promote walkable, bicycle-friendly, landscaped streetscapes.

The Fiscal Year 2018 CIP budget was approved at \$19.6 million, of which approximately \$2.5 million was grant revenue. This was one of the largest single-year CIP investments in recent history, funded in part by a historic transfer of over \$3 million from the General Fund. Major projects awarded included Bid Pack 8, Smart Meters, Andrews Avenue Improvements, and Powerline Road Improvements. Like any budget, the CIP is not a static document and various changes occurred. Additional projects not originally included were added via budget amendment during the year, including NW 5th Avenue Enhancements and the West Dixie Parking Lot on 34th Street (both partially grant-funded). The fiscal year also saw the completion of various City projects, including the first phase of the Stunson Nature Trail, Oakland Park West Landscaping Improvement Projects Phase 1, and multiple bid packs. Changing conditions also resulted in the retooling of some projects. The Oakland Park Boulevard West Landscaping Improvements Project Phase 2 was deferred as timing conflicts with planned FDOT improvements made it ineligible for the Florida Highway Beautification grant program. As mentioned earlier, the unexpected cancelation of the Broward Redevelopment Program's funding cycle for FY 2018 delayed the implementation of the Main Street Enhancements.

The FY 19 adopted CIP was \$3.4 million. It included the award of the NW 10th Avenue Improvement Project, demolition of the old Public Works wastewater facility, additional enhancements to the Stunson Nature Trail, significant outlays for sewer system lining to reduce inflow and infiltration, and other improvements to the City's water and sewer system. During FY 19, the City also had a variety of projects that continued construction begun in FY 18, including Andrews Avenue, Bid Pack 8, and a new municipal

parking lot on the corner of Dixie Highway and NE 34<sup>th</sup> Street. The Main Street Enhancements project is currently out to bid, and the award of the project is anticipated before the end of the year. The project will continue the conversion of Main Street into an inviting cultural corridor extending from the Grand Plaza at Jaco Pastorius Park to the Downtown Oakland Park Archway on Oakland Park Boulevard. The project includes the installation of public art throughout, including the replacement of tiled squares on columns and fountains, a speaker system network at all fountains, and public wi-fi access.

#### *The Proposed FY 2020 to FY 2024 CIP*

The proposed CIP for FY 2020 is \$3.8 million, an increase of \$0.4 million over FY 2019 adopted budget. This budget includes both projects directly funded by the City and projects that are being funded and constructed by other agencies, including various Complete Streets and Local Initiatives Program (CSLIP) projects. Many projects are partially grant-funded; other agency contributions and grants to the City are valued at \$1.8 million, or 48% of the total CIP outlay proposed for FY 20. Major projects include:

- **Oakland Park Elementary School Sidewalk Network:** This CSLIP project is one of multiple sidewalk network projects being contemplated in the City's five-year CIP. To promote safety and increased mobility, the City is seeking to provide a continuous network of sidewalks between Oakland Park Blvd on the South, Park Lane East on the North, Dixie Highway on the east, and Andrews Avenue on the west. Sidewalks exist in this area but are not all interconnected; the proposed project is funded through the Metropolitan Planning Organization and will be designed and constructed by the Florida Department of Transportation. The design will occur in FY 20, with approximately \$0.4 million as the estimated design costs, which will be borne by the MPO. The total value of the grants is \$3.1 million; project costs in excess of this amount will need to be funded by the City.
- **Lakeside Sidewalk Network:** Another CSLIP project, this project will enhance pedestrian mobility and safety, providing better connectivity for the Lakeside neighborhood and nearby Oswald Park & Community Center, local transit stops, and the nearby US Post Office. The proposed project is funded through the Metropolitan Planning Organization and will be designed and constructed by the Florida Department of Transportation. The design will occur in FY 20, with approximately \$0.5 million in design costs, which will be borne by the MPO. The total value of the grant is \$2.0 million; project costs in excess of this amount will need to be funded by the City.
- **Parks and Tree Canopy Improvements:** The proposed CIP includes a variety of projects that enhance recreational opportunities for residents and continue to expand the City's treescape. The Collins Splash Pad is budgeted for design and construction in Fiscal Year 20; approximately 97% of the project's \$400,000 budget is grant-funded, with the remainder funded through the use of Parks Impact Fees. The budget contains funding for continued, improvements to the Stunson Nature Trail with \$30,000 for additional planting and trail upgrades. As part of an

ongoing commitment to expand our community's tree canopy, an additional \$50,000 in funding is recommended for plantings throughout the City.

