

#### **APPROVED**

BUDGET ADVISORY BOARD MEETING
CITY OF FORT LAUDERDALE
APRIL 17, 2024 – 5:00 P.M.
Fort Lauderdale Executive Airport
Red Tails Conference Room
6000 NW 21st Avenue
Fort Lauderdale, FL 33309

10/2023 through 9/2024

0

		Cumulative	Attendance
<b>Board Member</b>	Attendance	Present	Absent
Jeff Lowe, Chair	Р	4	0
William Brown, Vice Chair	Р	4	0
Jeremiah Carter [arrived at 5:10]	Р	1	0
Ross Cammarata	Р	4	0
Mildred Lowe [arrived at 5:10]	Р	1	0
Michael Marshall [arrived at 5:30]	Р	2	2
Melissa Milroy	Р	4	0
Prabhuling Patel	Α	3	1

Р

#### **Staff**

John Rodstrom

Greg Chavarria, City Manager

Susan Grant, Assistant City Manager

Anthony Fajardo, Assistant City Manager

Laura Reece, Director, Office of Management and Budget

Yvette Matthews, Assistant Director, Office of Management and Budget

Stephen Gollan, Fire Chief

William Schultz, Police Chief

Linda Short. Finance Director

Jerome Post, Director of Human Resources

Parth Patel, Assistant Budget Manager

Charmaine Crawford, OMB Department and Board Liaison

J. Opperlee, Prototype Inc. Recording Secretary

#### **Communications to the City Commission**

None

#### I. Call to Order

The meeting of the Budget Advisory Board was called to order at 5:02 p.m.

#### II. Roll Call

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

#### III. Approval of Meeting Minutes - March 20, 2024

Mr. Brown requested a change to the minutes.

**Motion** made by Mr. Brown, seconded by Ms. Milroy to approve the minutes of the March 20, 2024 meeting as amended. In a voice vote, motion passed unanimously.

#### IV. Floor Open for Neighbor Input

None

#### V. Old Business

None

#### VI. New Business

#### a. FY 2025 Personnel Costs Projection

M. Reece provided a Power Point presentation, a copy of which is attached to these minutes for the public record.

Mr. Carter and Ms. Lowe arrived at 5:10.

Ms. Matthews stated in the last few years, the City's healthcare contribution had exceeded claims, which were slightly less than what the trend showed. They had increased the City's contributions around 2017 per union contracts and tied it to an index. Ms. Reece stated overages could be used to reduce employee contributions.

Ms. Reece stated they anticipated an increase in wages and benefits in the General Fund of \$19.8 million. Last year, an increase of 12% in property values added \$23 million. They were using an 8% placeholder for this year.

Mr. Cammarata asked what would happen when property values declined and Mr. Chavarria said they would be forced to increase the millage rate or cut back. He said one of the biggest cost drivers was labor, and some municipalities used furloughs and/or reductions. He had tried to impress upon Commissioners that projects in process must be completed on time to increase the revenue streams.

Mr. Brown said there had been a decrease in projects coming into the pipeline and Mr. Chavarria stated this was because there was no more land. He stated the CRA had committed funds to projects, some of which had no movement. There was an opportunity to put a deadline on those projects and if a project did not make its deadline, the City could take the funds back to redistribute them. He wanted to encourage the Board to consider P3s to add value without costing the City.

Mr. Brown asked Chief Gollan and Chief Schultz what percentage of overtime expenditures were attributable to City events. Chief Gollan said for Fire Rescue it was

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very little and Chief Schultz stated for Police it was a large number; their overtime for Spring Break was \$1.5 million, close to 25% of their year-to-date overtime.

Mr. Cammarata asked if the City received support during Spring Break from Broward County Sheriff's Office [BSO]. Chief Schultz explained that the BSO only had jurisdiction to assist in mutual aid. Ms. Reece said approximately half of Broward County's tourist tax came from Fort Lauderdale. Mr. Chavaria thought the elected officials should bring this up with County officials, since the County, not the City, collected all the bed taxes from the hotels. Mr. Brown wanted to include this discussion at their next joint meeting with the City Commission.

Mr. Brown said Police and Fire Rescue had done a fantastic job reducing overtime costs.

Mr. Marshall arrived at 5:30.

#### b. Revenue Estimating Conference Committee Update

Mr. Cammarata reported Parth Patel had done a great job. A third party was now collecting past due false alarm and 911 fines, which were approximately \$2 million to \$3 million. He stated revenue may be slightly off for the lack of two employees in the field. Police tickets and fines had not returned to pre-Covid levels but were rising.

