



CITY OF FORT LAUDERDALE

July 15, 2008

Mayor Jim Naugle
Vice-Mayor Charlotte E. Rodstrom
Commissioner Christine Teel
Commissioner Carlton B. Moore
Commissioner Cindi Hutchinson

Honorable Mayor and Commissioners:

It is my privilege to present the Proposed Budget for Fiscal Year 2009 for your review, as is my duty under the City Charter.

The proposed budget represents a practical financial plan that responds to the goals and objectives set by the City Commission at its annual goal setting session. It delivers lower property taxes to the citizenry while maintaining the key programs and services that will continue to move the City forward and enhance quality of life.

The General Fund Proposed Budget is \$349.4 million, which represents a 9.2% increase over the current year's General Fund Budget. The proposed budget, including all funds, totals \$605.8 million, which is a 13% increase over the adopted budget for the current fiscal year. The proposed millage for operating and debt purposes is \$4.2634, which is a 0.4% increase over the current rate. In terms of the requirements to finance the ongoing operations of the City (excluding debt service), the proposed millage is \$4.1193, which represents a 5% decrease below the rolled back rate.

Budget Philosophy

The Proposed Budget for Fiscal Year 2009 addresses the five key priorities of the City Commission: (1) minimize impacts due to revenue losses; (2) continue to focus on quality of life issues; (3) develop plans for the City's future; (4) improve neighborhoods and (5) improve City infrastructure. Under your leadership and with the support of City staff and the community-at-large, we have made considerable progress in each of these areas.

I. Minimize Impacts Due to Revenue Losses

This is the second year in a row that the City has faced losses in revenue due to tax reform. Additionally, a decline in assessed property values this year has made balancing the budget an even more difficult task.

Last year, I recommended that 60 positions citywide be frozen in the budget and other areas of the budget reduced. This year, I am recommending that we continue to keep those positions frozen and that we begin reducing the level of funding for total positions. Although these reductions will not impact services, it is unlikely that we will be able to maintain current service levels in the future if additional positions are eliminated.

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Historic Pension Reform

Contracts have been settled with each of the City's five bargaining units. A Defined Contribution Plan for newly hired general employees will reduce the City's pension contribution from 23% of employee pay to 9%, and generate a minimum of \$100 million in savings over the next 30 years. The City has also reduced its contribution to the Police and Fire pension from 49% of employee pay to 37%, which will generate a savings of \$2.2 million in the first year alone.

Increased Grant Funding

The City's grant funding continues to steadily increase. Over the past three years, grant funding has risen from \$18.5 million (2006) to \$22.5 million (2007) to \$30.6 million (2008). These funds are essential to reducing costs and maintaining a fiscally responsible budget.

Strong Reserve Funds

The City's reserve funds remain strong. We ended fiscal year 2007 with a fund balance of \$68 million. By the end of fiscal year 2008, we expect to once again meet our reserve policy targets. A healthy reserve fund balance is a crucial component of maintaining strong bond ratings and ensuring that adequate funding is available in the event of an unforeseen emergency.

Healthy Insurance Fund

The City's insurance fund, which five years ago was \$21 million in debt, now boasts a \$10 million surplus.

Strong Bond Ratings

During a time when cities in Florida were experiencing bond downgrades, the City of Fort Lauderdale maintained its strong bond ratings. Standard & Poor's and Moody's Investors Service reaffirmed their AA and Aa2 ratings, respectively, signaling continued confidence in the financial management of the City.

II. Continue to Focus on Quality of Life Issues

Enhancing quality of life remains a top priority for the City. The FY 2009 budget allocates resources to ensure a safe and secure community, increase proactive code enforcement measures, improve aesthetics and reduce nuisances.

Fighting Crime

The City continues to fight crime through an aggressive action plan, specialized units targeting violent crime, and numerous anti-crime initiatives. The Police Department is utilizing advanced technology to take more criminals off the streets. Video cameras are being installed in patrol cars, a MESH camera system is being tested in key areas of the City, and officers have wireless access to national criminal intelligence databases.

Fire-Rescue Response Times Improving

An extensive evaluation of the City's Fire-Rescue operations has resulted in improved response times. Fire-Rescue units are arriving on scene 23 seconds faster than in 2006. The department is implementing additional steps to optimize procedures and further reduce response times.

Proactive Code Enforcement

The City has stepped up its proactive code enforcement efforts to ensure the health, safety and welfare of its neighborhoods. To date, 90% of all code complaints are being investigated within 24 hours of receipt. A new code citation ordinance will enable officers to issue ticket fines to code violators, which will encourage compliance and hold repeat violators accountable. New proposals for board-ups and lot clearing will speed up these procedures, reduce neighborhood blight, and hold owners responsible for the maintenance of their properties.

Beach Improvements

The City is transforming Fort Lauderdale Beach into a world-class, five-star destination. Recent beach improvements include new landscaping in the medians along A1A, new lifeguards patrolling north beach, upgrades to the South Beach Park and picnic facilities, and enhanced cleaning and beautification in the Beach Improvement District (BID).

Reduce Nuisances

Positive results are being seen in the City's efforts to reduce nuisances. In the last year, more than 1,300 reports of graffiti have been removed; 39 arrests have been made for illegal dumping; 662 dump sites have been cleaned; a noise ordinance is being amended to balance residential and commercial needs; a foreclosure initiative is underway to address foreclosed properties before they become a nuisance; newspaper boxes are being enhanced and street closures are being beautified.

III. Develop Plans for the City's Future

As a City, we are preparing today to address the needs of tomorrow. To that end, more than 2,000 residents have helped plan the City's future by participating in master plans, workshops, and community meetings to create a vision for the future of Fort Lauderdale. Plans that are currently in various stages of development and implementation include:

- Bahia Mar
- Boat Facilities Siting Plan
- Central Beach Master Plan
- Davie Boulevard Master Plan
- DDA Circulator
- Downtown Master Plan Amendments
- Master Plan for the Redevelopment of the Aquatics Complex
- Neighborhood Development Criteria Revisions
- New River Master Plan
- North US 1 Urban Design Plan
- Northwest CRA Implementation Plan
- Parks and Recreation Master Plan
- Riverwalk District Public Realm Plan
- South Andrews Avenue Design Guidelines
- Water, Sewer and Stormwater Master Plan

IV. Improve Neighborhoods

Strong neighborhoods are an essential component of sustainable communities. The proposed budget enables the City to continue to invest in its neighborhoods so that all residents can benefit from enhanced quality of life.

During the past year, the City completed eight major improvement projects in neighborhoods throughout the City. Twelve projects are currently under construction, 22 projects are in design, 16 new NCIP projects were funded and four new BCIP projects are underway.

The City has invested more than \$20 million in the Northwest-Progresso-Flagler Heights (NWPFH) CRA to improve streetscapes, roadways, landscaping, right-of-ways, medians and sidewalks in neighborhoods and business districts. Years of planning are coming to fruition with the completion of Bamboo Flats, Mill Lofts and Foundry Lofts. The opening of Sixth Street

Plaza will mark the beginning of many new commercial projects proposed for the Sistrunk Corridor.

The City will continue to maintain an open and ongoing dialogue with residents. Outreach to civic, neighborhood, condominium and homeowners associations will continue to be strengthened to educate and inform the community about crime prevention, code enforcement, emergency preparedness, recycling, water conservation and a host of other important programs and services.

V. Improve City Infrastructure

The investments the City is making today to preserve and enhance our infrastructure will pay dividends in the years to come and ensure a strong, healthy and livable community for ourselves, our children and our grandchildren.

The City's WaterWorks 2011 program has completed 78 projects representing investments of more than \$244 million. More than 45 miles of gravity sewer pipeline has been installed and 4,250 homes and businesses have been connected to the new sewer system. The overall WaterWorks program is now close to 75% complete.

The Fire-Rescue Bond Program continues to progress. Construction has been completed on Fire-Rescue Station 47 and station 53/88, which includes the City's new Emergency Operations Center. The design of station 29 is complete, while stations 3 and 49 are in the final stages of design.

The City continued to support the marine industry. Upgrades were made to the City's public marine facilities to better accommodate the needs of mega yachts. The City partnered with the Florida Inland Navigation District to launch the New River Dredging Study and Survey, an initiative to examine the feasibility of improving navigational access and providing mega yachts and other vessels with greater accessibility to the 22 marinas and other boatyard facilities located along the Marina Mile.

Public Hearings

The public hearing dates recommended for the review of this budget are the regular City Commission meeting dates in September, the 3rd and 16th, at 6:00 p.m. in the City Hall Commission Chambers. The public is encouraged to attend and participate.

I am grateful to the City Commission for their continued guidance and support. I appreciate the outstanding efforts put forth by our City employees to deliver quality programs and services. I thank the citizens of Fort Lauderdale for setting the bar high and giving us the opportunity to exceed expectations.

I look forward to the upcoming fiscal year with optimism knowing that together, we can build upon our past success and create a better future for the people of Fort Lauderdale.

Sincerely,



George Gretsas
City Manager



Venice of America

The City of Fort Lauderdale



Incorporated on March 27, 1911, the City of Fort Lauderdale is framed on the east coast of Florida by seven miles of golden sand beaches and bordered on the west by the Everglades. Between the two, the Intra-coastal Waterway, the New River and a canal system reminiscent of Venice winds through the interior.

Encompassing nearly 36 square miles with a population of 179,659, Fort Lauderdale is the largest of Broward County's 31 municipalities and the seventh largest city in Florida. The City is centrally located between Miami and Palm Beach.

An advantageous economic climate helped the City of Fort Lauderdale establish itself as a world class international business center and one of the most desirable locations for new, expanding or relocating businesses. Once known strictly as a tourism based economy, Fort Lauderdale now supports a diverse range of industries, including marine, manufacturing, finance, insurance, real estate, high technology, avionics/aerospace, as well as film and television production.



Fort Lauderdale also offers an outstanding quality of life, highlighted by a semi-tropical climate, rich natural beauty, and an array of cultural, entertainment and educational amenities.



Blessed with over 3,000 hours of sunshine each year and pleasant year round ocean breezes, world famous Fort Lauderdale Beach offers premier opportunities for recreation, relaxation and enjoyment.

The picturesque Riverwalk serves as the cornerstone of the City's arts, science, cultural and historic district that features the Broward Center for the Performing Arts, Museum of Discovery and Science, Museum of Art and Old Fort Lauderdale Village and Museum.



“Fort Lauderdale is the heart of a robust, diversified and high growth region. When it comes to trade and commerce, we have it all.”
--Mayor Jim Naugle

Las Olas Boulevard has gained international acclaim as Fort Lauderdale’s centerpiece of fashion, fine dining and entertainment.

The City’s downtown area is home to many corporate headquarters, government offices and educational institutions, including Broward Community College, Florida Atlantic University and Florida International University.

Through the cooperative efforts of residents, businesses and local government, Fort Lauderdale has evolved into a City that offers the best of both worlds - an attractive business environment and an outstanding quality of life. Fort Lauderdale is a great place to live, work and raise a family, and the City looks forward to continuing to build upon its success to meet the challenges of the 21st Century and beyond.



Our Vision

The City of Fort Lauderdale is committed to improving productivity, streamlining expenses and developing a stronger, more effective organization. The City has embraced a new vision that is based on fiscal responsibility, accountability, high ethical standards and quality delivery of services. It is a vision that rewards excellence, not mediocrity and above all, places the people of Fort Lauderdale first.



As the City moves forward, it will continue to work in partnership with its most important asset – its citizens – to develop the strategies necessary to ensure a safe and secure community; provide quality programs and services; enhance quality of life; protect the environment; promote smart growth; and maintain fiscal responsibility.

By remaining focused on its mission, the City is confident that it can address the challenges that lie ahead and work to preserve and enhance the unique characteristics that make Fort Lauderdale such a special City.



*"This year's budget responds to the opportunities and challenges identified by the City Commission, continues to provide the citizens of Fort Lauderdale with much-needed tax relief, and maintains our commitment to keep the City on track for long-term financial sustainability."
- George Gretsas, City Manager*

City Administration

The City of Fort Lauderdale has been operating under a Commission-Manager form of government since 1925.