- **Municipal Building Improvements:** Design and construction of this project are planned in FY 2020. The budget is \$736,593, of which \$500,000 is funded through the Hazard Mitigation Grant Program making this project 68% grant-funded. The project will “harden” the municipal building, with improvements to the roof, windows, doors, and the installation of a permanent standby generator to provide protection against power loss.
- **Public Works Projects:** Various improvements are included in the FY 2020 CIP, including \$300,000 for inflow and infiltration work, \$400,000 for lift station upgrades, \$100,000 for upgrading sewer laterals, \$150,000 for water main improvements, \$100,000 replacement of galvanized water services. \$100,000 for new gate valves, and water main relocation and improvements on Oakland Park Blvd to accommodate FDOT projects on this major roadway. The budget also includes \$300,000 for the design of the new Public Works facility. Funding is included for the design of NE 11<sup>th</sup> Avenue Improvements from 37<sup>th</sup> to 39<sup>th</sup> Street.

Not all CIP projects are managed or funded by the City. Many of these projects are CSLIP grant projects. In addition, there are other projects occurring within Oakland Park on State and County roads that are part of other agencies' separate capital improvement plans. The Metropolitan Planning Organization is currently in the midst of a \$7.6 million improvement project on NW 21<sup>st</sup> Avenue from Oakland Park Blvd to Commercial Blvd. The project includes road widening to provide bicycle lanes with two-foot buffers on both sides of the road, the addition of medians, and the replacement of the bridge. Construction is anticipated to begin this year and end in December 2020. The Prospect Road enhancement and lane reduction project is in the planning and design phase for the area from Commercial Blvd to Dixie Highway, which will improve the aesthetic appearance and functionality of this important corridor. For both projects, the City will likely be responsible for the cost of landscaping installation and maintenance.

The CIP is a multi-year document and considering only the first year of projects appropriated as part of this budget process, can be misleading. Although the FY 19 CIP is \$3.8 million, the proposed five-year CIP is \$32.5 million. The five-year plan contemplates approximately \$18.2 million in streetscaping and mobility projects, \$1.7 million in new facilities and parks projects (not bond-funded), \$11.1 million in water-sewer projects, and \$1.5 million in stormwater projects. These improvements include park improvements, an ongoing annual commitment to restoring and expanding our tree canopy, utility infrastructure improvements, sidewalk networks, major roadway improvements, parking facilities, and a potential commuter rail station. Commission direction, the integration of recommendations in newly completed studies into the capital planning process, grant awards, changing economic conditions, community priorities, and other factors will invariably result in changes to the timing, modification, addition, or even removal of some projects.

### *Long-term CIP Planning & Bond Implementation*

Long-term capital planning requires long-term financial planning. Many of these projects are related to the City's enterprise funds, with project funding coming from user fees. The long-term capital needs of these funds are contemplated in rate studies and rate adjustments are made from time-to-time to ensure sufficient resources for critical infrastructure improvements. Many potential projects included in the CIP are attributable to the General Fund and, as such, cannot rely on enterprise fund user fees as a basis for financing. Future streetscapes, parks, and other "governmental" capital improvements are largely funded by contributions from the City's General Fund. The City has worked diligently to secure external funding through grants to support the CIP; as noted above, 48% of FY 20's proposed CIP is grant-funded. Approximately \$3.3 million in General Fund projects are identified as "unfunded" for the out-years in the proposed CIP, with individual unfunded values per year ranging from a high of \$1.3 million in FY 22 to a low of \$0.3 million in FY 23. While the City will continue to aggressively secure additional grant funding, future CIPs may require adjustment of the timing of projects to correspond to the financial capacity of the City. In addition to long-term financial needs for funding future projects, it must be recognized that many of these projects will create new and substantial maintenance costs for the City.

