

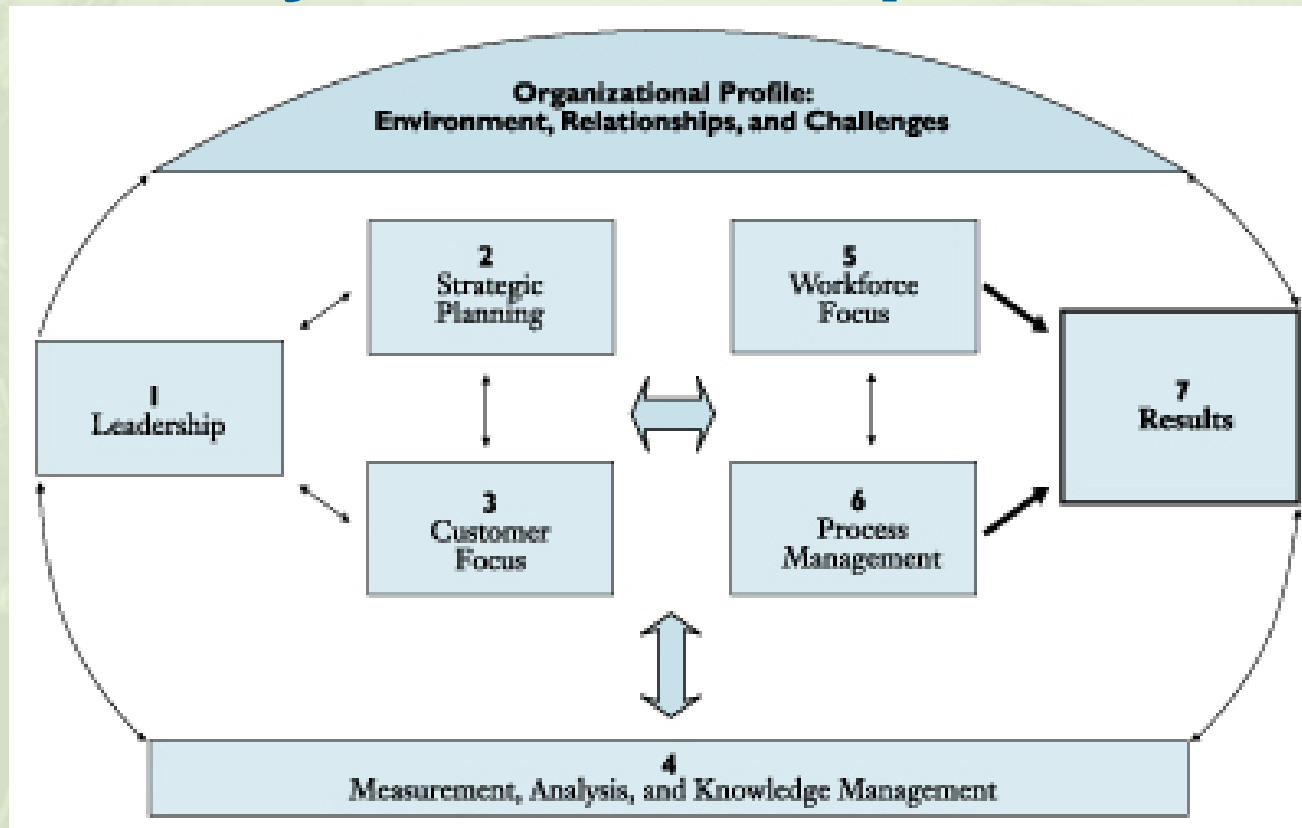


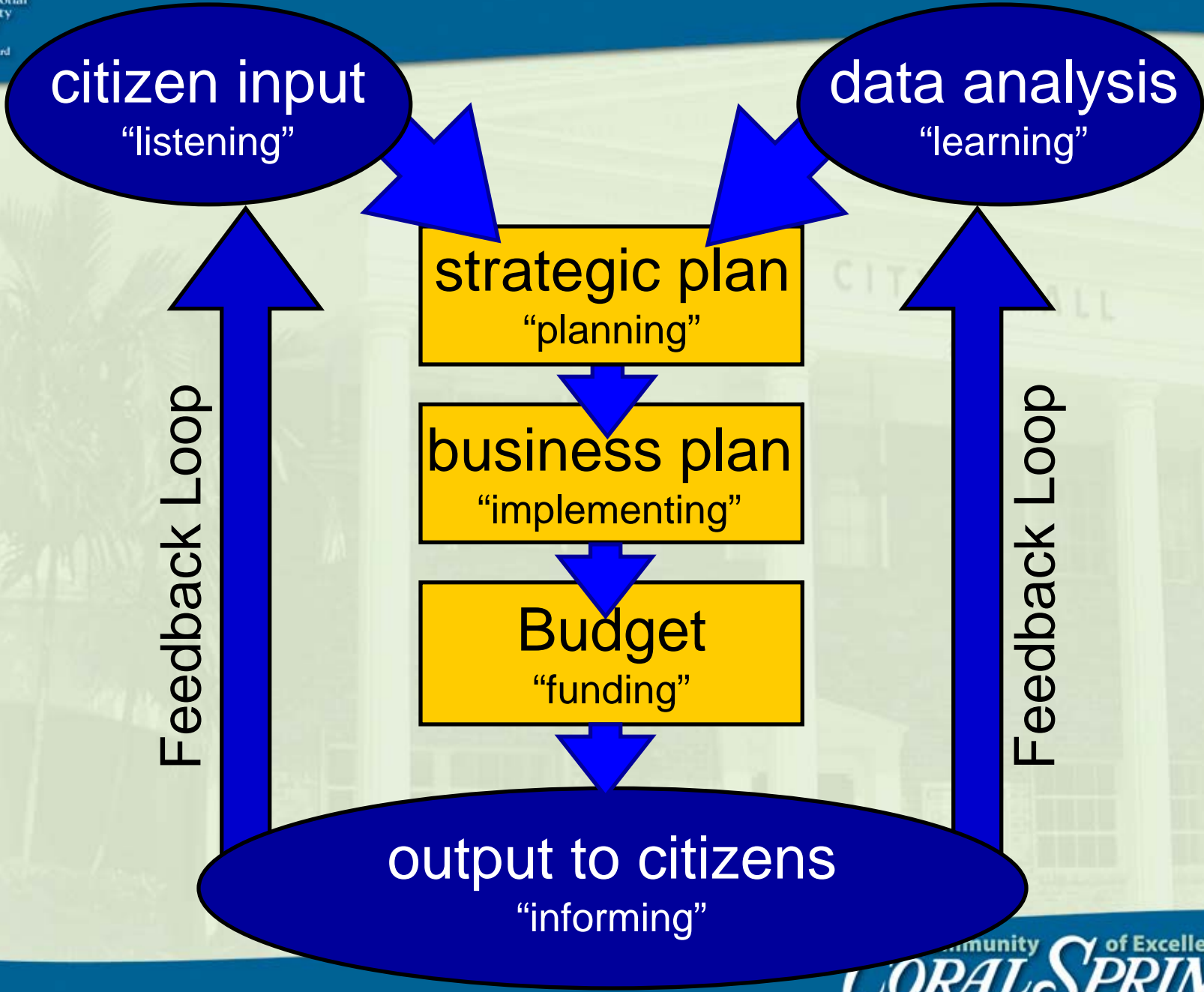
Business Planning Workshop

July 7, 2010

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Baldrige Model: A Systems Perspective





Despite Tight Budget Constraints:

Align Resources With Customer Expectations.

- Maintain service levels despite having fewer employees today than in 2004
- Enhance community aesthetics
- Place more police officers on the street
- Continue to advance green projects (primarily via grant funding)
- Provide assistance to preserve neighborhood vitality (primarily via grant funding)