The City Commission is comprised of the Mayor, who is elected at-large, and four Commissioners, who are elected in non-partisan district races. Elections occur every three years and each elected official is eligible to serve three consecutive three-year terms. The next election is March 2009. As the City's legislative body, the City Commission sets policy, passes ordinances, adopts resolutions and makes appointments to advisory boards and committees.



The City Manager is appointed by and reports directly to the City Commission. As Chief Executive Officer, the City Manager is responsible for directing the City's day-to-day operations and carrying out the policies set forth by the Commission. George Gretsas, Fort Lauderdale's current City Manager, began serving on August 2, 2004.

The City Manager began a major restructuring of City government on October 1, 2004. The plan improved employee accountability, communication and efficiency by providing each department head with a clear, manageable set of objectives and performance measures.

The City's organizational structure is comprised of the offices of the City Commission, City Manager, City Attorney, City Auditor, City Clerk and the following 16 departments responsible for service delivery: Building, Business Enterprises, Economic Development, Finance, Fire-Rescue, Human Resources, Information Systems, Office of Management and Budget, Office of Professional Standards, Parking and Fleet Services, Parks and Recreation, Planning and Zoning, Police, Procurement Services, Public Information and Public Works.

The City employs a workforce of approximately 2,660 employees. Six bargaining units represent a substantial number of employees including: Fraternal Order of Police (FOP), FOP Police Captains, International Association of Fire Fighters (IAFF), International Brotherhood of Teamsters Local 769 and the Federation of Public Employees (Professional and Supervisory).



There's a long-standing saying in the marine industry that if you can't find something in Fort Lauderdale, it's not findable. Within the marine industry, Fort Lauderdale caters to the "mega-yacht" market.

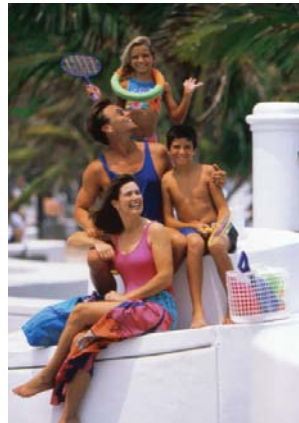
Marine Industry

Marine commerce is the leading industry in Greater Fort Lauderdale and Broward County, accounting for more than 134,000 jobs and \$10.78 billion in total economic impact.



With more than 300 miles of waterways, marinas and marine manufacturing and repair facilities, Greater Fort Lauderdale is a world-renowned port of call for the yachting industry.

The City hosts the Fort Lauderdale International Boat Show, an annual event with an economic impact of \$500 million.



Tourism Industry

Tourism is Greater Fort Lauderdale's second largest industry, representing an economic impact of over \$8.8 billion. The Greater Fort Lauderdale Convention and Visitors Bureau reported a record-breaking year in 2007 with more than 10.7 million visitors. Year-end hotel occupancy averaged out at 70.4%, compared to the national average of 63.2% and state of Florida average of 64.1%.

Florida's first St. Regis Resort opened in Fort Lauderdale in 2007. Construction projects along Fort Lauderdale beach, including the W Hotel and Trump International Hotel and Tower, amount to more than a half billion-dollar investment.

Trade & Business Development

Fort Lauderdale has emerged as one of the fastest growing markets for global trade with more than 40% of local businesses engaged in or supporting international commerce. The City remains at the forefront of South Florida's emerging "Internet Coast," a region that is home to more than 6,000 high technology firms.



With its unique mix of multimodal transport facilities -- as well as a growing population base, pro-business climate and outstanding quality of life, Fort Lauderdale will continue to attract new enterprises from small entrepreneurial firms to members of the Fortune 500.

This year, CNN/Money Magazine named Fort Lauderdale one of the "100 Best Places to Live and Launch" a business. CNN/Money reported:

"...Fort Lauderdale has felt less impact (from the real-estate market) than the regions in and around Miami. The hottest businesses here are a reflection of the subtropical climate and locale. Pleasure-boat construction and services are a major sector, while the tourism industry, in general, stays strong, thanks in large part to the Canadians and Europeans attracted to the weak dollar. What's more, a 600,000-square-foot convention center plays host to trade shows that bring a variety of industrial leaders from all over the country in contact with local businesses. Besides the usual pleasures to be expected from a city by the sea (sun, surf, sailing and swimming), Fort Lauderdale offers a lively downtown, with museums, galleries, live music, theater and fine restaurants. And for sports-crazed fans, there are no less than seven pro teams to root for in the surrounding area."

Transportation

The City of Fort Lauderdale offers an extensive transportation network that includes Port Everglades, Fort Lauderdale/Hollywood International Airport (FLL), Fort Lauderdale Executive Airport, two major railways, highways, a mass transit system, water taxis and city trolleys.

Port Everglades

Long recognized as the world's second busiest cruise port, Port Everglades has rapidly established itself as one of the world's premier cargo ports. Now ranked as the nation's twelfth leading container port, Port Everglades is the perfect hub and point of entry for companies that conduct business in Central and South America, the Caribbean, Europe, and now, even the Far East.



The Port is part of a thriving global transportation network that counts among its attributes:

- + A favorable location less than one mile from the Atlantic Shipping Lane.
- + Direct access to multi-modal inland links through Florida's interstate and highway systems.
- + An FEC rail hub within two miles.
- + A thriving international airport (FLL) within one mile.

Port Everglades generates approximately \$18 billion worth of business activity and approximately 200,000 jobs statewide, according to a new study produced by nationally recognized maritime research company Martin Associates.

Serving more than 150 ports and 70 countries, Port Everglades is the nation's deepest commercial port south of Norfolk, Virginia.



Fort Lauderdale Executive Airport is one of the nation's largest and ten busiest general aviation airports, handling a quarter million takeoffs and landings per year.

Fort Lauderdale/Hollywood International Airport

Over 741 international and domestic flights arrive and depart daily at the Fort Lauderdale/Hollywood International Airport. It is one of the nation's fastest growing airports with over 21.4 million travelers passing through the airport last year. FLL is one of Greater Fort Lauderdale's economic engines, contributing over \$2.6 billion to the local economy and generating 44,000 jobs.

The Airport is conveniently located three miles from downtown Fort Lauderdale with easy access to I-95, I-595 and Port Everglades.

Fort Lauderdale Executive Airport

Owned and operated by the City, Fort Lauderdale Executive Airport is one of the nation's largest and busiest general aviation airports. Executive Airport generates more than \$6.5 million in annual revenue with an estimated economic impact of \$330 million. The Airport serves a wide range of general aviation needs including corporate aviation, air charter, air ambulance services, avionics, flight training and aircraft refurbishing.

The Airport is home to six full-service, fixed base operators and more than 700 aircraft. The facility handles more than 250,000 takeoffs and landings per year.

Fort Lauderdale Executive Airport features a 200-acre Industrial Airpark, which offers 1.5 million square feet of prime office, warehouse and manufacturing space. Executive Airport serves as the hub site for the City's Foreign-Trade Zone #241.

There are over 40 helicopters based at Executive Airport, the largest number based at any airport in the southeastern United States. Executive Airport also manages the downtown Helistop.



Fort Lauderdale Downtown Helistop

The Fort Lauderdale Downtown Helistop is designed to accommodate intermediate category general aviation helicopters with a maximum takeoff weight of 11,900 pounds and a 46-foot rotor diameter used by today's corporate and charter operators. The state-of-the-art facility is situated above the Central Park Mall Parking Garage in the heart of Fort Lauderdale's dynamic downtown. The Helistop features a landing area and one helicopter parking position on a 14,500 square-foot elevated platform. A fully furnished lobby provides travelers with a comfortable area to converse and conduct short business, access to plentiful parking and convenient ground transportation. The new Helistop is an outstanding example of the City of Fort Lauderdale's progressive approach to downtown revitalization and our commitment to providing citizens with efficient transportation options.



Fort Lauderdale is a city on-the-move with an integrated system of efficient roads, highways, railways, airports, waterways as well as passenger and shipping port terminals.

Surface Transportation

A comprehensive highway system connects the Florida Turnpike, federal highways and state roads. The road system in Broward County totals approximately 4,800 miles and includes more than 140 miles of interstate and other expressways (I-95, I-75, I-595, Florida Turnpike and Sawgrass Expressway) and approximately 375 miles of divided highways.

The City of Fort Lauderdale is served by three bus lines, two railroads (Florida East Coast Railway and CSX Corporation) and major freight carriers. The County operated bus system includes an active fleet of 275 transit vehicles that serve almost 40 million passengers.

Tri-Rail, a commuter rail system, provides service along a 72-mile corridor from Miami-Dade County to Palm Beach County. Connecting buses are available at all stations, with designated shuttles at the Fort Lauderdale/Hollywood and Miami International Airport and Palm Tran connections to the Palm Beach International Airport.

The Amtrak Silver Service links greater Fort Lauderdale to the rest of the nation, including daily trips to New York.



Water Taxi

Fort Lauderdale features a unique Water Taxi system, which transports daily passengers to and from the downtown area via the City's New River and network of inland waterways.

In 2007, the City approved plans for dock-to-dock service offered by Russo's River Taxi Company. Residents and tourists will be able to hail a water cab or request to be picked up along the New River within 15 minutes after calling for service.

Comprehensive Health Care

A comprehensive network of public and private hospitals serves Fort Lauderdale. Among the area's 24 hospitals are nationally recognized leaders in cardiovascular medicine, childcare, sports medicine and rehabilitation. The area also offers wellness programs, nursing homes, hospices and mental health facilities along with over 2,900 physicians and 25,000 nurses. Broward General Medical Center completed a major 400,000 square foot expansion including a new emergency department and trauma center with rooftop helipad, critical care units, an outpatient imaging center and more.



Fort Lauderdale is a city comfortable with its reputation for being a paradise. The average daily temperature is 77 degrees in the winter.

Education

The Broward County Public School District is the largest fully-accredited school district in the country. As part of a multi-billion dollar capital improvement program, a significant number of new schools have been built and many schools received needed improvements. The school district serves 274,000 students in pre-kindergarten through grade 12.

Broward County school leaders are building a state-of-the-art infrastructure that is redefining the scope of education. The school district provides on-time, on-demand staff development courses to 17,000 teachers.

Fort Lauderdale offers an abundance of opportunity for higher education. Campuses for Florida Atlantic University (FAU), Florida International University (FIU) and Broward College are located in downtown. Both FAU and FIU rank among the nation's top 300 universities according to *U.S. News and World Report's* Annual Survey of America's Best Colleges.

Broward County is served by 37 public libraries.



Quality of Life

From the blue wave beaches to the exotic Everglades to the winding waterways and chic ease of Las Olas, Fort Lauderdale is a city comfortable with its reputation for being a paradise. The average daily temperature is 77 degrees in the winter and 89 degrees in the summer. Outdoor activities are endless with golf courses, parks, playgrounds, miles of coral reefs and plenty of sunshine. Boating, scuba diving, snorkeling, fishing and cruising are recreational activities enjoyed by residents, tourists and business travelers.

Major league sporting team action is just a short drive away. World-class swimming events are hosted at the Fort Lauderdale Aquatic Complex.



Growth and Development

The City of Fort Lauderdale has intertwining master plans to help protect neighborhoods by ensuring that new developments adhere to well-balanced guidelines.

The Downtown Master Plan protects residential neighborhoods by directing large scale, high-rise and high-density developments to the downtown core. The most intensive, commercially oriented, central business district types of development will be concentrated in the mixed-use urban center.

“Mixed-use growth” plans aspire to redesign areas so residents can work, shop, learn, worship and find recreation close to home.

The City is encouraging redevelopment that protects history and builds on the unique characteristics and distinct identities in our neighborhoods.

The plans aim to encourage redevelopment that is attractive, compatible with neighborhoods, pedestrian friendly and transit oriented.



Property Values

The City of Fort Lauderdale continues to maintain healthy property values. According to the Broward County Property Appraiser’s Office, the assessed value of taxable property in the City is \$30.5 billion.

Downtown Development Authority (DDA)

The DDA, a special taxing district, was formed to provide for the rehabilitation, redevelopment, and revitalization of slum and blighted areas in the Downtown. The DDA seeks to provide a critical link between the economic development and physical development objectives of Downtown

Fort Lauderdale. The DDA is currently overseeing a downtown transportation project, which will develop a transit plan that provides various options for people coming to and traveling within the Downtown region. One of the key components of the project includes a demonstration transit shuttle system, such as light rail, that will link various destinations in the Downtown to nearby parking facilities. The project will also include corridor improvements, such as streetscape amenities, including landscaping, wide, shaded sidewalks, lighting and street furniture.