On November 6, 2018 – the City's residents approved an ambitious \$40 million general obligation bond to modernize the City's facilities. As discussed earlier in this document, the proposed CIP for FY 20 does not include a specific implementation schedule for these general obligation projects. At the time of the presentation of the FY 20 CIP, the City is in the process of planning the implementation of the bond projects, soliciting public feedback, procuring professional services contracts for engineering, architecture and other services, preliminary design work, and related activities. It is anticipated that an implementation plan will be presented for consideration during the 2019 calendar year, with phases of design and construction. Design work for Phase 1 will occur in FY 20 and budget amendments will be requested at the time of award for these design contracts. These costs will be reimbursed from bond proceeds; the City anticipates the first bonds being issued before the end of summer 2020.

The CIP plan was presented to the Commission on June 19, 2019 and will be presented for final Commission consideration and adoption with the City budget in September.

### **General Fund Departmental Summary**

Below is a summary of actions and assumptions proposed in the FY 20 Recommended Budget for the City's General Fund:

#### City Commission

- Increased travel budget to accommodate lobbying, advocacy, and other efforts (\$15,000)
- Funding for membership in the Greater Fort Lauderdale Alliance (\$2,500)
- Funding for membership with National League of Cities, Broward League of Cities, Florida League of Cities, Florida League of Mayors, United States Conference of Mayors, and the Broward Metropolitan Planning organization (\$21,400)

- Funding for attendance at regional civic events, including United Way Mayors' Gala and the Broward League of Cities Annual Gala (\$5,000)
- Continued funding of lobbyist services (\$64,200)

#### Clerk's Office

- Americans with Disabilities Act website compliance measures (\$12,650)
- Continued production of the monthly Oakleaf (\$70,000) and semi-annual Oakland Park Live (\$40,000) publications
- Welcome packages for new residents and businesses (\$6,000)

#### Engineering & Community Development

- Building & Permitting Division customer service enhancements providing extended permitting lobby hours (\$20,000)
- Building & Permitting Division increased overtime to accommodate increased permitting and inspection activity (\$30,000)
- Energov implementation services to make adjustments to the software platform after it goes live this year (\$10,000)
- Planning Division activities including preparation of the Evaluation Appraisal Report as part of the update to the Comprehensive Plan (\$100,000) and a Corridor Study of western Oakland Park Boulevard to assess potential development options (\$50,000)
- Community Enhancement Division development of a pilot program for residential improvement matching grants (\$20,000)
- Community Enhancement Division's continued administration of the City's Vacation Rental regulations (\$69,726)

#### Financial Services

- Funding for an update and revision to the City's existing Strategic Plan, which was first adopted in 2007 and last revised in 2013 (\$25,000)
- Grant management assistance to handle the increase in grant awards received by City (\$16,000)
- Maintenance of the new smart meter customer portal and monthly cellular costs (\$106,000)
- Preparation of solicitation for banking services and review of proposals (\$20,000)
- Transition to a new merchant processor in Utility Billing to provide additional payment stream options, including online e-check payments and payment by phone (cost neutral to de minimis impact)
- Continued utilization of the purchasing card program (expected rebate of \$235,000)
- Negotiations with Tyler Technologies on the first renewal of ERP contract in coordination with Human Resources & Administrative Services

#### Fire-Rescue

- Update to the 2017 Fitch Operational Study (\$35,000)
- Fire Assessment Rate Study (\$30,000)
- Additional overtime for ISO/NFPA recommended training (\$92,000), specialized training (\$40,000), and officer development (\$23,040)

- Maintenance on new communications equipment for P-25 digital dispatch including station alerting systems (\$23,000) and Motorola portables (\$9,750)
- American Heart Association Heartsafe Program classes for the community (\$6,400), public school educational materials (\$5,500), and public CPR training materials (\$1,000)
- Fire-Rescue immunization program (\$3,000)
- Honor Guard supplies and uniforms (\$2,500)
- Replacement of three cardio machines for firefighter physical exercise (\$10,500)
- New and replacement personnel protective equipment for staff (\$25,000)
- Purchase of 10 additional spare SCBA air bottles to allow for immediate response after calls utilizing primary bottles (\$12,500)
- Increased retirement costs to reflect FRS conversion and increase in required City plan contribution costs (\$1.0 million estimated cost)