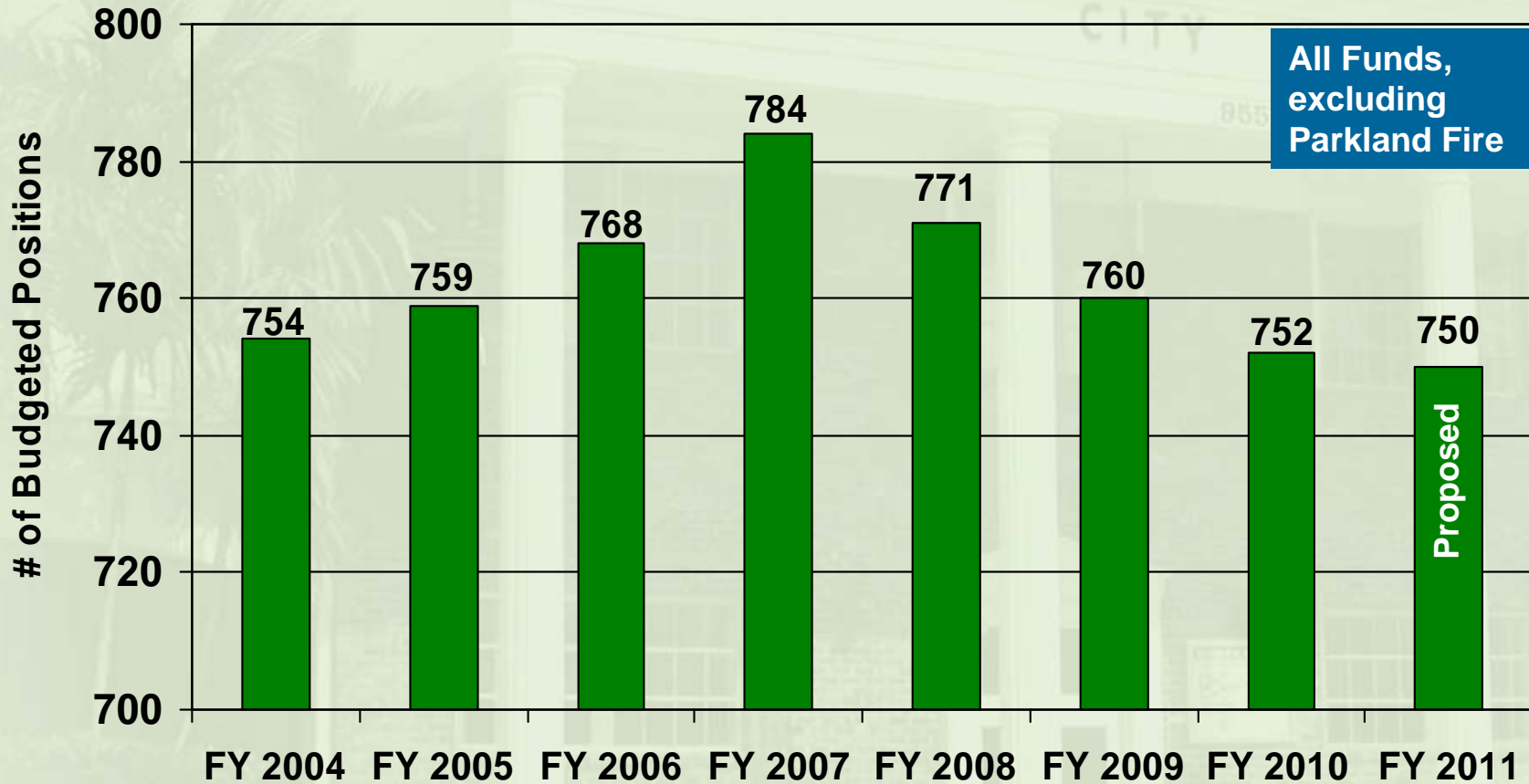
Despite Tight Budget Constraints:

- Augment educational opportunities via a partnership with Broward College
- Expand citizen volunteer opportunities
- Business support through BizAssist

Important Capital Projects Will Proceed

- Complete the renovations to the Public Safety Building
- Design and build Fire Station 71
- Continue road resurfacing program
- Replace firefighter turnout gear
- Vehicle and computer replacements will continue as necessary
- Needed repairs and maintenance will not be given short shrift