Ms. Short said they were investigating what other municipalities were doing regarding the past due water bills and staff would bring a recommendation to the City Commission per their request at the last meeting.

#### c. New City Hall Financing and Procurement

Chair Lowe described the recent outreach workshop, which included approximately 40 people. Mr. Brown said there was discussion about whether it should be a design/build or a P3. He said Marylin Mammano, Chair of the ITFC, had mentioned it being "P3-ish." He was pleased they were considering alternatives to design/build since the City did not have a great track record in staying on budget for design/builds. Ms. Matthews said Ms. Mammano's idea was to include a component that was revenue generating, such as renting space in the location. They could also bring in a third party for financing.

Ms. Milroy noted the two presenters were not on the same page regarding the P3 concept. She said design/build was a hard no from everyone. Mr. Brown said it had also been obvious that a lot of community stakeholders did not understand P3s. Ms. Milroy agreed and thought the City should conduct a PR campaign if they decided to use a P3.

Mr. Chavarria compared P3s and design/builds. The P3 water treatment plant project, once approved, was 44 months to delivery and the builders were only paid for progress on the project. The design/build Police station project was supposed to be \$75 million with a \$25 million contingency. They had received the funding in 2019 and they had just broken ground in summer 2023. It would be completed in 24 months after breaking

Budget Advisory Board April 17, 2024 Page 4

ground, and the cost was now \$145 million. He said a P3 allowed them to lock in prices and dates.

Ms. Reece said the last workshop regarding the new City Hall would be on Saturday and then the ITFC would draft a recommendation to present to the City Commission in June.

Mr. Rodstrom said he had taken the survey and felt it was biased. He wanted City Hall to be a place for all City workers and the survey included to many other non-revenue generating options that he felt they would lose money on. He thought this bias may be the reason some people did not complete the survey.

Ms. Reece directed Mr. Carter to the City's website to view the available information from the prior workshops and invited him to the last workshop.

#### d. Infrastructure Task Force Update

None

#### e. Format for FY 2025 Departmental Budget Review Presentation

Ms. Reece said the Board would receive packets for the May 8 workshop by May 3. Three departments at each meeting would have 20 minutes to present and then there would be 20 minutes for questions. The Board would meet with the City Manager in June to discuss what he/she was proposing for the preliminary budget.

#### VII. Communications to/from City Commission

None

#### VIII. Board Member Comments

Chair Lowe welcomed new Board members Jeremiah Carter and Mildred Lowe. Mr. Carter and Ms. Lowe introduced themselves.

Mr. Chavarria said he was leaving behind a great team and the Board should heed their advice.

#### IX. Adjourn

The meeting was adjourned at 6:17 p.m.