#### Human Resources & Administrative Services (Including Information Technology Services)

- Creation of a new program to incentivize contributions to individual Retirement Health Savings Accounts, which provide a mechanism to fund post-retirement healthcare expenses on a pre-tax basis (\$4,000)
- Continue the City's Tuition Reimbursement Program (\$10,000)
- Continue the elective retirement incentive program, to encourage employees to establish and actively contribute to supplemental retirement accounts (\$4,000)
- City summer internship program for students (\$15,000)
- TB and Hepatitis Vaccine Program for Public Works staff (\$8,700)
- Repair and/or replacement of CCTV camera hardware (\$25,000)
- Information security vulnerability assessment to ensure the continued security and integrity of the City's network infrastructure and IT environments (\$25,000) and end-user security training (\$10,000)
- Engineering and security support services to assist in network security improvements (\$30,000) and additional onsite technical support services (\$62,400)
- Annual maintenance for hardened data center services (\$18,000)
- Replacement of older computers (\$4,000)
- Increased risk management costs to reflect anticipated renewal costs of City property and other insurances (\$51,835)

#### Manager's Office

- Strategic consultants for special projects (\$25,000)
- City promotional materials (\$15,000)

#### Attorney's Office

- Increased budget to reflect an increased use of legal services due to litigation, planning and zoning issues, and real estate activities (\$48,000)

#### Park & Leisure Services

- Update to the City's Parks and Recreation Master Plan (\$50,000)

- Renewal of the City's accreditation through the National Recreation and Park Association's Commission for Accreditation of Park and Recreation Agencies (\$25,000)
- Launch of new Tyler Parks & Recreation program, with Munis and Energov ERP solutions integration (\$17,443)
- Maintain all existing Parks and Leisure events, in addition to absorbing former CRA events (\$588,400, all events)
- Increase in part-time staffing hours to provide additional flexibility in the delivery of services and provide additional coverage for programming (\$21,312)
- Maintain enhanced security through BSO detail at City parks to ensure the safety of our citizens and patrons (\$45,000)
- Continue POP Star program to honor members of the community (\$2,000)
- Increased funding for the two annual Tree-Give Away programs to meet demand (\$18,000)
- Childcare program and youth sports financial aid (\$25,000)
- Replacement of chairs and tables at Collins Community Center due to age and condition (\$6,000)
- Downtown holiday lights and decorations (\$38,855)

#### Library and Cultural Services

- Bond-related planning of the new library facility (\$10,000)
- BSO detail to ensure the safety of patrons and visitors (\$26,900)
- Improvements to patron services with mobile device printing, color scanner, and printer upgrades (\$8,749)
- Local Government Academy moved from PLS to Library Services and Cultural Services (\$10,500)
- Annual School Partnership Breakfast (\$2,300)
- Replacement of existing Early Learning computer stations with new equipment (\$13,440)

#### Public Works

- Neighborhood road resurfacing and related projects, in coordination with construction of ongoing roadway projects. (\$200,000) and additional curbing on streets (\$25,000)
- Installation of new neighborhood entryway signs and replacement of existing signs in poor condition (\$45,000)
- Funding for ten asphalt speed tables to replace existing temporary speed tables for traffic calming (\$40,000)
- Replacement of failing air conditioners (\$20,000)
- Replacement of downtown tree wrap lighting (\$25,000)
- Median planting replacements on NW 21<sup>st</sup> Avenue and Dixie Highway (\$29,000)
- Parks and facilities tree trimming (\$60,000), hedge trimming (\$64,000), mowing (\$62,100), mulching and pest control (\$37,000), and downtown tree canopy maintenance (\$21,000)
- Habitat specialists and specialized maintenance for Stunson Nature Trail and Sandpine Preserve (\$39,500)
- Maintaining existing enhanced streetscape planting maintenance & tree trimming (\$284,000), median mowing (\$77,900), and median repairs (\$47,000)
- Maintenance costs for recently completed projects including Andrews Avenue, Stunson Nature Trail, NE 6<sup>th</sup> Avenue, West Oakland Park Blvd, NE 34<sup>th</sup> Court Parking Lot, Jaco Pastorius Grand Fountain & Plaza (\$149,500)

- Increased irrigation costs for new plantings (\$86,000)
- Road resurfacing program annual outlay (\$200,000) and curbing improvements (\$25,000)
- GPS monitoring system for City vehicles for safety and asset control (\$36,000)

#### Broward Sheriff's Office (BSO)

- Increase in existing contractual police service costs over FY 19 of 3.25%, with existing service costs increase of (\$338,923) and the first of three annual installments to fund P-25 communications upgrades (\$174,205)
- Oakland Park District and City will work with Sheriff's Office to utilize Federal Equitable Sharing monies to expand the City's existing security and surveillance system in parks and other public places
- Sheriff's Office and the City of Oakland Park will begin contract discussions on next police services agreement