The Community Redevelopment Agency continues to work with area builders to revitalize neighborhoods by providing affordable homes, mixed-use developments and enhanced streetscapes.

Uptown

Uptown's many assets include high-quality office and industrial space, nearby housing, a walk-to-work Tri-Rail Station, convenient access to I-95 and one of the busiest executive airports in the nation. Kaplan University has opened a facility that employs 700 people in Uptown. The BankAtlantic Corporate Headquarters opened in Uptown, bringing more than 300 jobs to the area.

Fort Lauderdale Community Redevelopment Agency

The Community Redevelopment Agency (CRA) directs all redevelopment activity in the district by providing targeted infrastructure improvements, assisting the private sector in property development and providing business incentives to redevelop blighted commercial properties.

Economic Development

The City maintains proactive, professional economic development programs to address both the attraction of new employers and the expansion and retention needs of existing companies. Working in conjunction with other local, regional and state organizations, technical assistance and support services are provided to both our current and targeted new businesses and industries.

Beach Redevelopment Area

Plans to upgrade Fort Lauderdale Beach to a 5-star destination are in progress. The plans aim to beautify the beach, improve cleanliness, enhance safety for swimmers, upgrade City park areas and ensure that future development on the barrier island adequately addresses environmental protection and smart growth principles.

A Beach Improvement District (BID) has been established on A1A from Holiday Drive to Sunrise Boulevard. Business owners in the BID are funding a variety of new services to make the beach area cleaner and more beautiful.

Medians along A1A corridor from South Beach to Sunrise Boulevard have been re-landscaped with coconut palms, silver buttonwood trees, green island ficus shrubs and colorful croton plants.

The City continues to study opportunities to enhance Fort Lauderdale Beach, including a proposal for a new Aquatic Complex. Plans call for new facilities for the International Swimming Hall of Fame, three competitive event pools with a retractable cover over a grandstand, a water park with slides and children's pools, a restaurant, an aquarium with a walk-through acrylic tunnel surrounded by water and marine life and a four-level parking garage with 262 spaces.





Fire-Rescue Bond

Saving lives and property requires vital Fire-Rescue infrastructure. The Fire-Rescue bond program is providing up to \$40 million to build, renovate and upgrade 10 Fire-Rescue stations throughout the City to ensure the safety and protection of our citizens today and in the future.



The new stations will enhance Fire-Rescue coverage, reduce response time and help the department maintain outstanding levels of service. The hurricane resistant facilities will provide expanded space and improved security. Residents will benefit from new medical examination and community rooms.

To ensure the bond funds are used in the most fiscally responsible manner, the City implemented an innovative building strategy. Instead of putting millions of taxpayer dollars at risk by constructing 10 stations at once, the City is completing two stations and analyzing the project's true costs. This has proved to be an extremely wise decision, particularly in the wake of South Florida's skyrocketing costs for construction, raw materials and land acquisition.

In fact, had the 10 stations been built simultaneously, the bond program would have gone bankrupt. Now, thanks to the City's foresight, plans for the remaining stations are being reengineered to maximize space and optimize operations. Renovation possibilities are being explored and funds are being set aside for contingencies and inflation.

This visionary approach will allow the City to keep the program moving forward and realize a cost savings of \$26 million.



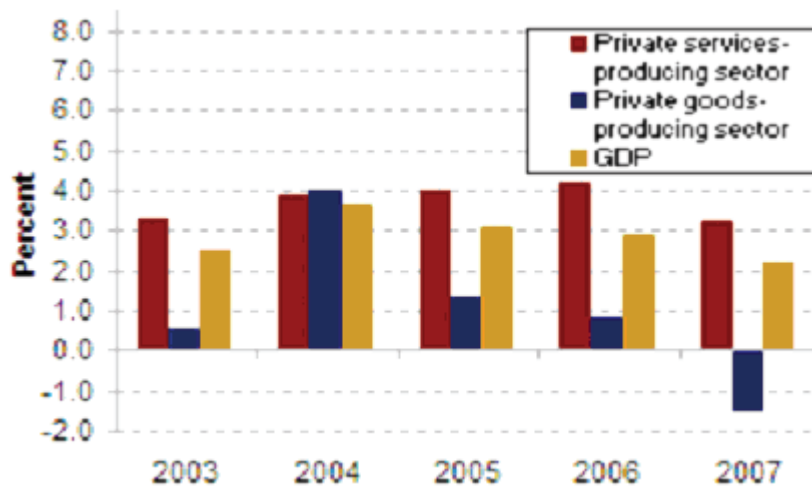
Economic Analysis

Real Gross Domestic Product

The Real Gross Domestic Product (GDP) is one of the most reliable sources used to judge the economic standing of a country. The sum of all goods and services produced by human resources and physical assets within a country's borders is a primary criteria for calculating the GDP. The preliminary estimates from the Bureau of Economic Analysis in September 2008 show an estimated growth of 2.8% between the first quarter of 2008 and the second quarter of 2008. Graph 1 below displays the national trends for 2003 to 2007 by industry segments. Overall, growth is trending down, and the private goods-producing section is negative. Nationally, the 2007 downturn was prompted by the slowdown in the finance and insurance segments.

Graph 1

Annual Growth in Real GDP



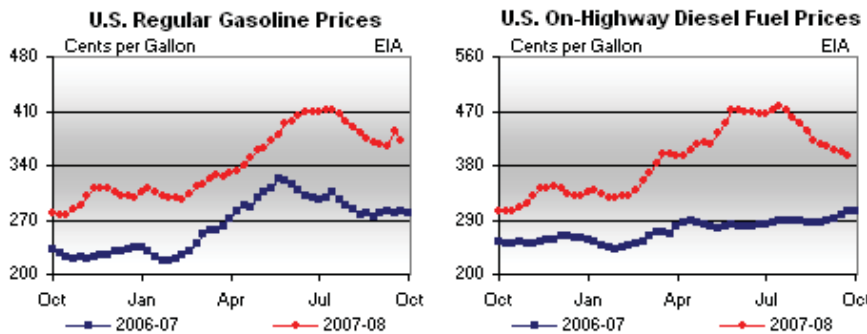
Source: US Bureau of Economic Analysis

The national overview for percentage change from 2006 to 2007 is illustrated in graph 2. It shows Florida has one of the lowest growth rates for that period. This corresponds with the national trend since Florida's GDP segments are predominately finance related.



increased by 5.8% from September 2007 to August 2008, which indicates the cost of consumer products in South Florida is higher than the national average. One major driver lately is the cost of fuel. According to the Energy Information Administration the price for fuel increased from \$2.86 per gallon in September 2007 to \$3.77 per gallon in September 2008, which represents a 32% increase. Graph 4 displays fuel trends from October 2007 to October 2008, and Graph 5 displays fuel trends from 1993 to October 2008.

Graph 4



Source: U.S. Energy Information Administration as of 9/29/08

Graph 5

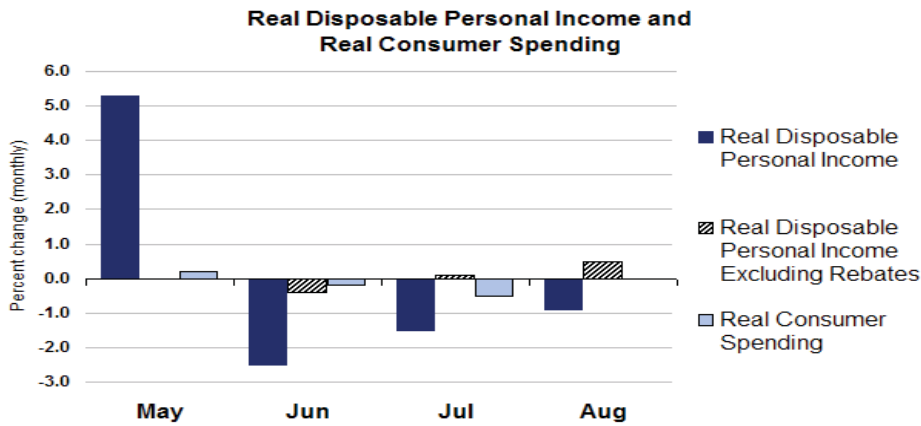


Personal Income

Personal income, real disposable personal income (DPI), real consumer spending, and overall prices are key indicators on how individuals and families are affected by their country’s economic standing and production. The September 2008 publication by the U.S. Bureau of Economic Analysis has personal income at \$12,188 (in billions) for the second quarter, which is an increase of \$459 (in billions) compared to the second quarter of 2007. Due to instability in the real estate and stock markets conclusions are not easily drawn, and with the recently approved “bailout” plan there is uncertainty regarding potential repercussions. Graph 6 shows the relationship between DPI and real consumer spending for May to August 2008.



Graph 6

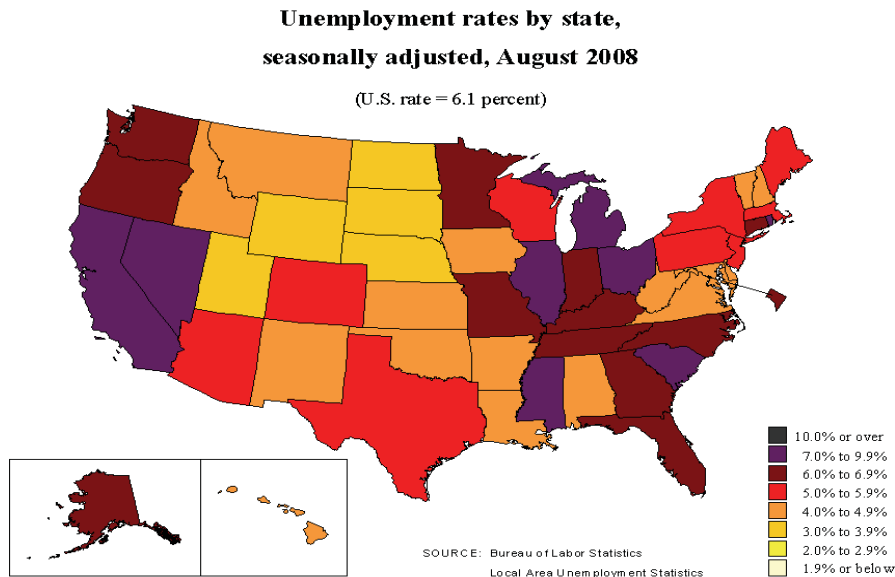


U.S. Bureau of Economic Analysis

National and Local Unemployment

The national unemployment rate increased to 6.1% as of August 2008 according to the Bureau of Labor Statistics. The charts in graph 7 below display the national map of the August 2008 unemployment rates.

Graph 7



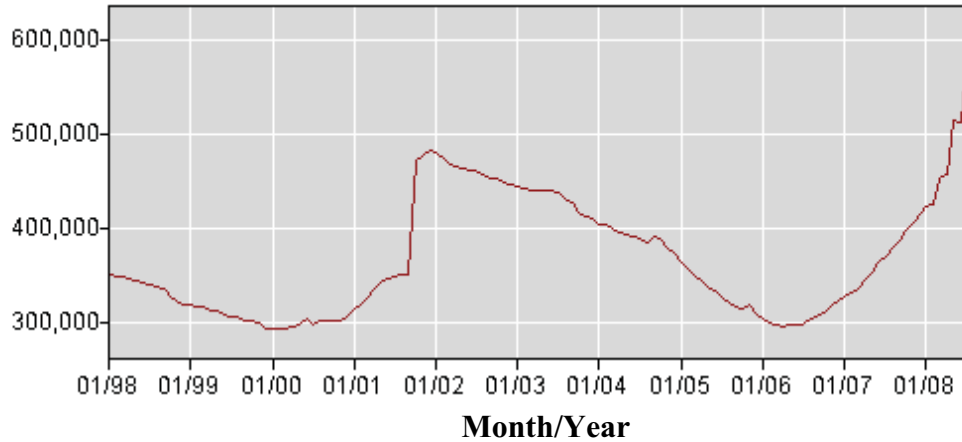
The Bureau of Labor Statistics also reported that Florida’s unemployment rate was 6.5% for August 2008, which was higher than the national average. In general, Florida was among the states with the largest decline in jobs with a decrease of 99,100 jobs year-over-year.