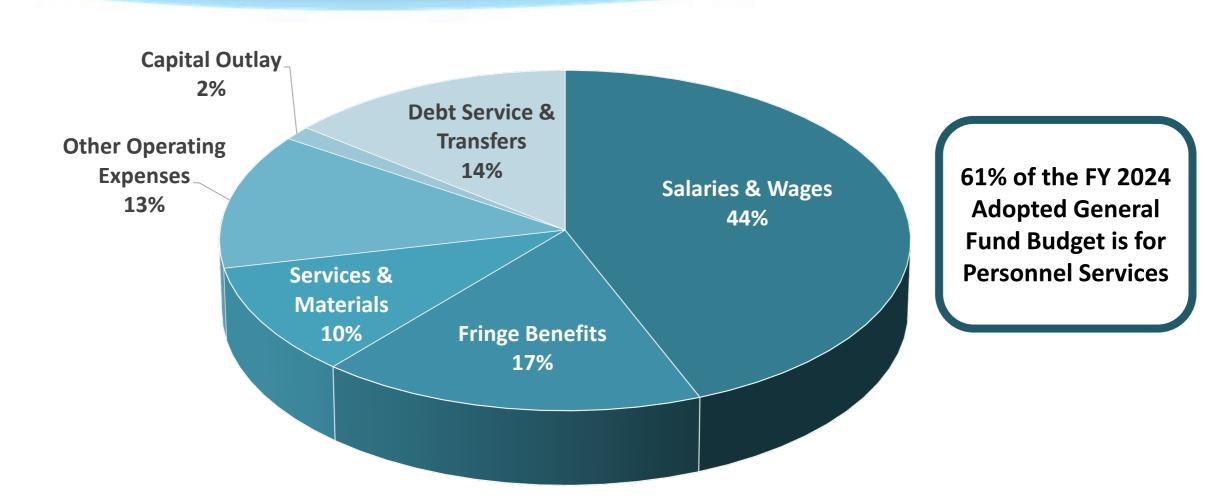




**Example 17.2025 DRAFT Personnel Costs Projections April 17, 2024** 

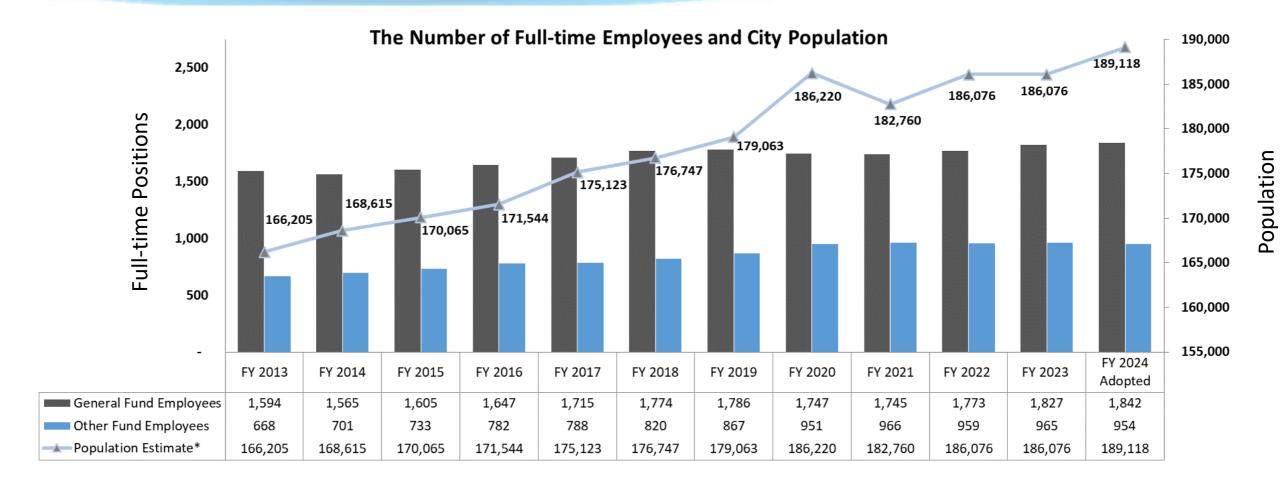


## Where the Money Goes by Expense Type FY 2024 Adopted General Fund



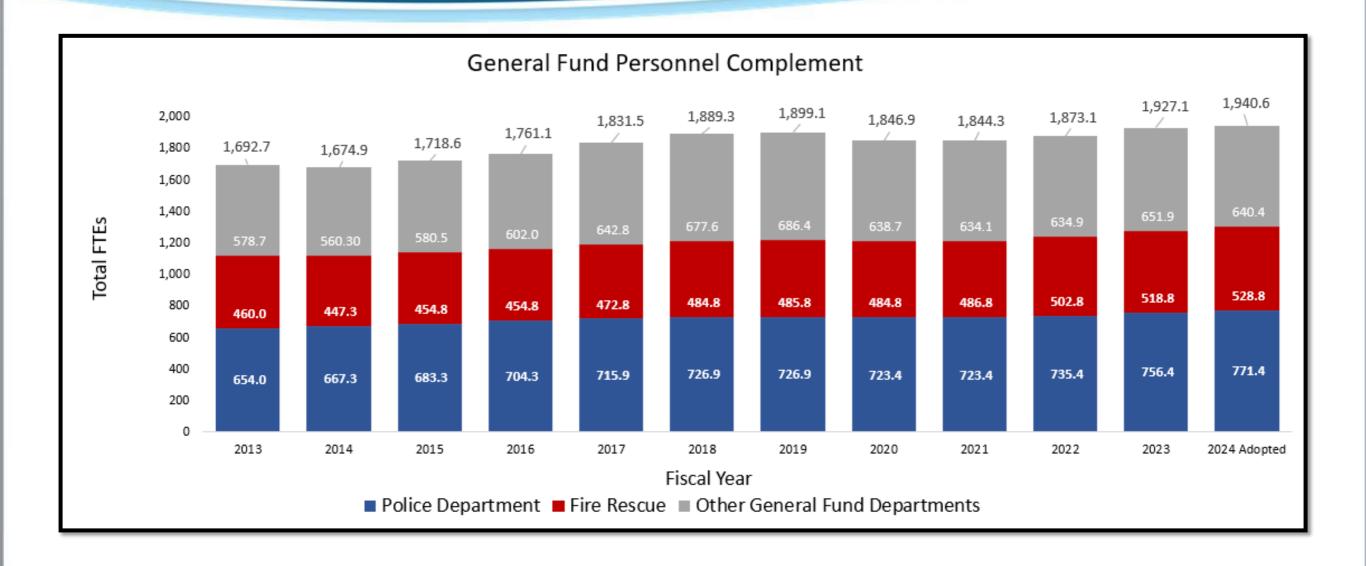


### Full-Time Community Builders





## Public Safety Growth





# Growth in Property Tax Revenues versus Increases in Salaries and Benefits

#### **Growth in Salaries vs. Property Tax Revenues\***

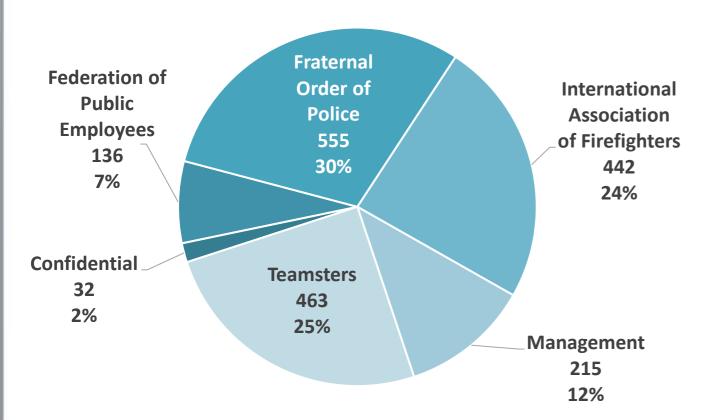


<sup>\*</sup>General Fund projection only

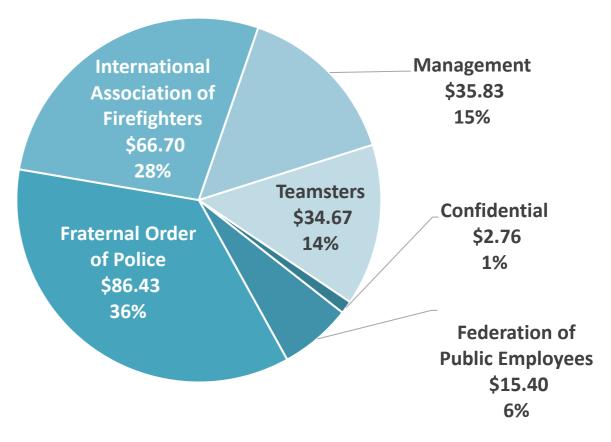


## Where the Money Goes by Bargaining Group (FY 2025 Projected General Fund)

#### Position by Labor Group



## Salary and Wages by Labor Group Amount in Millions (\$)





## Bargaining Group Expiration Dates

Bargaining Group	Expiration Date
Teamsters	September 30, 2025
Federation - Professional Unit - Supervisory Unit	September 30, 2025
International Association of Fire Fighters (IAFF) - Rank and File - Battalion Chiefs	September 30, 2026
Fort Lauderdale Fraternal Order of Police (FOP) - Police Lieutenants and Captains - Police Officers and Sergeants	September 30, 2026



### Cost of Living and Merit (Step) Assumptions

Labor Groups	Cost of Living (COLA) or 75th Percentile Adjustment	Merit (Average Steps) <sup>∆</sup>		
Management				
Confidential	3.0%	3.0%		
Teamsters	3.076	3.076		
Federation				
International Association of Fire Fighters (IAFF)*	4.0% Assumption	4.3%**		
Fort Lauderdale Fraternal Order of Police (FOP)	3.2%***	3.6%**		

<sup>&</sup>lt;sup>^</sup>Employees who have reached the maximum of their position's pay plan, or will not receive a step increase, receive a one-time payment in lieu of a salary increase for merit.

<sup>\*</sup>IAFF 75th percentile adjustments are based on the max rate.

<sup>\*\*</sup>Average Step is based on a Paramedic/Firefighter and a Police Officer

<sup>\*\*\*</sup>The FOP average Merit (Step) adjustments were based on the October 2023 Social Security