#### Multi-Department/Other

- Aid to non-profits (\$80,000)
- Increase in workers' compensation insurance costs due to pending renewal (\$66,630)
- A General Fund Contingency for unanticipated expenditures. (\$250,000)

## **Departmental Organization, All Funds Staffing, and Compensation Summary**

### *Departmental Organization*

Over the years, the reorganization of City departments and divisions has been needed from time-to-time to ensure the best delivery of services to residents and businesses. These reorganizations reflect particular "synergies" between specific functions that have complementary services or, that by realigning services, will together provide a more effective opportunity to implement strategic goals. For example, in FY 2016 the Utility Billing Division was moved from the Public Works to Financial Services to create a single entity administrating the City's Tyler Munis financial systems and to better coordinate billing and accounting activity.

During the 2019 Fiscal Year, the City Commission approved the creation of a separate Director of Library & Cultural Services. The proposed FY 2020 budget reflects the addition of a new Library and Cultural Services Department, separate and apart from Parks & Leisure Services. The creation of this new department was intended to reflect the importance of our municipal library to our community and to provide a leadership structure for the creation of the City's new library facility as part of the bond program. This change follows on the movement of parks maintenance activities from Parks & Leisure Services to Public Works in FY 2018. The movement of parks maintenance and library services out of Parks & Leisure Services allows the department to redouble its focus on the delivery of excellent recreational programming for residents. This includes the planning and execution of the City's special

events throughout the year, many of which had previously been managed by the Community Redevelopment Agency.

The proposed FY 2020 budget continues to make adjustments to the City's organizational structure to better deliver services and prepare for the implementation of the bond program plan.

The Public Works Department has taken on the responsibility for the maintenance of the City's entire built environment, from parking lots, fountains, and ballfields to nature preserves and playgrounds. To better allocate resources, maintenance responsibilities between Public Works Divisions have changed, with both staffing and funding being moved from the Parks Maintenance Division to Facilities Maintenance and Street Maintenance. Streets Maintenance will be responsible for not just roads and sidewalks, but also landscaping and trees. Facilities Maintenance will be responsible for both building and other structures, such as the City's many pavilions and playgrounds. Parks Maintenance will focus on grounds maintenance of our landscaping, tree canopy, greenspace, playfields, etc. These changes do not have a financial impact resulting in increased costs, but the realignment of crews, contracts, and operational supplies does result in substantial variances in account-level budgets between FY 19 and FY 20 to reflect the changed scope of each division.

The City has a variety of "quality of life" initiatives including the certificate of use program, massage parlor ordinance, vacation rentals, and others. Many of these programs require intense coordination between Engineering and Community Development's (ECD) Planning and Building & Permitting Divisions and Public Works' Community Enhancement (Code Enforcement) Division. The FY 2020 budget moves Community Enhancement from Public Works to ECD to provide a single structure for implementing these ordinances, which will simplify management, public outreach, and oversight. This return of Community Enhancement also allows Public Works to focus on its expanded maintenance duties and other activities, such as sustainability initiatives and planning.

As the City prepares a bond implementation plan for the delivery of the \$40 million in facilities projects, it is important that consideration be paid to the current structure of capital project management in the City. At present, both the Public Works Department and the Engineering and Community Development Department have been and are involved in planning, design, and construction management, with each department responsible for different projects. This structure has allowed the City to utilize the different strengths of each department and both departments have worked closely to ensure all infrastructure activities are successfully coordinated between the two different departments. As the City begins implementation of the bond program, reorganization of these functions may be merited.

#### *All Funds Staffing Summary*

Since the 2007 recession, the City has maintained a conservative philosophy to the addition of new staffing. In recent budget years, additions to staffing have been predicated on the ability to largely offset new compensation costs through reductions in contractual services costs, increase revenues, or the elimination of vacant positions.

Compensation costs represent the largest category of expenditures for City operations. The General Fund lost one-third of all positions due to the recession. A similar loss is something the City seeks to prevent in the future, both to avoid disruptions in service delivery to residents, but also to avoid disruptions in the lives of our employees and their families. Existing and future vacancies are evaluated to ensure that the functions of the vacant position cannot be filled by some other adjustment to current departmental organization or increased efficiency in processes.