Additionally, the Fort Lauderdale-Pompano Beach metropolitan area unemployment in July 2008 was 5.8%. Overall, Florida’s unemployment rate has had significant fluctuations in the last ten years, but there has been a steady increase in unemployment since early 2006 to the present as displayed in graph 8.

Graph 8

Florida’s Unemployment Rate



Source: Bureau of Labor Statistics

Local Real Estate Statistics

The South Florida housing market enjoyed a record-breaking boom from 2000 to 2005. However, the effect of the market correction is now being felt. According to the Florida Association of Realtors (FAR), from 2001 to the middle of 2005, properties appreciated an average of 94%. According to RealtyTrac Staff, the state is experiencing one of the worst declines in the country, with 44,000 reported foreclosure filings for August 2008; therefore, approximately 1 in every 194 Florida homes received a foreclosure filing for the same month.

The plummeting prices and reduced construction continues to impact the entire state and the City of Fort Lauderdale. The City has seen a reduction in the number of permits issued for new construction. In 2006 and 2007, the number of new construction permits was 456 and 271 respectively, which represented a 19% decline. In 2008, there were 162 permits issued for new construction, which was a staggering 40% decline from 2007. Subsequently, the 2009 projection is 127 permits, which is comprised of 98 permits for single family/townhouse/multifamily/duplex, 0 permits for condos and 29 permits for commercial properties. This represents a 22% reduction from 2008. As a result, this will certainly adversely affect the tax revenue from new construction, so steps are being taken to boost other revenue sources, such as tourism and entrepreneurship, which are geared to promote the City’s assets.



Property Tax Reform

In January 2008, Florida voters overwhelmingly approved a new constitutional amendment geared toward property tax relief. According to the Broward County Property Appraiser's Office (BCPA), "The amendment doubles the homestead exemption to \$50,000; gives homesteaded owners the "portability" right to move Save Our Homes benefits to a new homesteaded property; grants businesses and mobile home residents a \$25,000 break on tangible personal property taxes; and caps annual increases for non-homesteaded properties to no more than 10%. Most importantly, the proposal fully preserved our existing 3% Save Our Homes cap."

This has impacted the taxable value of homesteaded properties; consequently, tax revenue at the state, county and city levels have been adversely affected. The focus to create and redevelop neglected areas is vital and extremely important to upholding high service levels, supporting quality of life initiatives and maintaining public safety standards.

Summary

With the increases in GDP, CPI and local unemployment, significant evidence exists that most residents will need to make adjustments in order to find stability in today's economic environment. The City of Fort Lauderdale is devoted to supporting quality of life issues and has taken steps that are beneficial to its citizens. Although the declining real estate market has adversely affected the nation as a whole, there is confidence that future tourism, business ventures, and local technological advancements will attract even more residents to the City of Fort Lauderdale.

**CHANGES FROM JULY BUDGET MESSAGE**

The City's budget changed from the July 15, 2008, Budget Message to the Public Hearing on September 16, 2008. The revenue for the Fire Assessment was reduced by \$860,307 due to recalculations, a reduction of \$400,508 for 2009 Fire Bonds that have not been issued yet, a reduction of \$1,627 in miscellaneous revenue due to a reduction to General Fund Transfers Out, an increase of \$1,344 for the Beach Business Improvement District, and a reduction of \$2,045,035 for the Central Beach CRA, an increase of \$635,467 for Housing and Urban Development program revenue, and a reduction of \$402,143 to Debt Service for the Fire Bonds. A Service Clerk in the Sanitation Fund was changed from temporary to full time status. Three positions, 2 Mechanics for the Water and Sewer Fund and a Municipal Maintenance Worker II for the Parking Fund, were added to the FY09 Authorized City Positions schedule on page 94, for an increase of 3. The funding was included for all these positions in the July Budget Message.

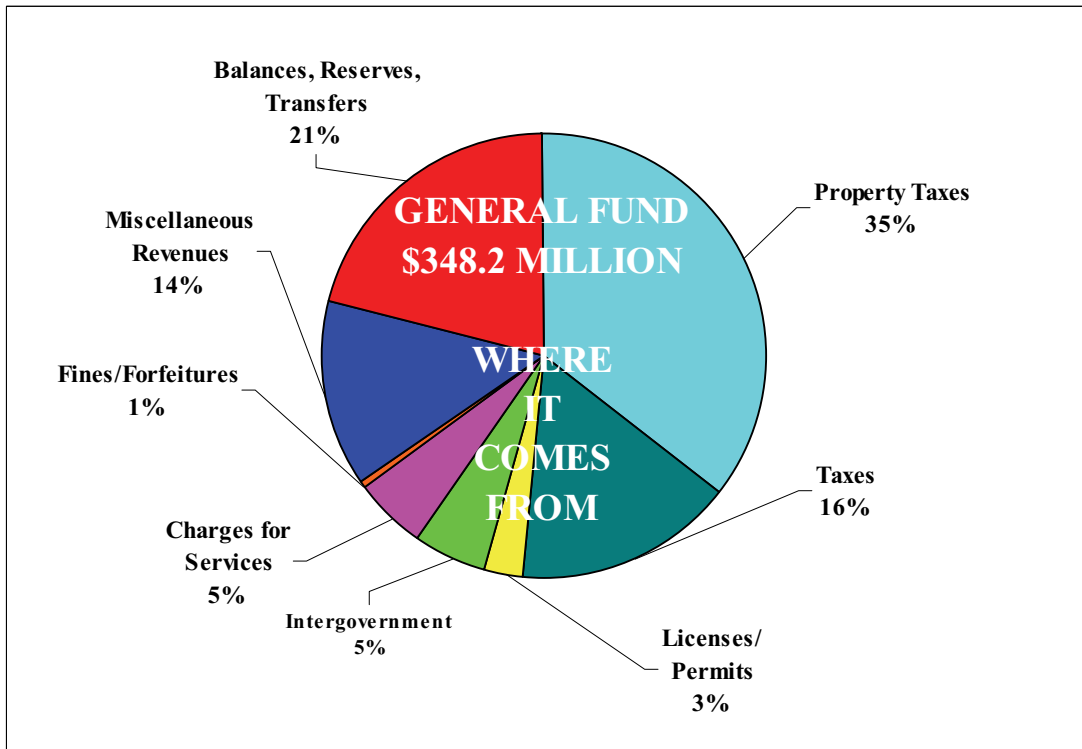
The total adopted all funds budget is \$602,689,791, which includes fund balance, and represents a \$3,072,809 decrease from the July 15, 2008 proposed budget.

GENERAL FUND

Overall, the adopted General Fund revenue projection, including all sources, is an increase of \$28.1 million or 8.8% over the FY 2007/2008 Original Adopted Budget. The following table summarizes the revenue picture:

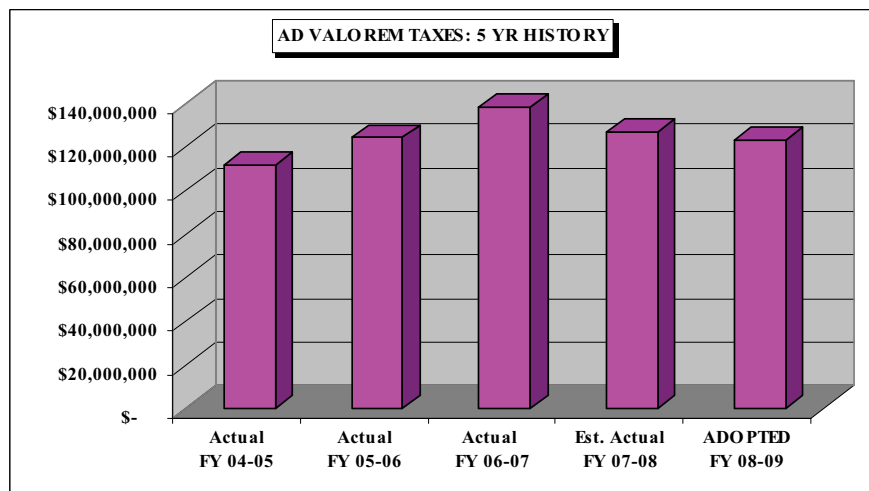
Table 1. Revenue Summary

	FY 2007/2008 Original Adopted Budget	FY 2007/2008 Estimated Actual	FY 2008/2009 Adopted Budget
Resources Available:			
Ad Valorem Taxes – Operating	\$ 122,772,280	122,375,000	119,600,922
Ad Valorem Taxes – Debt	3,841,407	3,842,513	3,780,264
Franchise Fees	16,880,000	17,615,000	18,246,468
Sales & Use Tax	4,197,286	4,197,286	4,197,286
Utility Taxes	33,068,019	32,660,079	33,250,000
Licenses & Permits	11,268,600	10,022,000	9,803,000
Intergovernmental	18,419,745	16,766,366	17,895,000
Charges for Services	17,515,941	17,592,960	18,201,193
Fines & Forfeitures	2,204,000	2,203,942	1,980,300
Miscellaneous:			
Interest	2,880,500	4,205,600	4,084,500
Leases/Rents	2,611,526	2,773,881	2,830,494
Special Assessments	13,239,135	13,861,500	18,502,592
Other Miscellaneous	21,137,244	22,116,190	22,465,804
Non-Revenues:			
Balances and Reserves	49,998,006	77,124,684	73,271,473
Contingencies	75,000	75,000	75,000
Total Resources Available	\$ 320,108,689	347,432,001	348,184,296



Ad Valorem Taxes

The adopted ad valorem or property tax millage for operating purposes is 4.1193 and generates \$119.6 million. In addition to the property tax levied for operating purposes, property taxes also include a separate debt levy, which is used to pay debt service costs (principal and interest payments) on outstanding General Obligation Bonds (GOB).



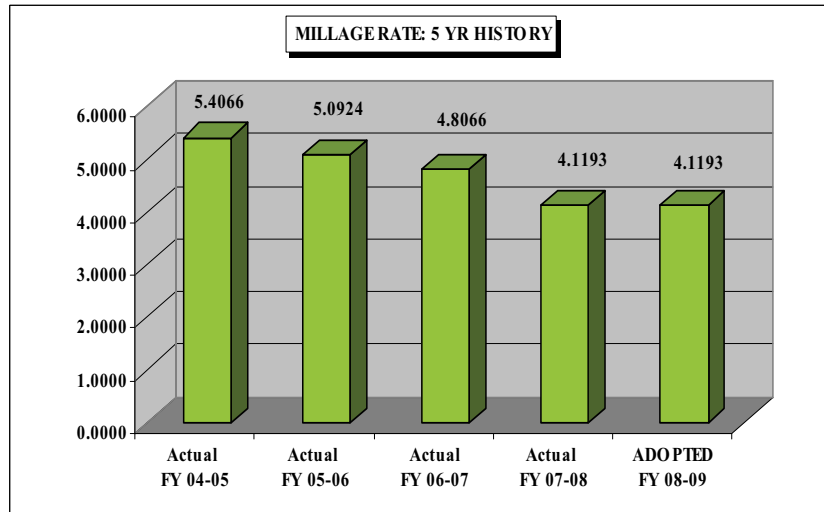
The current outstanding debt issues include the 1997/2002 Bond Issue and the 2005 Fire Bonds. The 1997 Bond Issue, which was refunded in 2002, requires a debt service payment in FY 2008/2009 of \$2,694,770 and requires a levy of \$2,563,727 and an adopted millage of 0.0883. The adopted debt service payment for the 2005 Fire Bonds Issue is \$1,185,321, which requires a levy of \$1,216,537 and a millage of 0.0419.



The adopted combined millage for operating and debt service for FY 2008/2009 is 4.2495, which represents a .03% increase from the FY 2007/2008 rate.

By State statute, the operating property tax rate is restricted to no more than 10 mills (\$10 per \$1,000 of taxable value) for municipalities. Adoption of any increase in the total levy beyond new construction or annexation is required to reference the rolled-back rate, which is the rate necessary to

generate the same taxes as were received in the prior year. Compared to the rolled-back rate of 4.3390, the adopted operating rate is a 5.06% decrease.