The City Will Have Fewer Full-time Employees Than It Did In FY 2004



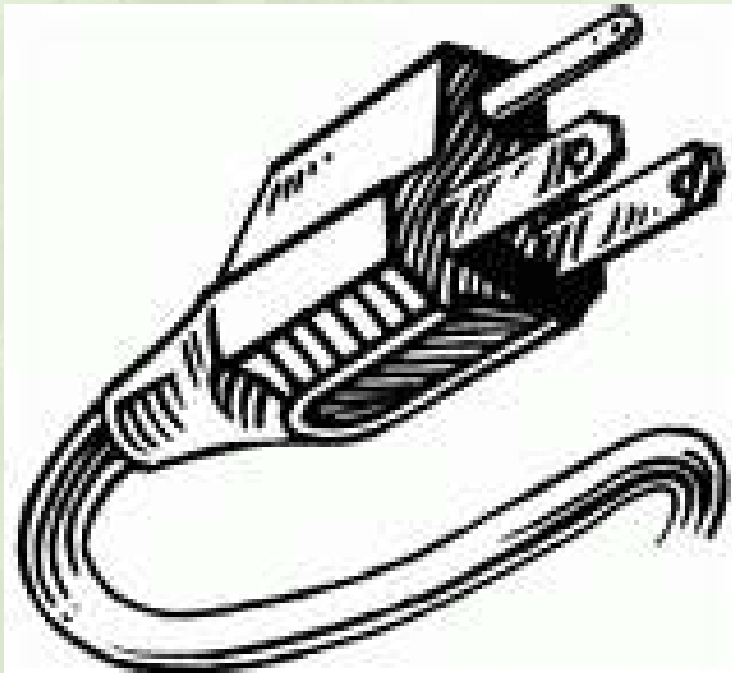
Feedback From April Strategic Planning Workshop

- Do not collect more property tax revenue in FY 2011 than did in FY 2010 (Rolled-back rate)
- Focus on long-term financial sustainability
- Maintain service levels
- Preserve our community's quality of life

Economic Challenges for FY 2011

- Property tax base further eroded in FY 2011 with a 10.8% decrease in over-all property values
- Single-Family and Multi-Family residential may have bottomed out
 - commercial/industrial probably has not
- We had predicted the economy would be improving faster. For example, sales taxes still behind last year's levels.
- Public safety pension costs still increasing

Three-Pronged Strategy



1. Manage Citywide Expenses
2. Adopt a Tax Rate That Keeps Revenues Constant
3. Judicious use of Reserves

Manage Citywide Expenses

- Limit salary pool to 3% for all employees
- Voluntary wage freeze for Senior Leadership Team
- Net two full-time, vacant positions eliminated
 - Deleted 5 full-time, vacant positions in various departments; transferred three of those positions to median maintenance crew

Key Departmental Expense Cuts

Position Reductions (Net of Transferred Positions)	\$306k
Operating Expenses	\$398k
Fuel & Maintenance	\$126k
*LTD and Life Insurance Allocation	\$96k