In reflection of this philosophy, staffing increases have been limited over the past five years. In FY 2015, the total staffing count for the City was 289 employees and for the FY 2019 budget, the count was 299, an increase of 10. These increases reflected the addition of permitting, building inspection, code enforcement, and fire-rescue administration positions. When adding positions, an effort has always been made to offset costs by either reducing contract services or to have positions offset by revenue growth, such as additional permitting staff being funded through increases in building permit revenue from increased activity. For FY 2020, no additions to the General Fund are proposed. Two new positions are proposed for the City, both of which are funded through Enterprise Funds: an Environmental & Sustainability Manager and a Solid Waste Inspector Position.

The cost of the position is as follows:

Dept	Title	General Fund	Enterprise Funds
Public Works	Environmental & Sustainability Manager	\$ -	\$ 101,532
Public Works	Solid Waste Inspector	\$ -	\$ 64,870
<b>Total Costs</b>		<b>\$ -</b>	<b>\$ 166,402</b>

The Environmental & Sustainability Manager will help to coordinate sustainability issues within the City, including a focus on recycling and planning for the effects of climate change. This position will help to consolidate the different “green” and “sustainable” initiatives within the City to comprehensively manage the City’s efforts to adapt to a changing environment and to improve the ecological-friendliness of the City’s operations and capital programming.

Key responsibilities of the Solid Waste Inspector include auditing of municipal customers’ recycling loads prior to being sent for processing, providing an opportunity to reduce contamination, which will prevent more recycling from being sent to landfills and saving the City money. This position will also be part of a larger program of education related to recycling to help residents and businesses understand what can and can’t be recycled. The Solid Waste Inspector will also work closely with Community Enhancement’s Code Officers to identify bulk trash and other related violations.

With the addition of this position, total staffing within the City would be 301 positions, of which 251 would be full-time and 50 part-time. This count excludes temporary internship positions and the staffing count of the local Oakland Park Sheriff's District.

The City has applied for a FEMA Staffing for Adequate Fire & Emergency Response Grant (SAFER Grant). The SAFER Grant program was created to provide funding directly to fire departments to help increase the number of trained, "front line" firefighters available in their communities. The SAFER grant is a three-year program and provides 75% reimbursement of regular salary and benefits costs for Years 1 and 2 and 35% reimbursement of such costs for Year 3; the City would be responsible for providing the rest of the regular salary and benefits costs as a match to the grant. If the grant is awarded and accepted, it would increase the staffing count of firefighter/paramedics from 25 to 28, providing an additional position to each of the City's three shifts. For the City, the total cost for Year 1 would be approximately \$103,336, which reflects the City-required 25% match for staffing costs and the operational onboarding costs of \$41,262. The City's match fund is not included within the budget itself and a budget amendment would be needed to provide for these costs if awarded.

#### *Compensation Summary*

Oakland Park has two city pension plans: the General Employees' Pension Plan and the Police & Fire Rescue Plan. Both plans are closed to new members and all eligible new hires are compulsory members of the Florida Retirement System (FRS).

The General Employees' Pension Plan (GEPP) is a closed and frozen plan, meaning that no new employees may participate (closed) and no additional benefits are being accrued by existing members (frozen). Members of the GEPP who did not elect to join FRS were enrolled in a 401(a) plan, with the City contribution set to match FRS employer contribution rate. The GEPP costs next year are \$1.48 million, a decrease of \$0.15 million from FY 19. Of this decrease, \$0.10 million is attributable to the General Fund, with the remaining \$0.05 million distributed among the City's Enterprise Funds. The GEPP Board of Trustees consists of staff from Financial Services, Human Resources, and the City Manager's Office.