Property taxes from the debt levy are shown as revenue to the General Fund and then transferred to the Debt Service Fund. Accordingly, transfers from the General Fund to the Debt Service Fund and totals \$3.8 million. The City’s adopted combined Debt Service for FY 2008/2009 is \$8.7 million.

The impact of the adopted City millage on the average homeowner is complicated by the “Save Our Homes” Constitutional Amendment to the Florida Constitution. This amendment provides for an annual cap on the increase in the taxable assessed value of property that also receives a homestead exemption. The annual increase is limited to the lesser of 3.00% or the year-over-year increase in the Consumer Price Index. For calendar year 2008, the limit is 3.00%.

Over time, the limit essentially shifts the tax burden from full-time owner-occupied residential property to seasonally occupied and newly purchased residential property, and to commercial, rental and other non-residential property. Homes that were homesteaded since the beginning of the program reflect an assessed value that has been restricted since 1995. Therefore, there are great disparities in taxable values for similar properties that may have the same market value, but drastically different assessed values, as described below. The average assessed single-family home value of \$330,450 used in the illustrations below was calculated from the 2008 tax roll for single-family dwellings divided by the number of parcels. These illustrations compare the annual property tax paid for two types of properties:

- The Property Appraiser estimates that the assessed value of the average residential property in Fort Lauderdale is \$312,154. A property that has enjoyed the benefits of the assessed value limit since 1995 with homestead exemption would pay \$80.09 less in City taxes in FY 2009 compared to FY 2008. The same property without homestead would pay \$93.07 less.
- The Property Appraiser estimates that the assessed value of the average condominium in Fort Lauderdale is \$288,305. A condominium with homestead exemption would pay \$87.14 less in FY 2009 compared to a non-homesteaded condominium, which would pay \$40.53 less.
- A similar comparison to the condominium example above is provided for the average single family home estimated with an assessed value of \$330,450. The one with homestead would pay \$76.77 less next year compared to \$174.68 less without homestead.



Market value is the estimated price that a home would sell for in the real estate market. The Property Appraiser’s Office establishes the assessed value that generally lags behind the market values at any point in time. The taxable value is net of all exemptions, including Amendment One. Amendment One doubles the homestead exemption to \$50,000; gives homesteaded owners the “portability” right to move Save Our Homes benefits to a new homesteaded property; grants businesses and mobile home residents a \$25,000 break on tangible personal property taxes; and caps annual increases for non-homesteaded properties to no more than 10%. In addition to the usual homestead exemption, qualifying seniors may also receive an additional \$25,000 if they are 65 or older as of January 1, 2008 and have a combined household adjusted gross income of no more than \$24,916. Additional exemptions are available to qualified widows, veterans, and disabled taxpayers. The following is a comparison of FY 2008/2009 adopted millage rates for Broward County taxing jurisdictions, as well as larger Florida cities.

Table 2. Adopted Operating Millage Rates for FY 2008/2009

<u>Jurisdiction</u>	<u>Millage</u>	<u>Percentage</u>
Broward County Schools	7.4170	38.53%
Broward County	4.8889	25.40%
Fort Lauderdale	4.1193	21.40%
North Broward Hospital	1.7059	8.86%
S. Florida Water Mgmt.	0.6240	3.24%
Children Services	0.3754	1.95%
Hillsboro Inlet District	0.0860	0.45%
Florida Inland Navigation	<u>0.0345</u>	<u>0.18%</u>
	19.2510	100.00%

Table 3. FY 2008/2009 Operating Millage Rates as Adopted per \$1,000 of Taxable Value for Selected Florida Cities

Jacksonville*	8.4841
Miami	7.6740
Hialeah	6.5400
St. Petersburg	5.9125
Tampa	5.7326
Hollywood	5.6900
Miami Beach	5.6555
Orlando	5.6500
Clearwater	4.7254
Pembroke Pines	4.4312
Gainesville	4.2544
Fort Lauderdale	4.1193
Coral Springs	3.3651
Tallahassee**	3.2115

* Jacksonville, which is consolidated with Duval County, may levy up to \$20 per \$1,000 of value.
** Tallahassee operates its own power company. Revenues from that operation heavily subsidize their General Fund.

**Table 4. Broward County Cities - Population and FY 2008/2009 Adopted Operating Millage Rates**

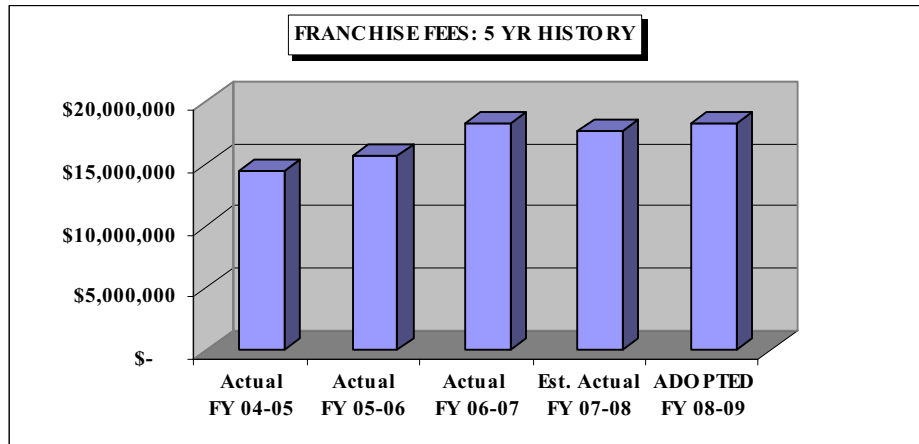
<u>City</u>	<u>Operating Millage</u>	<u>Rank</u>	<u>Population</u>	<u>Rank</u>
Pembroke Park	8.5000	1	5,818	28
Sea Ranch Lakes	7.5000	2	732	30
Margate	6.7500	3	55,661	14
West Park	6.5239	4	13,930	23
North Lauderdale	6.1875	5	42,269	16
Lauderdale Lakes	5.7622	6	32,314	19
Hollywood	5.6900	7	142,943	3
Miramar	5.4797	8	111,705	5
Sunrise	5.4397	9	89,633	8
Dania	5.4044	10	29,524	21
Tamarac	5.3215	11	59,949	13
Wilton Manors	5.3122	12	12,484	24
Oakland Park	5.1041	13	42,081	17
Lauderhill	5.0646	14	64,261	11
Hallandale Beach	4.9818	15	38,193	18
Deerfield Beach	4.9072	16	75,829	10
Coconut Creek	4.8869	17	48,207	15
Cooper City	4.7704	18	29,886	20
Pembroke Pines	4.4312	19	152,090	2
Lazy Lake	4.3494	20	41	31
Davie	4.2456	21	93,422	7
Fort Lauderdale	4.1193	22	179,659	1
Plantation	4.0925	23	85,349	9
Lauderdale-By-The-Sea	3.9990	24	6,196	27
Southwest Ranches	3.5000	25	8,461	26
Pompano Beach	3.4861	26	100,968	6
Parkland	3.4083	27	23,163	22
Coral Springs	3.3651	28	129,766	4
Lighthouse Point	3.2822	29	10,964	25
Hillsboro Beach	2.6121	30	2,223	29
Weston	1.5235	31	62,233	12



Franchise Fees

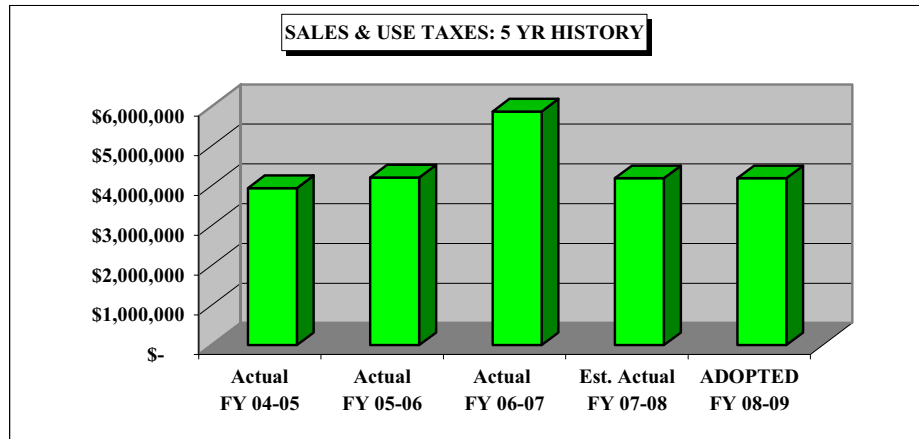
This revenue source consists of payments made by Florida Power and Light (FPL) and Peoples Gas for the privilege of constructing upon, and operating within, the rights-of-way owned by the City. The basis for the fees is provided for in long-term agreements for payment

to the City of 6.0% of their gross revenue derived from accounts within the City limits, less property tax and minor fees previously paid to the City. Projected FPL franchise fees for FY 2008/2009 are \$18,246,468, an 8% increase over the FY 2007/2008 budget.



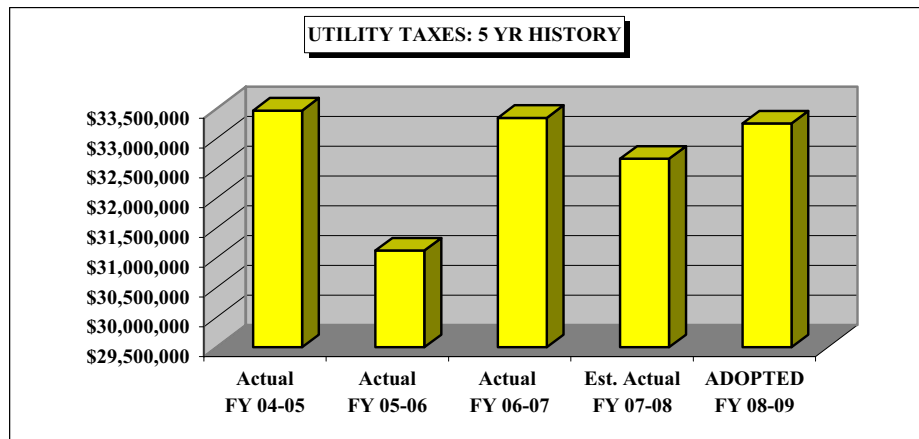
Sales & Use Tax

Florida Statutes provide for the levy of excise taxes of 1.85% on fire insurance premiums and 0.85% of casualty insurance premiums. These funds are passed through the General Fund as revenue and an expense. Proceeds of these taxes are distributed to eligible municipalities to supplement the Pension and Retirement Trust funds for firefighters and police officers.



Utility Taxes

This category is comprised of three major components. The largest component is the City utility tax on electricity, charged by FPL to its customers. FPL utility tax is projected to be 45% of the adopted FY 2008/2009 utility tax revenues. The second-largest source for this revenue category is the State Communications Services Tax. This tax represents 43% of the adopted FY 2008/2009 utility tax revenue, based upon estimates from the Florida Department of Revenue. Communications Services Tax revenue is on a declining trend due to technological changes in the

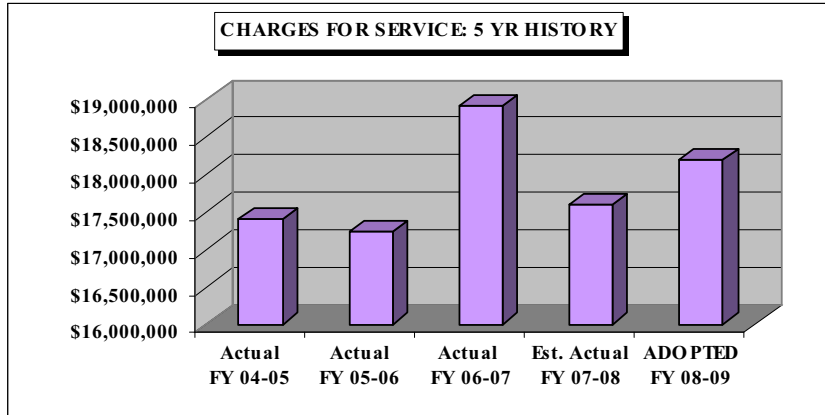




communications industries that have led to lower prices and lower usage rates for traditional telephone services, and increased usage of internet telephony and other internet communications which are not currently subject to the tax. The third component of utility tax revenue consists of the combination of the City's 10.0% utility tax on gas and water utility bills for customers within the City. Water utility taxes increase as water rates increase.