#### International Association of Firefighters (IAFF) Merit (Steps)

#### Wage Rates Effective October 1, 2023

## (630) FIREFIGHTER AND (640) PARAMEDIC/FIREFIGHTER PAY RANGE AMOUNTS BASED ON A 48-HOUR WEEK

Pay Range	Step	Hourly Rate	Annual Rate	Step Increase
F1	1A	\$26.00	\$64,896.86	
F1	2A	\$26.78	\$66,832.05	3.0%
F1	Α	\$28.11	\$70,157.30	5.0%
F1	В	\$29.46	\$73,537.06	4.8%
F1	С	\$30.89	\$77,107.61	4.9%
F1	D	\$32.38	\$80,814.45	4.8%
F1	Ε	\$33.86	\$84,521.28	4.6%
F1	F	\$35.59	\$88,827.75	5.1%
F1	G	\$37.37	\$93,270.50	5.0%
F1	Н	\$38.12	\$95,151.17	2.0%

- Effective the first full pay period in October, the pay ranges shall be adjusted by the percentage necessary to bring the maximum annual rate of the pay range to the 75th percentile. Broward County public employers with the same job classifications with expired/status quo agreements will be included as survey comparators.
  - Increase shall not be less than two percent (2%) nor greater than four percent (4%).
- The average step is 4.3%.
- Certification Pay
  - 5% EMT Certification
  - 15% Paramedic Certification



#### Fraternal Order of Police (FOP) Merit (Steps)

#### SCHEDULE III PAY RANGE AMOUNTS EFFECTIVE OCTOBER 1, 2023

(614) POLICE OFFICER (CERTIFIED)
HIRED ON OR AFTER OCTOBER 1, 2017

Pay Range	Step	Hourly Rate	Annual Rate	Step Increase
P001	Α	\$36.97	\$76,897.60	
P001	В	\$38.49	\$80,059.20	4.1%
P001	С	\$40.01	\$83,220.80	3.9%
P001	D	\$41.62	\$86,569.60	4.0%
P001	E	\$43.12	\$89,689.60	3.6%
P001	F	\$44.68	\$92,934.40	3.6%
P001	G	\$46.18	\$96,054.40	3.4%
P001	Н	\$47.74	\$99,299.20	3.4%
P001	1	\$49.36	\$102,668.80	3.4%
P001	J	\$50.91	\$105,892.80	3.1%
P001	K	\$54.29	\$112,923.20	6.6%

- Effective October 1, pay ranges increase by the Consumer Price Index (CPI) for Social Security for the previous January 1, with a minimum increase of 3% and a maximum increase of 4%.
  - 3.2% increase in FY 2025
- The average step, excluding the last step is 3.6%.
- Assignment Pay
  - \$1,858 Patrol Officers < 10 Years of Service
  - \$2,477 Patrol Officers > 10 Years of Service & Non-Patrol Officers



#### Health Insurance Costs

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actuals	FY 2024 Adopted	FY 2025 Budget Request
General Fund	\$13,246,146	\$13,955,159	\$15,892,268	\$16,763,713	\$17,291,011	\$18,331,419	\$19,843,687	\$22,115,936	\$23,578,380	\$26,781,199
Other Funds	\$ 5,839,695	\$ 5,795,581	\$ 6,966,366	\$ 7,766,537	\$ 8,527,313	\$ 8,955,526	\$ 9,416,989	\$10,282,496	\$11,253,628	\$12,644,779
Total Health Insurance	19,085,841	19,750,740	22,858,635	24,530,250	25,818,324	27,286,945	29,260,676	32,398,432	34,832,008	39,425,978
City Health Contribution per Employee <sup>123</sup>	\$ 8,459	\$ 8,597	\$ 9,282	\$ 10,076	\$ 10,833	\$ 11,715	\$ 12,813	\$ 13,932	\$ 15,300	\$ 16,952

<sup>&</sup>lt;sup>1</sup>Fiscal Years 2016 through 2018 are based on an average City Health Contribution per Employee.

The FY 2024 part-time health contribution is \$9,336.

<sup>&</sup>lt;sup>2</sup>The City's contribution per Employee is adjusted by the Total Medical and Pharmacy Trend for Plans with a Medium Level of Member Cost sharing plus 2%, as published in the Arthur J. Gallagher & Co. GBS Actuarial Consensus Trend Forecast

<sup>&</sup>lt;sup>3</sup>The budgeted contribution for FY 2024 was \$ 15,180 but the actual contribution is being made based on the final GBS Actuarial Consensus Trend Forecast report and will be \$15,300.