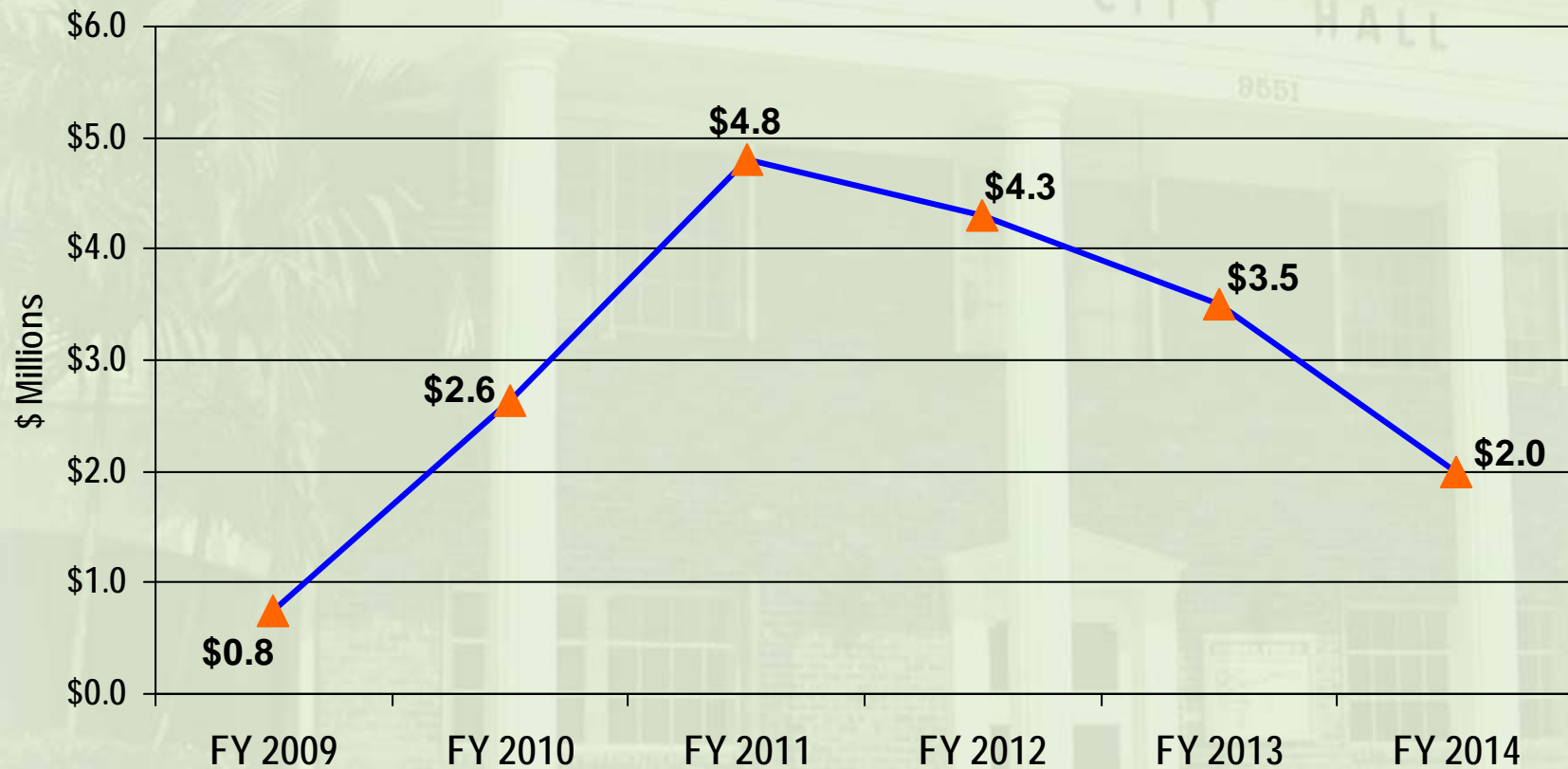
*LTD = Long Term Disability

Judicious Use of Reserves

A Bridge To Recovery

- Dependence on reserves will crescendo in 2011
- Strategy to decrease use of reserves gradually
- Avoid depletion of reserves too early
- Protect emergency reserve
- Manage expenses now to ensure smooth transition/soft landing

Step Down Use of Undesignated Reserves





Proposed New Initiatives

FY 2011

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New Initiatives for FY 2011

Customer-Involved Government

- Expanded Volunteer Programs
- Additional Police Presence
 - Part-time Officer Program

Financial Health & Economic Development

- CSBizAssist Program
- Street Indexing Signs

Excellence in Education

- Broward College Campus in Coral Springs

New Initiatives for FY 2011

Neighborhood & Environmental Sustainability

- **Community Pride**
 - Citizens Helping in Parks
 - Median Maintenance
 - Summer Seasonal Workers
 - Master Tree Plan
 - Tree Trimming
- **Water Conservation Programs**
- **Solid Waste and Recycling Strategic Plan**

City Has Already Taken Proactive Steps To reduce Expenses and Increase Non-Tax Revenues

- Started Code Ranger program
- Expand CERT program
- Renegotiate Parkland Fire Rescue contract
- Negotiating fleet maintenance contracts with other cities

City Has Already Taken Proactive Steps To reduce Expenses and Increase Non-Tax Revenues