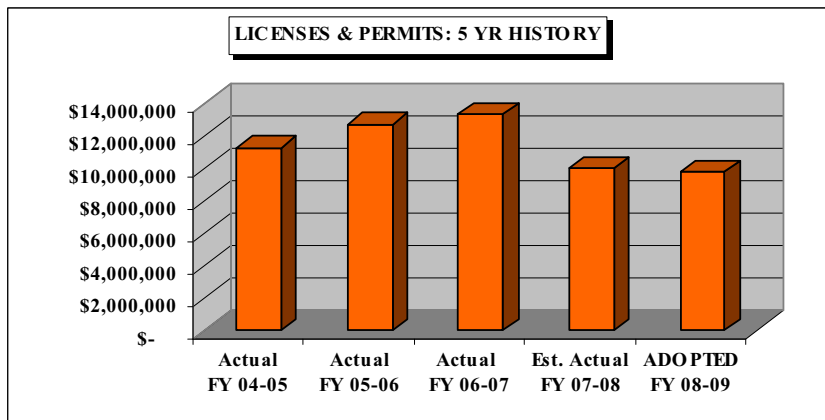
Charges for Services

This is associated with revenue received from users of specific services, including fees for police, building inspections, planning, and docks, as well as parks and recreation. This category reflects a 4% increase over FY 2007/2008.



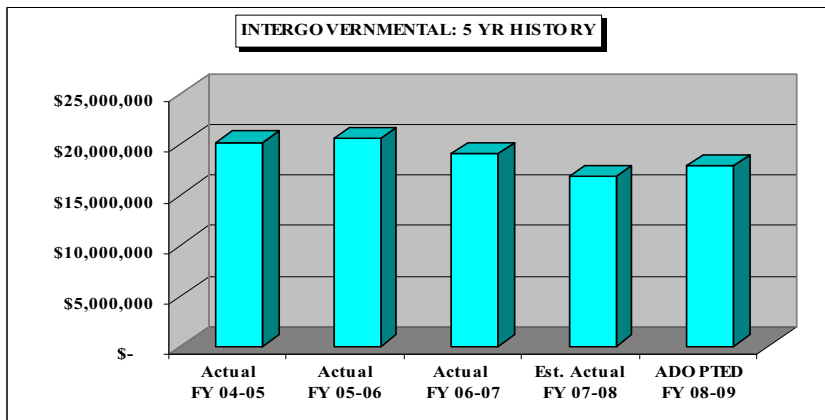
Licenses & Permit Fees

This revenue category includes local business tax receipts issued to authorize businesses to operate within the City limits and development permits issued to authorize building and construction within the City limits. This revenue is projected to decrease by 13% from FY 2007/2008.



Intergovernmental Revenue

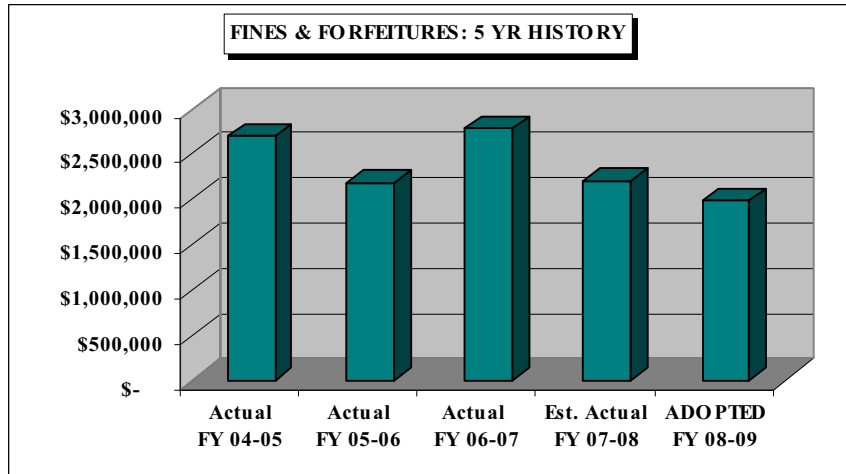
This revenue source is comprised of recurring State and County shared revenue. The State of Florida shares motor fuel, alcoholic beverage license, and sales tax revenue with local government on the basis of population. Broward County provides gasoline tax and local business tax receipt revenue. The adopted revenue is decrease 3% from FY 2007/2008.





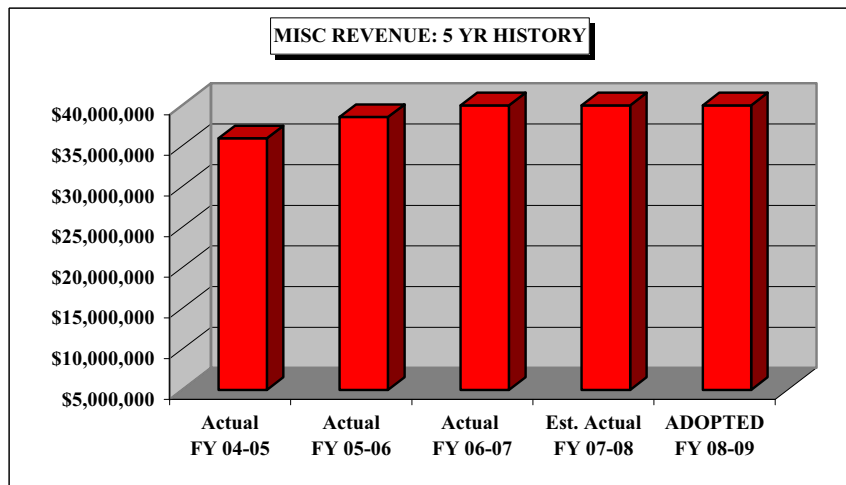
Fines & Forfeitures

This revenue category includes fines for traffic and other violations collected by the County on our behalf through the judicial process. It is showing a 10% decline over the current year due to fewer traffic citations issued due to vacancies in the Police Department. This category represents less than 1% of all General Fund resources.



Miscellaneous Revenue

This revenue source includes interest earnings, rents, Fire-Rescue special assessment, and interfund charges. The fire assessment fee, which appears as a non-ad valorem charge on the tax bill, increased from \$94 to \$135 per residential unit.



Non-Revenues - This source consisted of the working capital reserve, prior year balance, and transfers from other funds. Working capital reserve and prior year balance is considered fund balance and no budget amount is included in FY 2008/2009.



GENERAL FUND
Table 5. Expenditure Summary by Department

Resources Allocated	FY 2007/2008 Original Adopted Budget	FY 2007/2008 Estimated Actual	FY 2008/2009 Adopted Budget
Departmental			
Building Services	\$ 11,995,474	11,416,708	11,799,725
Business Enterprises	6,072,716	6,123,734	6,412,680
City Attorney	3,540,627	3,575,616	3,998,123
City Auditor	711,589	701,322	789,498
City Clerk	768,579	786,758	1,316,053
City Commission	1,014,343	942,807	1,054,823
City Manager	2,684,757	2,750,411	2,830,753
Economic Development	1,215,973	1,216,167	1,384,748
Finance	4,531,602	4,340,807	4,564,027
Fire-Rescue	61,981,609	62,761,147	64,950,599
Human Resources	2,550,336	2,466,346	2,717,275
Information Technology Systems	4,403,604	4,658,203	4,737,393
Office of Management and Budget	1,366,197	1,296,251	1,483,856
Office of Professional Standards	598,582	545,951	633,469
Parks and Recreation	28,480,096	29,634,538	30,049,109
Planning and Zoning	4,147,758	4,908,356	4,677,195
Police	86,796,822	92,046,978	89,278,999
Procurement	1,181,735	1,272,009	1,353,149
Public Information	1,438,827	1,458,829	1,573,312
Public Works	18,333,840	18,665,900	19,089,436
Other General Government	9,171,683	4,948,552	8,026,770
Total Departmental	\$ 252,986,749	256,517,388	262,720,993
Non-Departmental			
Transfer to CRA - Tax Increment	\$ 4,447,746	4,459,881	5,272,419
Transfer to Beach Improvement District (BID)	-	-	-
Transfer to Miscellaneous Grants	570,000	570,000	570,000
Transfers to Debt Funds	9,501,188	9,518,203	8,674,410
Transfer to General Capital Improvements	2,530,000	2,824,592	15,000,000
Transfer to Vehicle Rental	-	230,464	-
Total Non-Departmental	\$ 17,048,934	17,603,140	29,516,829
Balances and Reserves	\$ 49,998,006	73,271,473	55,871,473
Reserves for Contingencies	\$ 75,000	40,000	75,000
Total Expenditures	\$ 320,108,689	347,432,001	348,184,296

*Estimated actual expenditures include projections for spending against prior year encumbrances, which are not included in the adopted budget.



CITY OF FORT LAUDERDALE STAFFING LEVELS

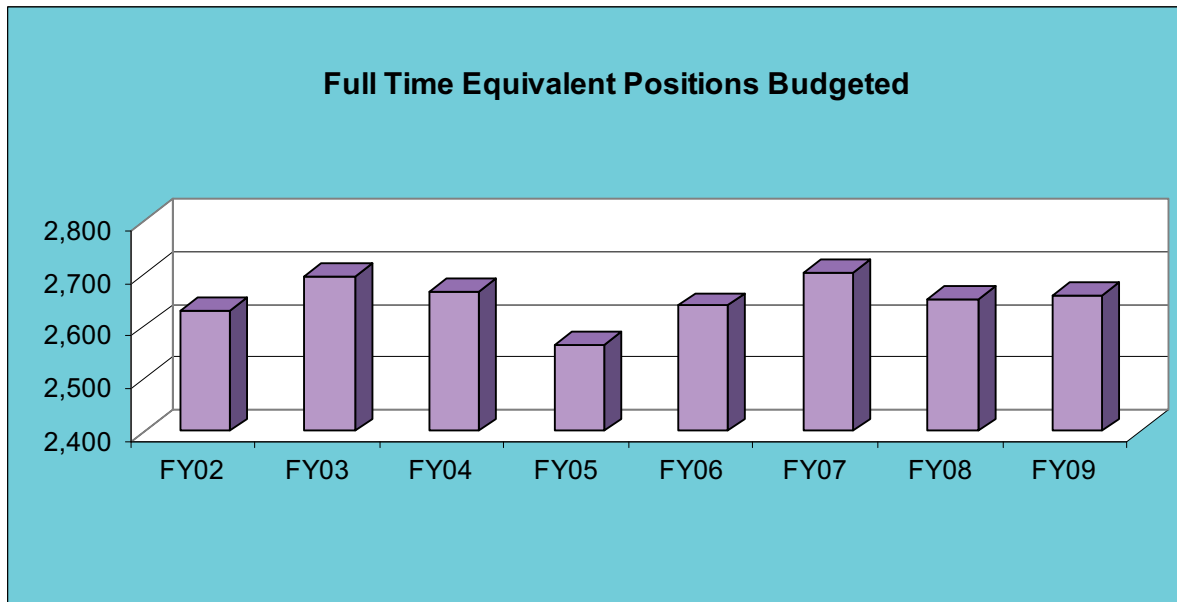
The number of full-time equivalent (FTE) positions is a primary factor in determining the adopted budget. The adopted all funds staffing level for FY 2008/2009 is 2,660.70 FTE positions. This is similar to the level as authorized in FY 2007/2008 of 2,647.9 FTE positions.