The Police and Fire Pension Plan is the City's other plan. This plan is managed by an independent Board of Trustees, comprised of one Firefighter appointed trustee, one Police appointed trustee, two trustees appointed by the Commission, and a fifth trustee that is mutually appointed by the other four trustees. The duty of the board is to administer the pension plan as adopted by the City Commission. The police plan was effectively closed when Oakland Park began contracting for police services with the Sheriff's Office. Police who moved to the Sheriff's Office were allowed to continue in the plan and accrue benefits, but at this time there are no longer any active police members, meaning that this side of the plan is effectively frozen. Decreasing funding ratios and increased City costs resulted in the benefit structure of the plan being modified in 2013 within the larger context of an imposed labor contract for firefighters. The changes to benefit structure became a major issue in subsequent collective bargaining sessions. In 2018, the Commission approved a labor contract with the fire union resulted in the closing

of the fire side of the Police & Fire Pension Plan to resolve longstanding pension concerns. Existing vested members of the plan were given the opportunity to stay within the City plan and continue to accrue benefits or to elect to join the Special Risk Class of FRS. Firefighters participating in FRS have the advantage of a reduced contribution to their retirement, which is 3% of wages compared to the 8% required by the City plan. Overtime is also pensionable under FRS, whereas under the City Plan it is not. For existing members who transition to FRS, the City worked closely with the State Division of Retirement to allow for a mechanism that permits mid-career firefighters with the City to collect their City pension benefits when they become eligible while continuing employment with the City and accruing additional FRS benefits. This ensures members not able to participate in the FRS Deferred Retirement Option Program were compensated with an alternative.

The transition to FRS will result in increased costs for the City in the near-future, but is projected to result in long-term savings and, more importantly, provide financial stability to the City' Police and Fire Pension Plan. The net pension costs in FY 2020 for the Fire-Rescue Department are \$0.65 million higher than prior to migration to the Florida Retirement System. These costs are funded solely by the General Fund.

The City has three labor unions: the International Association of Firefighters (IAFF), the American Federation of State, County, and Municipal Employees (AFSCME), and the Federation of Public Employees (FOPE). The FY 19 budget included wage increases pursuant to approved labor agreements. These increases were 3% salary increases for all union employees with 2% lump sum payments for employees who had reached the maximum of their salary grades. The Commission approved comparable increases and payments for civil service and non-classified. These increases were well in excess of the 2.1% change in the Consumer Price Index for 2017 and 2018; the City has offered raises consistently above the consumer price index for the past six years.

The labor contracts with all three unions expire on September 30, 2019, and the City is currently engaged in collective bargaining with FOPE, AFSCME, and the IAFF to negotiate new contracts.

In prior negotiations, the City committed to a compensation and class study to review the salary ranges and position grades in our compensation plan. The results of the study indicated that the City's salary ranges were competitive, requiring only minimal adjustment. The City Commission passed a 2.5% increase to the minimum and maximum salary ranges within the compensation and class plan effective January 2019. Although unemployment is at the lowest level since the recession, the City has continued to have little difficulty in filling vacancies among all departments, suggesting that the wages, benefits, and opportunities provided by the City remain attractive to potential employees.

The proposed budget anticipates that employee health insurance costs will remain flat based on favorable plan experiences. The City will receive renewal rates prior to the adoption of the budget and the new rates will be effective in January 2020.

## **Other Pending Issues Impacting the Budget**

### State Revenue Estimates

At the time of this document's publication, the State's Office of Economic & Demographic Research has yet to release all County and Municipal Revenue Estimates to be used for FY 20. In prior years, these estimates were released prior to the completion of the Recommended Budget. The City uses the estimates to budget Communications Services Tax, Local Government Half-Cent Sales Tax Program, Local Option Fuel Taxes, and Municipal Revenue Sharing Program revenue accounts. In the absence of these State estimates, staff has included conservative revenue estimates within the budget for the accounts.

## **Summary & Recommendations**

The recommended budget is a financial blueprint for the upcoming fiscal year, but it is not disconnected from the budgets that preceded it or those that will follow. The projects and proposals included here are a continuation of Commission direction from prior years while others lay the groundwork for initiatives to come. Budgets are fluid snapshots in time. New opportunities and challenges, not yet contemplated, will doubtlessly impact these fiscal plans. These estimates are well considered, vetted and fiscally conservative.

## **Acknowledgements**

I extend my sincere appreciation to the staff involved in the budget process and to the department heads for their cooperation and responsiveness in developing this budget. Staff work tirelessly to achieve your goals in a cost effective, efficient, and courteous manner, and strive for nothing short of excellence for our citizens.