## Retirement Plan Comparison

	Police & Fire Pension Plan	General Employee Pension Plan (Closed)	401 (a) (Closed)	Florida Retirement System
Eligible	Sworn Police Officers/Certified Firefighters	All other Full-time (FT) employees hired before 2007	All other FT employees hired before 12/31/2020	All FT and Part-time employees hired after 12/31/2020
<b>Governed By</b>	Chapters 175/185 of Florida Statues	City Ordinance	Treasury/IRS Rules	State Statute/Florida Administrative Code
Benefits	Mandatory Subject of Collective Bargaining	Mandatory Subject of Collective Bargaining	Mandatory Subject of Collective Bargaining	Set by State Legislature
Annual Funding	Annual Required Contribution (ARC) determined by Plan Actuary (FY 2024 approx. 26.8% of covered payroll)	Annual Required Contribution (ARC) determined by Plan Actuary (FY 2025 approx. 26.86% of covered payroll)	9% of compensation	13.63% effective 7/1/2024 of compensation for regular class.
Plan Investments	Managed by Board Mar		Accounts Managed by Employee	Pension Plan – Managed by State Investment Plan – Managed by Employee



### Pension Costs FY 2016 – FY 2025 (All Funds)

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actuals	FY 2024 Adopted	FY 2025 Projection
General Employee Retirement System Annual Contribution	\$ 14,393,012	\$ 14,650,881	\$ 10,459,835	\$ 8,820,804	\$ 8,164,058	\$ 8,940,886	\$ 8,376,770	\$ 6,465,405	\$ 6,783,091	\$7,829,561
Police and Fire Annual Contribution*	\$ 13,867,934	\$ 17,325,393	\$ 19,328,568	\$ 18,108,528	\$ 17,923,079	\$ 19,348,197	\$ 20,766,864	\$ 21,471,852	\$ 19,420,747	\$ 24,400,000
401(a) Defined Contribution Plan	\$ 3,118,307	\$ 3,752,128	\$ 4,286,354	\$ 5,180,498	\$ 5,524,930	\$ 4,408,592	\$ 3,586,090	\$ 3,284,334	\$ 3,515,848	\$ 3,314,596
Debt Service for Pension Obligation Bonds	\$ 26,358,764	\$ 26,362,004	\$ 26,359,124	\$ 26,493,149	\$ 26,886,309	\$ 26,308,984	\$ 26,310,888	\$ 26,308,035	\$ 24,129,122	\$ 21,637,758
Florida Retirement System (FRS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,595,838	\$ 4,683,049	\$ 6,868,728	\$ 8,420,620	\$ 9,785,366
Total City Retirement Contributions	\$ 57,738,017	\$ 62,090,406	\$ 60,433,881	\$ 58,602,979	\$ 58,498,376	\$ 61,602,498	\$ 63,723,661	\$ 64,398,355	\$ 62,269,428	\$66,967,281

\*The City has not yet received the actuarial report that outlines the Police and Fire Annual Contribution. The placeholder amount is based on the actuarial estimates completed to assess the impact of the plan changes approved in the last negotiated contract.



## Public Safety Pension Changes

Impact	Adjustment Made
\$22.6M	Estimated FY 2025 pension contribution prior to the change in the pension plan.
\$0.3M	Increase in the number of overtime hours that are pensionable each year from 40 hours to 80 hours.
\$0.7M	<ul> <li>Change in pension benefits for FOP members hired after October 1, 2014.</li> <li>Increase the multiplier from 3.0% to 3.38%</li> <li>Change average final compensation (AFC) from highest five years to highest two years</li> <li>Change the maximum benefit from 75% of AFC to 81% of AFC</li> <li>Increase years of service for normal retirement from 20 to 24 years</li> </ul>
\$0.8M	<ul> <li>Change in pension benefits for IAFF members hired after October 1, 2014.</li> <li>Increase the multiplier from 3.0% to 3.38%</li> <li>Change average final compensation (AFC) from highest five years to highest two years</li> <li>Change the maximum benefit from 75% of AFC to 81% of AFC</li> <li>Increase years of service for normal retirement from 20 to 25 years</li> </ul>
\$24.4M	FY 2025 Projection Police and Fire Pension Contribution



#### Pension Plans – Funded Ratios\*

Pension Plan	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Police/Fire	93.34%	89.59%	100.24%	92.4%	92.1%
General Employees	96.58%	95.49%	111.24%	90.67%	97.7%

<sup>\*</sup>Plan Fiduciary Net Position as a Percentage of Total Pension Liability

Funded ratios include the \$337.8 million Series 2012 Special Obligation Bonds which funded a portion of the unfunded actuarial accrued liability of the Pension Plans