Table 6. Authorized City Position Summary

	Fiscal Year 2007/2008 Adopted					Fiscal Year 2008/2009 Adopted					
	Permanent Full-Time	Temporary Full-Time	Temporary Part-Time	Unfunded Vacancies	New Positions	Total FTE	Permanent Full-Time	Temporary Full-Time	Temporary Part-Time	New Positions	Total FTE
GENERAL FUND:											
Building Services	123.00	-	1.40	-7.00	-	117.40	116.00	-	1.00	-	117.00
Business Enterprises	28.00	-	19.20	-	-	47.20	28.00	-	19.20	0.50	47.70
City Attorney	26.00	-	-	-	-	26.00	26.00	-	-	-	26.00
City Auditor	5.00	-	-	-	-	5.00	5.00	-	-	-	5.00
City Clerk	6.00	-	-	-	-	6.00	6.00	-	-	-	6.00
City Commission	12.00	-	-	-	-	12.00	12.00	-	-	-	12.00
City Manager	18.00	-	-	-	-	18.00	18.00	-	-	-	18.00
Economic Development	8.00	-	-	-	-	8.00	8.00	-	-	-	8.00
Finance*	47.00	-	-	-	7.00 *	54.00	49.00 *	5.00	-	-	54.00
Fire-Rescue	444.00	-	12.70	-2.00	10.00	464.70	452.00	-	12.20	-	464.20
Human Resources	25.00	1.00	-	-2.00	-	24.00	23.00	1.00	-	-	24.00
Information Systems	30.00	-	1.60	-1.00	-	30.60	29.00	-	1.50	-	30.50
Office of Management & Budget	13.00	-	-	-	-	13.00	13.00	-	-	-	13.00
Office of Professional Standards	4.00	-	-	-	-	4.00	4.00	-	-	-	4.00
Parks & Recreation	242.00	2.00	98.00	-11.00	3.00	334.00	234.00	3.00	98.40	6.00	341.40
Planning & Zoning	38.00	-	0.20	-2.00	-	36.20	36.00	-	0.40	-	36.40
Police	705.00	-	8.50	-26.00	-	687.50	679.00	-	11.70	-	690.70
Procurement	12.00	-	0.30	-1.00	-	11.30	11.00	-	-	-	11.00
Public Information	11.00	-	-	-	-	11.00	11.00	-	-	-	11.00
Public Works	151.00	1.00	-	-8.00	1.00	145.00	144.00	1.00	-	-	145.00
General Fund Total	1,948.00	4.00	141.90	-60.00	21.00	2,054.90	1,904.00	10.00	144.40	6.50	2,064.90
COMMUNITY REDEVELOPMENT FUND:											
Economic Development	13.00	-	-	-	-	13.00	13.00	-	-	-	13.00
Community Redev. Fund Total	13.00	-	-	-	-	13.00	13.00	-	-	-	13.00
ENTERPRISE FUNDS:											
Sanitation	62.00	1.00	1.30	-	-	64.30	63.00	-	1.50	-	64.50
Water & Sewer	317.00	-	-	-	(1.00)	316.00	315.00	-	-	2.00	317.00
Central Region	34.00	-	-	-	-	34.00	34.00	-	-	-	34.00
Stormwater	21.00	-	-	-	-	21.00	22.00	-	-	-	22.00
Parking System - Parking & Fleet Services	45.00	2.00	0.90	-	1.00	48.90	46.00	2.00	1.60	1.00	50.60
Parking System - Police	23.00	-	-	-	-	23.00	23.00	-	-	-	23.00
Parking System - Public Works	3.00	-	0.60	-	-	3.60	3.00	-	0.60	-	3.60
Executive Airport	13.00	-	1.00	-	-	14.00	13.00	-	1.00	-	14.00
Enterprise Funds Total	518.00	3.00	3.80	0.00	0.00	524.80	519.00	2.00	4.70	3.00	528.70
INTERNAL SERVICE FUNDS:											
Insurance	10.00	-	-	-	-	10.00	10.00	-	-	-	10.00
Central Services - Business Services	3.00	-	1.00	-	-	4.00	3.00	-	1.00	-	4.00
Central Services - Information Systems	7.00	-	1.20	-	-	8.20	7.00	-	1.10	-	8.10
Vehicle Rental - Parking & Fleet Services	4.00	-	-	-	-	4.00	4.00	-	-	-	4.00
Internal Service Funds Total	24.00	-	2.20	-	-	26.20	24.00	-	2.10	-	26.10
LIGHT DUTY POSITIONS (Insurance Fund)**											
Fire-Rescue	-	-	-	-	-	0.00	1.00	-	-	-	1.00
Parks & Recreation	1.00	-	-	-	-	1.00	1.00	-	-	-	1.00
Public Works	1.00	-	-	-	-	1.00	1.00	-	-	-	1.00
Light Duty Positions Total	2.00	-	-	-	-	2.00	3.00	-	-	-	3.00
GRANTS AND CONFISCATION FUNDS:											
Parks & Recreation	0.00	2.00	-	-	-	2.00	-	2.00	-	-	2.00
Planning	19.00	-	-	-	-	19.00	17.00	-	-	-	17.00
Police	6.00	-	-	-	-	6.00	6.00	-	-	-	6.00
Grants & Confiscation Funds Total	25.00	2.00	-	-	-	27.00	23.00	2.00	-	-	25.00
ALL FUNDS TOTAL	2,530.00	9.00	147.90	-60.00	21.00	2,647.90	2,486.00	14.00	151.20	9.50	2,660.70

* Five of the seven positions for Finance are Temporary, and funded for FY 2007/2008 and 2008/2009

**These positions are not reflected in the departments' organization charts



PROGRAM HIGHLIGHTS

Program highlights are listed below. Please note that when costs are given for new positions, the total includes salary, benefits, capital equipment, and/or operating expenses, as needed.

The adopted budget includes a 5% Cost of Living Adjustment (COLA) effective the first full pay period in October 2008 per the union agreements. Similarly, a 5% COLA is included in the budget for the Management and Confidential employees.

Building Department – The adopted budget reflects an addition of \$94,600, \$12,000 for microfiche conversion, \$75,000 for software enhancement, and \$7,600 for conferences. This entire cost is offset by \$94,600 of revenue from the technology fund.

Business Enterprises – The adopted budget reflects an addition of \$22,061 for Marine Facilities, which includes the additional of a temporary part-time Clerk. This cost is offset by \$25,000 of revenue.

City Attorney – The adopted budget reflects an addition of \$40,000 for legal services, \$6,000 for clerical support and \$3,300 for office furniture.

City Auditor – The adopted budget reflects no additions for FY 2008/2009.

City Clerk – The adopted budget reflects an addition of \$540,976 for Municipal Elections. This cost is offset by \$4,600 of revenue, for a net total cost of \$536,376.

City Commission – The adopted budget reflects an addition of \$4,500 for a computer for the Mayor, \$1,010 for new elected officials photographs and \$5,253 for office furniture.

City Manager – The adopted budget reflects no additions for FY 2008/2009.

Economic Development – The adopted budget reflects an addition of \$110,464, \$50,000 for real estate taxes, \$60,464 for Quality Target Industry and Direct Cash Incentives.



Finance – The adopted budget reflects no additions for FY 2008/2009.

Fire-Rescue – The adopted budget reflects an additional \$35,000 for EMS medical supplies and \$49,887 for EMS detail overtime, which is offset completely by revenue.

Human Resources – The adopted budget reflects no additions for FY 2008/2009.

Information Technology Systems – The adopted budget reflects no additions for FY 2008/2009.

Office of Management and Budget – The adopted budget reflects no additions for FY 2008/2009.

Office of Professional Standards – The adopted budget reflects no additions for FY 2008/2009.

Parks and Recreation – The adopted budget reflects additions of \$232,301 for Southside School Opening, with offsetting revenue of \$2,820 for a net total cost of \$229,481, \$60,000 was also added for Contract Maintenance for State Road 84.

Planning and Zoning – The adopted budget reflects an additional \$300,000 for operating costs for the Housing and Community Development Division.

Police – The adopted budget reflects an additional \$28,000 for the Traffic Hearing Officer Program.

Procurement – The adopted budget reflects no additions for FY 2008/2009.

Public Information – The adopted budget reflects an addition of \$16,400 for Records Storage.

Public Works – The adopted budget reflects an additional \$210,000 for traffic and parking studies offset 100% by revenues of \$210,000, for no net increase.

Other General Government – Funding includes \$75,000 for tuition awards, \$150,000 to cover cost for actuarial studies, \$9,000 for department overtime associated with the Martin Luther King Day parade, \$8,220 for the Historical Society towards windstorm insurance, \$5,000 for the City's Centennial Celebration, and \$24,000 for the City's contribution for the Performing Arts Center Authority audit. Funding for non-profit organizations are: \$45,388.20 to Area Agency on Aging, \$40,204 for Family Central, \$19,000 for Greater Fort Lauderdale Sister Cities International Inc., \$10,000 for the Trailblazers of Northwest Broward and \$20,000 for the Sistrunk Festival Committee.

Year-End Balance/Reserves – The adopted total Balance/Reserves is \$56 million. This includes \$75,000 for contingencies, \$7.1 million designated for General Employees' Retirement System Pension Reserve, as well as \$48.8 million for fund balance.

Transfers – A transfer is an interfund transaction. Transfers out of the General Fund include resources for debt service (principal and interest) payments, contributions to the capital improvement program, the City's portion of the tax increment for the two Community Redevelopment areas, grant matching funds, and reserve funding.

**Table 7. General Fund Transfers**

	FY 2007/2008 Adopted Budget	FY 2007/2008 Estimated Actual	FY 2008/2009 Adopted Budget
TRANSFERS IN			
CRA	\$ -	-	-
GOB 1997/2002 Debt Service	-	-	-
General Capital Projects	-	-	-
Total Transfers In	\$ -	-	-
TRANSFERS OUT			
CRA	\$ 4,447,746	4,459,881	5,272,419
Miscellaneous Grants	570,000	570,000	570,000
General Obligation Bonds	3,838,658	3,838,658	3,780,257
Transfer to FIFC	1,071,150	1,071,150	451,500
Sunshine State	957,880	998,895	826,353
Excise Tax Bonds	3,633,500	3,609,500	3,616,300
General Capital Projects	2,530,000	2,824,592	15,000,000
Vehicle Rental	-	230,464	-
Total Transfers Out	\$ 17,048,934	17,603,140	29,516,829

SANITATION FUND

The Sanitation Fund provides the City with residential household garbage and yard waste collection, lot clearing, canal cleaning, bulk trash collections, recycling and street cleaning services. The City continues to maximize the separation of clean yard waste and recycling materials in all of our programs. The existing service levels continue to work well with our customers.

The remediation of the old Wingate Landfill and Incinerator site has been finalized and is based on the agreements between the City, other potential responsible parties and the Environmental Protection Agency. The ongoing environmental testing and site maintenance continues and is financed with the 6.0% rate increase approved by the City Commission for this purpose in March 1995, to be effective April 1995.

The FY 2008/2009 adopted operating budget for the Sanitation Fund is \$24,305,741, which is an \$866,444 increase over the FY 2007/2008 adopted budget. A budgeted full time temporary position was converted to a permanent full time position. This budget reflects anticipated annual savings of \$900,000, through the recent privatization of the remaining residential curbside garbage collection routes.

With an ongoing effort for operational efficiency, the City will maintain its compliance with the covenants of the Sanitation Revenue Bonds, which require the net revenues to be at least equal to 135% of the principal and interest requirements for each fiscal year. There is no sanitation rate increase for FY 2008/2009.

**WATER AND SEWER FUND**

The City supplies water and sewer services on a regional basis for over 300,000 residents of central Broward County. Areas serviced by the City's water treatment and distribution system include Fort Lauderdale, Port Everglades, Sea Ranch Lakes, Lauderdale-by-the-Sea, Oakland Park, Wilton Manors, Davie, Tamarac, and portions of unincorporated Broward County.

The total FY 2008/2009 adopted operating budget for the Water and Sewer Fund is \$84,623,137, which is an increase of \$18,557,482 over the FY 2007/2008 adopted budget. The budget includes expenses for two additional mechanics. Increases are primarily due to the new Florida Administrative Code mandate for a valve exercise program, continued rising chemical and electrical costs, new costs for operating and maintaining new and upgraded wastewater pump stations from WaterWorks 2011 (WW2011) completed projects, and the anticipation of a full year's cost of operating the new membrane water treatment facility at the Peele Dixie Water Plant. The financial model for WW2011 has adjusted the annual cost increases to 5%. In addition, a complete water and wastewater rate study is being conducted independent of the WW2011 program to review and make recommendations on the water and wastewater rate structure.