## Proposed Budget Calendar

The progression through adoption of the Final FY 20 Annual City Budget and CIP Budget involve a series of Regular and Special City Commission meetings. Each of these meetings allows for additional opportunity to clarify the recommendation and receive Commission and citizen input. Below are the critical dates that are currently scheduled:

- July 10<sup>th</sup>, 2019 Distribution of the FY 19 Recommended Annual City Budget;
- July 17<sup>th</sup>, 2019 City Manager’s Budget Presentation to Commission;  
Set time, date and place of the first Public Hearings for the Tentative Millage Rate and Budget and the Final Assessment Rates for Fire, Stormwater and Residential Solid Waste; Adopt Preliminary Millage Rate, Fire, Stormwater & Residential Solid Waste Assessments for TRIM Notice;
- September 11<sup>th</sup>, 2019 Public Hearing: Adopt Tentative Millage Rate & Tentative Annual Budget; First Reading of Solid Waste Commercial Rate Ordinance
- September 12<sup>th</sup>, 2019 Public Hearing: Adopt Final Fire, Stormwater & Residential Solid Waste Assessments (Held at 6:00pm);
- September 18<sup>th</sup>, 2019 Public Hearing: Adopt Final Millage Rate, Final Budget, Fiscal Policies, Compensation Plan, and CIP. Second reading of Solid Waste Commercial Rate Ordinance.

cc: D.J. Doody, City Attorney  
Renee Shrout, City Clerk  
Andrew Thompson, Finance Director

**Recommended Budget - Fiscal Year 2020  
Summary of All Funds by Division**

	FY 2019		FY 2020
	Amended Budget	Forecast	Recommended Budget
<b>Funding</b>			
General Fund	\$ 53,625,106	\$ 53,038,072	\$ 54,910,640
Community Redevelopment Agency Fund	617,536	594,509	562,440
Other Special Revenue Funds	78,400	96,412	96,732
Debt Service Funds	1,729,120	1,729,120	1,962,629
CIP Funds	6,579,594	6,579,594	2,239,593
Water and Sewer Fund	27,537,280	27,327,604	22,023,897
Solid Waste Fund	7,427,239	7,842,517	6,772,166
Stormwater Fund	5,035,220	4,891,114	4,064,705
<b>Total Funding</b>	<b>\$ 102,629,495</b>	<b>\$ 102,098,942</b>	<b>\$ 92,632,802</b>

<b>Expenditures</b>			
GF - City Commission	\$ 199,952	\$ 212,619	\$ 220,316
GF - City Manager	798,057	704,414	801,847
GF - City Clerk	858,200	835,352	800,714
GF - Human Resources	673,793	684,004	756,445
GF - Risk Management	506,896	540,000	558,731
GF - Legal	504,000	485,000	552,000
GF - Financial Services	1,454,417	1,309,407	1,387,264
GF - Information Technology Services	1,159,358	1,123,340	1,217,315
GF - Police	16,125,507	16,055,146	16,704,573
GF - Fire-Rescue	11,133,370	11,310,846	10,851,899
GF - Parks and Recreation	3,045,054	2,762,790	3,160,825
GF - Library	752,074	716,732	879,740
GF - ECD: Planning & Zoning	907,443	878,321	865,919
GF - ECD: Engineering	1,183,942	1,200,323	1,196,578
GF - ECD :Building & Permitting	2,070,081	1,979,333	2,106,599
GF - Public Works-Administration	186,306	166,728	174,417
GF - Public Works-Comm. Enhancement (Code)	1,237,625	1,067,465	1,173,416
GF - Public Works-Streets	1,898,665	1,775,817	2,367,892
GF - Public Works-Building Maintenance	1,198,603	1,213,537	1,702,108
GF - Public Works-Fleet Maintenance	1,709,451	1,783,877	1,782,576
GF - Public Works-Parks Maintenance	3,301,449	3,332,905	2,406,729
GF - Non-Departmental	2,720,863	2,700,113	3,242,737
SR - CRA Admin.	617,536	402,994	562,440
SR - Other Special Revenue Funds	78,400	77,862	96,732
Debt Service Fund	1,729,120	1,729,120	1,962,629
GF CIP Fund	6,579,594	6,579,594	2,239,593
Water and Sewer Fund	27,537,280	27,327,606	22,023,897
Solid Waste Fund	7,427,239	7,842,517	6,772,166
Stormwater Fund	5,035,220	4,891,114	4,064,705
<b>Total Expenditures</b>	<b>\$ 102,629,495</b>	<b>\$ 101,688,876</b>	<b>\$ 92,632,802</b>