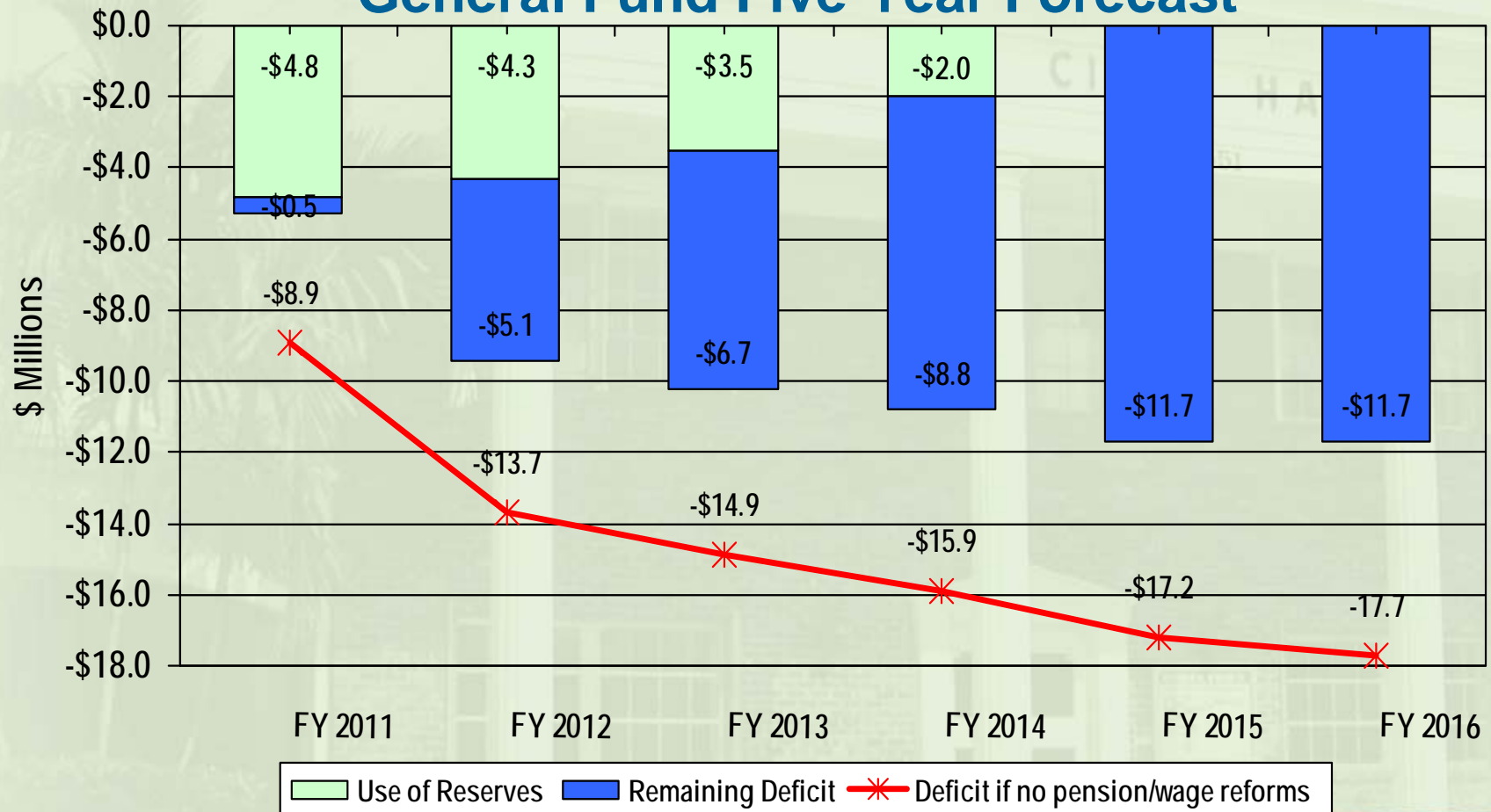
- Expand number of cell tower leases
- Install energy efficient field lighting at Cypress park
- Purchased 8 hybrid vehicles
- Provide data back-up services to the City of Miami
- Adopt energy efficient, labor saving computing technology

City Has Already Taken Proactive Steps To reduce Expenses and Increase Non-Tax Revenues

- Cross-train Building Inspectors as Code Enforcement Officers
- Partnership with Incredible Ice
- Switch to postcard billing in water utility
- Negotiate bulk fuel purchasing agreement
- Implement nitrogen tire fill system for City vehicles