The impact of a 5% rate increase on a residential customer using 10,000 gallons of water monthly amounts to \$3.30, illustrated as follows:

5% Effect on Water and Sewer Rates

<i>5/8 inch meter</i>		<u>Old Rate</u>	<u>New Rate</u>	<u>Increase</u>
Water Fixed Charge	\$	3.76	3.95	.19
Water Commodity				
0-3,000 gals		1.23	1.29	.06
4-7,000		2.12	2.23	.11
> 8,000		3.12	3.28	.16
Sewer Fixed Charge		4.38	4.60	.22
Sewer Commodity				
0-3,000 gals		2.87	3.01	.14
> 4,000		3.96	4.16	.20

5% Effect on Average Customer (10,000 gallons/month)

<i>5/8 inch meter</i>		<u>Old Rate</u>	<u>New Rate</u>	<u>Increase</u>
Water Charge	\$	25.29	26.55	1.26
Sewer Charge		<u>40.71</u>	<u>42.75</u>	<u>2.04</u>
Total	\$	66.00	69.30	3.30



CENTRAL REGIONAL WASTEWATER SYSTEM FUND

The City, through large user agreements, operates the Central Regional Wastewater System to provide treatment services for Fort Lauderdale, Oakland Park, Wilton Manors, Port Everglades, parts of Tamarac and Davie. These agreements, necessitated by federal funding requirements, establish the methodology for setting rates to large users. The City Commission establishes a billing rate based upon estimated expenses for the coming fiscal year. At the close of each fiscal year, the fund is audited and the actual rate determined. If necessary, lump sum rebates or charges are made to adjust the amounts paid during the year. In the past, the rate calculated at year-end has been less than the budgeted rate resulting in rebates instead of charges.

The Wastewater Large User Regional Advisory Board, as established by City Code, serves in an advisory capacity to the City Commission and the Central Wastewater Region for the purpose of making recommendations regarding rates and modifications to wastewater facilities. The Board met on August 6, 2008 to set a proposed rate for FY 2008/2009. The current rate is \$1.24 per 1,000 gallons.

The FY 2008/2009 adopted operating budget for the Central Regional Wastewater System is \$14,070,666, which is an increase of \$1,197,954 over the FY 2007/2008 adopted budget.

STORMWATER MANAGEMENT SYSTEM FUND

The revenues collected for the City's Stormwater Management Program are used for operating expenses and capital improvements directly related to the management of stormwater, including improvements designed to improve water quality in the City's waterways. The adopted FY 2008/2009 Stormwater operating budget is \$3,265,680 which is an increase of \$273,120 over the FY 2007/2008 adopted budget.

There continues to be greater demands for new stormwater projects. A Stormwater Master Plan is currently being developed and is expected to be completed in early 2009. The Master Plan is anticipated to recommend changes in the Stormwater rates, therefore a 5% rate increase is included in the adopted budget. Billing will be based on the following rate schedule:

- Residential property with three units or less will be billed \$3.20 per month (\$0.15 per month increase).
- Commercial and industrial properties, as well as multifamily residential with four units or more, will be billed \$32.38 per acre per month (\$1.54 per acre per month increase).

Property with low runoff characteristics, such as vacant land, parks and well fields, will be billed \$10.27 per acre per month (\$0.49 per acre per month increase).

PARKING FUND

The City's parking system provides approximately 9,506 parking spaces located in 4 parking garages and 33 parking lots, as well as on-street parking. The adopted FY 2008/2009 Parking Services operating budget is \$10,656,193, which is \$483,366 over the FY 2007/2008 adopted budget. The Parking Enforcement component of the Parking Fund resides in the Police Department, which has an adopted budget of \$1,804,581, as well as the City Hall security that stems from the Public Works department, which has an adopted budget of \$340,322. All three components are part of the total Parking Services operating budget listed above.



The budget includes expenses for a Municipal Maintenance Worker II. The City Park Garage (CPG) rehabilitation project has been completed. Several improvements have been made since this project began in 2000. This fiscal year, we replaced the four (4) hydraulic elevators with new air-conditioned traction-type elevators. We also had the interior sections of the garage and mall area painted during the replacement of the elevators. One of the phases of this project involves a façade renovation above 2nd Street, upgrade of the way-finding signage and lighting enhancements above 2nd Street under the garage. In addition to the façade renovation, Parking Services has conceptual designs for improvements to 2nd Street, which includes relocating the entrances/exits from 2nd Street and widening the sidewalks to provide an easier pedestrian path of travel from the Riverfront area to the City's financial district.

We continue to upgrade all parking facilities managed by Parking Services to comply with Americans with Disabilities Act (ADA). When completed, not only will these lots comply with ADA, but we have also taken measures to include aesthetic improvements to each lot by re-sealing and re-stripping all the existing parking spaces.

Parking Services installed twenty-five (25) new multi-space meters along A1A north of Sunrise Boulevard to NE 18th Street. The revenue collected from these meters supported the purchase of five (5) lifeguard stands and the ongoing costs to fund additional City lifeguards that had not been present in this area of the beach. In addition, Parking Services installed ten (10) new multi-space meters of which seven (7) were used to displace single-space meters on East Las Olas from SE 12th to SE 16th Avenue, and the other three (3) were used to displace single-space meters in the Earl Lifshey (the NE 27th Street) beach parking lot and the Vista Park beach parking lot. Parking Services will be moving forward with the placement of fifteen (15) multi-space meters at our South Beach parking lot displacing the Lot Attendant operation at this location this fiscal year.

Parking Services implemented a Residential Parking Permit Program (RPPP) for the Birch Park Beach finger streets. This is the first approved RPPP in the City of Fort Lauderdale and is designed to improve the quality of life for our citizens in this area. The residents have found this to be a very successful program to meet their issues and needs in their neighborhood.

Parking Services received approval to proceed with a new and technologically enhanced "Automated Municipal Parking Services Administration and Ticket Writing System" with permit tracking capability that will enhance our ability to better serve our parking customers. We also received approval to replace the seventeen (17) handhelds that will enable the Police Department Parking Enforcement Specialists to take digital pictures and download them into the system with the parking citation for better documentation.

Fleet Services worked with Water Works 2011 to complete the replacement of the in-ground gasoline and diesel fuel tanks at the Central Operations Center and 38th Street to comply with Federal regulations and at the same time significantly increase the in-ground fuel storage capacity at these sites. The City will then have approximately a two-week reserve supply of fuel in-ground to assist with storm recovery operations if Port Everglades is shut down due to storm damage.



AIRPORT FUND

The airport's mission is to attract business to the area and help those businesses prosper while being a benefit to the community. As part of that mission, the Executive Airport Division continues to maintain the Downtown Helistop and airport facilities necessary for the safe operation of aircrafts using the airport. The Executive Airport Division actively markets and promotes the use of the facilities and the Downtown Fort Lauderdale Business District.

The Executive Airport Division of the Business Enterprises department develops, operates and promotes Fort Lauderdale Executive Airport and Industrial Airpark, the Downtown Helistop, and Foreign-Trade Zone #241. The Airport is self-sustaining, with revenue generated by land leases and fuel flowage fees. The division administers 47 land leases for both aviation-related and Industrial Airpark land on the 1,200-acre property.

The FY 2008/2009 adopted operating budget for the Airport Fund is \$6,473,919, which is a \$541,339 increase from the FY 2007/2008 budget due primarily to an increase in the "payment in lieu of taxes" charge to the General Fund.

Fort Lauderdale Executive Airport continues to play a key role in the City's economic development efforts by offering the types of facilities and amenities essential to business travelers. The Executive Airport is unique in the Southeast in that it offers a 24-hour Federal Aviation Administration (FAA) Air Traffic Control Tower, an Instrument Landing System, a 6,000-foot runway, Aircraft Rescue and Fire Fighting services, U.S. Customs, 24-hour security, and a police substation on the property.

This award-winning Airport is home to over 700 aircrafts, including 115 jets and 37 helicopters; more than any other airport in the Southeastern United States. Six fixed-base operators provide a full spectrum of services, including fueling, avionics, maintenance, charters, aircraft sales and leasing, and air ambulance. Jet fuel accounted for 92% of the 12 million gallons of fuel pumped at the airport in 2007. The total fuel flowage fee received in 2007 increased by \$100,595 over the total paid in 2006.

A number of Capital Improvement Projects are currently under development to enable the airport to be operated in a safe and efficient manner. Some of the projects include: \$9 million for Relocation of Taxiway Alpha; \$7 million for construction of the Aircraft Rescue and Fire Fighting/Emergency Operations Center/Fire Station #53 facility; \$760,000 for installation of identification and directional signage around the airport roadways and entrances; and \$1.4 million for construction of the Aviation Equipment & Service Facility.

The airport recently celebrated its sixth-year anniversary of the elevated Downtown Helistop, which provides a vital transportation link to the City's Central Business District. The facility offers a helicopter landing, a fully furnished lobby, and vehicle parking spaces. The Downtown Helistop is a convenient option to surface transportation for people traveling from Miami, West Palm Beach, and as far away as Orlando and Tampa.

As a means of continuing to promote economic development opportunities in the area, the entire airport and five sites have been designated as Foreign-Trade Zone #241. This designation will help airport tenants conducting international business to defer, reduce, or even eliminate costly duties or excise taxes; thus, making the tenants financially stronger and more competitive.



SUNRISE KEY NEIGHBORHOOD IMPROVEMENT DISTRICT

In accordance with State Statute regarding safe neighborhood districts, the following budget is based upon an adopted millage rate of 1.0000 mil.

Insurance	\$ 12,000
Accounting, Audit & Administration	500
Vehicle Rental	4,200
Building & Equipment, Repair & Maintenance	5,000
Security	48,000
Landscaping/Pest Control	3,000
Miscellaneous Expenses	<u>7,000</u>
Adopted Operating Budget	\$ <u>79,700</u>

LAUDERDALE ISLES WATER MANAGEMENT DISTRICT

Accompanying the annexation of the Riverland Road area in September 2002, the Lauderdale Isles Water Management District is a special district authorized by Section 197.3632, Florida Statutes to address water quality issues. This district, currently composed of 548 properties adjoining the waterways that run through the Riverland area, continues to levy an assessment of \$15 per property for enhancement of their aquatic weed control efforts in their canals. The district adopted their budget in the amount of \$ 8,220 based upon an assessment of \$15 per property for FY 2008/2009 at their June 5, 2008 meeting. The TRIM (Truth-in-Millage) notice advises the property owners of this assessment.

COMMUNITY REDEVELOPMENT AGENCY

The City has one Community Redevelopment Agency (CRA) with two redevelopment areas: Central Beach and Northwest Progresso Flagler Heights (NWPFH). The purpose of the CRA is to spur redevelopment in areas that would not move forward economically without public investment. The primary source of revenue for the CRA is the tax increment, which is the millage rates of the City, Broward County, the Hospital District, and the Children’s Services Council applied to the increase in the taxable value of property within the CRA since the creation of the agency.

The Property Appraiser has provided the following preliminary net taxable value amounts compared to last year:

<u>Area</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Change</u>
Central Beach	\$647.5M	\$760.2M	17.4%
NWPFH	\$823.6M	\$913.9M	11.0%

The tax increment from the City’s millage rate is taken in as General Fund revenue and is reflected as a transfer out to the CRA. While the City postpones its General Fund revenue from the growth of property value within the CRA, it benefits from the spinoff of developments adjacent to the CRA areas triggered by the CRA efforts. Increases in population translate into additional State-shared revenue tied to number of residents, and the City benefits overall by the elimination of blight and the improvements that make the City better as a whole.



BEACH BUSINESS IMPROVEMENT DISTRICT

On October 3, 2006, the Commission adopted Ordinance 06-34, which created the Beach Business Improvement District (BID) on the beach and gave the Commission the authority to impose special assessments on certain specially benefited properties within the district.

The City passed a resolution during the December 19, 2006 City Commission meeting to express the City's intent to use the uniform method of collecting a special assessment for the BID for the City's FY 2007/2008. A resolution was required pursuant to Section 197.3632, Florida Statutes, and was adopted at a public hearing in December 2006, in order to have the ability to utilize the uniform collection method for assessments imposed beginning October 1, 2007.

The adopted operating budget for FY 2008/2009 for the district is \$602,026.

CAPITAL IMPROVEMENT BUDGET

Expenditures for capital improvements are not included directly in the operating budget. The adopted General Fund transfer to the General Capital Improvement Program (CIP) is \$15,000,000 to partially fund the General Capital Project Budget. See pages 231-266 for a list of funding uses and sources.