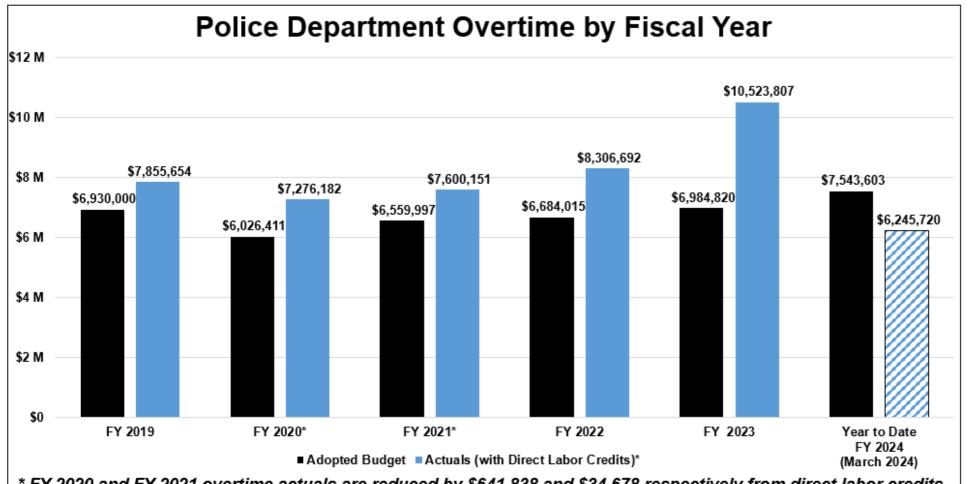
# General Fund Salary and Benefits Growth - \$19.8 Million (Projected)

Department	FY 2021 Amended		FY 2022 Amended		FY 2023 Amended		FY 2024 Adopted		FY 2025 Projected		FY 2025 Projection vs. FY 2024 Adopted		FY 2025 Projection vs. FY 2024 Adopted
Charter Offices*	\$	15,397,748	\$	16,402,446	\$	17,020,919	\$	18,063,665	\$	19,086,296	\$	1,022,631	5.66%
Community Redevelopment Agency	\$	2,807,484	\$	2,943,517	\$	3,014,191	\$	2,995,691	\$	3,178,258	\$	182,567	6.09%
Development Services	\$	9,834,636	\$	10,643,593	\$	11,512,819	\$	11,364,055	\$	12,271,994	\$	907,939	7.99%
Finance	\$	5,116,373	\$	5,194,514	\$	5,395,658	\$	5,655,927	\$	6,033,513	\$	377,586	6.68%
Fire Rescue	\$	74,161,185	\$	77,600,237	\$	80,983,451	\$	86,579,548	\$	91,766,809	\$	5,187,261	5.99%
Human Resources	\$	2,991,619	\$	3,444,934	\$	3,516,037	\$	3,348,124	\$	3,589,580	\$	241,456	7.21%
Parks & Recreation	\$	26,120,973	\$	26,262,239	\$	28,130,760	\$	30,012,551	\$	31,272,124	\$	1,259,573	4.20%
Police	\$	102,622,463	\$	107,625,271	\$	116,058,737	\$	120,194,087	\$	130,560,715	\$	10,366,628	8.62%
Public Works	\$	2,360,530	\$	2,481,368	\$	2,676,191	\$	3,074,535	\$	3,162,781	\$	88,246	2.87%
Transportation & Mobility	\$	1,415,309	\$	1,422,925	\$	1,709,403	\$	1,704,695	\$	1,872,478	\$	167,783	9.84%
Total	\$	242,828,320	\$	254,021,044	\$	270,018,166	\$	282,992,878	\$	302,794,548	\$	19,801,670	7.00%

<sup>\*</sup>The Charter Office includes the City Auditor's Office, City Attorney's Office, City Clerk's Office, City Manager's Office, Office of Management and Budget and the Office of the Mayor and City Commission



### Police Overtime Funding Snapshot



<sup>\*</sup> FY 2020 and FY 2021 overtime actuals are reduced by \$641,838 and \$34,678 respectively from direct labor credits associated with federal COVID relief funding.

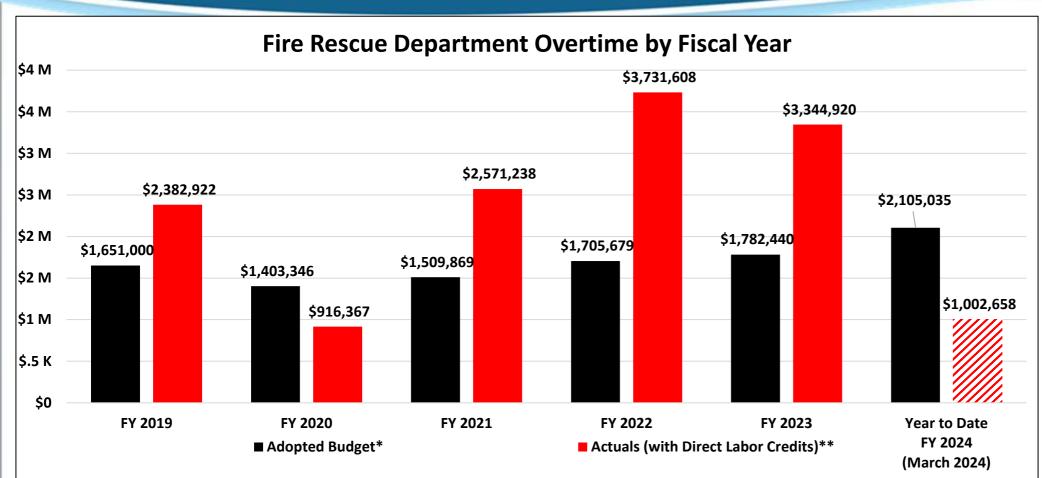
FY 2025
Budget
\$8,147,100
(FY 2024 + 8%)

The Police Department has historically used salary savings to offset overtime overages.

<sup>\*</sup>FY 2018, 2019 and 2022 budgets were amended to ensure that overtime expenditures remained in budget.



#### Fire Rescue Overtime Funding Snapshot



<sup>\*</sup> The FY 2019, 2021, 2022, and 2023 budgets were amended to obtained approve from the City Commission to increase overtime budget.

\*\* FY 2020 and FY 2021 overtime actuals are reduced by \$947,045 and \$1,941,312 respectively from direct labor credits associated with federal COVID relief funding.

FY 2025

Budget

\$2,775,800

(FY 2024 Amended + 8%)

The Fire Rescue
Department's budget was
amended each year in FY
2018 through FY 2022
except for FY 2020 to
obtain approval from the
City Commission to
increase the overtime
budget.

<sup>\*\*\*</sup> The amended budget is displayed for FY 2024 due to mid-year contract adjustments.



## Thank You!



#### Invest Fort Lauderdale, Inc.

Invest Fort Lauderdale, Inc. was incorporated in 2021 by the Northwest Progresso Flagler Heights Community Redevelopment Agency (CRA) as a 501(c)(3) (pending) nonprofit, community economic development corporation to proactively address the health and wellness, education, housing, jobs and economic development, and safety of the Northwest Sistrunk community of Fort Lauderdale, Florida. The community is well known for its rich history, pride, and cohesiveness and is part of the Northwest Progresso Flagler Heights Community Redevelopment Agency (CRA). The CRA fostered the creation of Invest Fort Lauderdale, Inc. since the potential sunsetting of the CRA in 2025 will result in the need for an organizational entity to continue redevelopment activities.

The founding board of directors launched a strategic planning process in May 2022 to develop a goal-driven blueprint to purposefully improve the quality of life in the community, while increasing the capacity and sustainability of Invest Fort Lauderdale, Inc. As a result, the plan detailed mission, values, goals, objectives and strategies.

The mission of Invest Fort Lauderdale, Inc. is to reduce poverty, create jobs, provide for a sustainable living wage, support the development of affordable housing, support small business development, provide for economic development, and engage or undertake other activities which fosters a sustainable and viable community. In fulfilling its mission, Invest Fort Lauderdale, Inc. is committed to building a better future for the Northwest Sistrunk community through core values of competitiveness, vibrant community, people first, catalytic investment and activities, collaboration and innovation.

Over the next three years, Invest Fort Lauderdale, Inc. will seek to focus its efforts on four key priority areas. Each of these priorities are interconnected and mutually reinforcing and provide a strategic framework for goals, outcomes, and strategies.

- I. Strengthen the community.
- II. Expand economic vitality through business development and attraction.
- III. Create greater access to capital for wealth building and economic development.
- IV. Provide quality and affordable housing options.

Invest Fort Lauderdale, Inc. will be capitalized by payments from recent CRA

development projects that have received financial incentives. These projects will make an annual partial repayment to Invest Fort Lauderdale, Inc. In addition, residential projects that receive CRA incentive funding will also sublease their commercial space to Invest Fort Lauderdale at a discounted rent and in turn, the space will be leased to area entrepreneurs and enterprises.

#### **Board of Directors**

Burnadette Norris-Weeks, Chairperson Christopher Smith Amanda Bartle Nikki Austin-Shipp

#### Former Board members:

District IV City Commissioner Pamela Beasely-Pittman Joshua Miller

#### CRA Manager

Clarence Woods

#### Consultant

James Carras, Carras Community Investment, Inc.