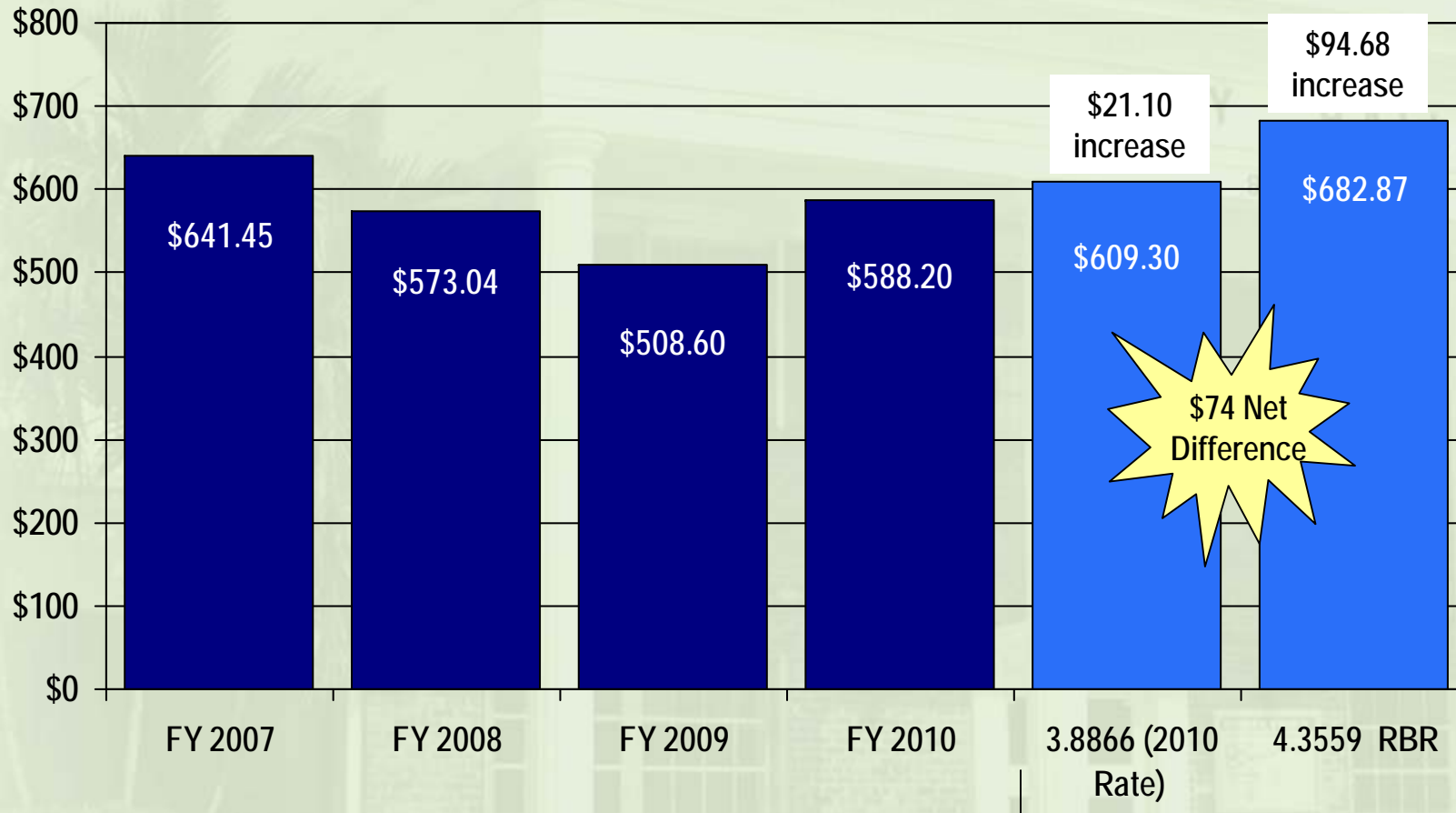
Progress In Managing Future Projected Deficits

General Fund Five-Year Forecast



This chart is for planning purposes and illustrates the potential shortfalls the General Fund could face if no positive action is taken. By Florida law, the proposed budget will be balanced. Financial Strategies will be formulated to address future year shortfalls and will be included in the FY 2011 Business Plan.

Long-time SF Homesteaded Homeowner Will See a Small Increase



FY 2007

FY 2008

FY 2009

FY 2010

3.8866 (2010 Rate)

4.3559 RBR

\$190,530

\$195,290

\$201,140

\$201,340

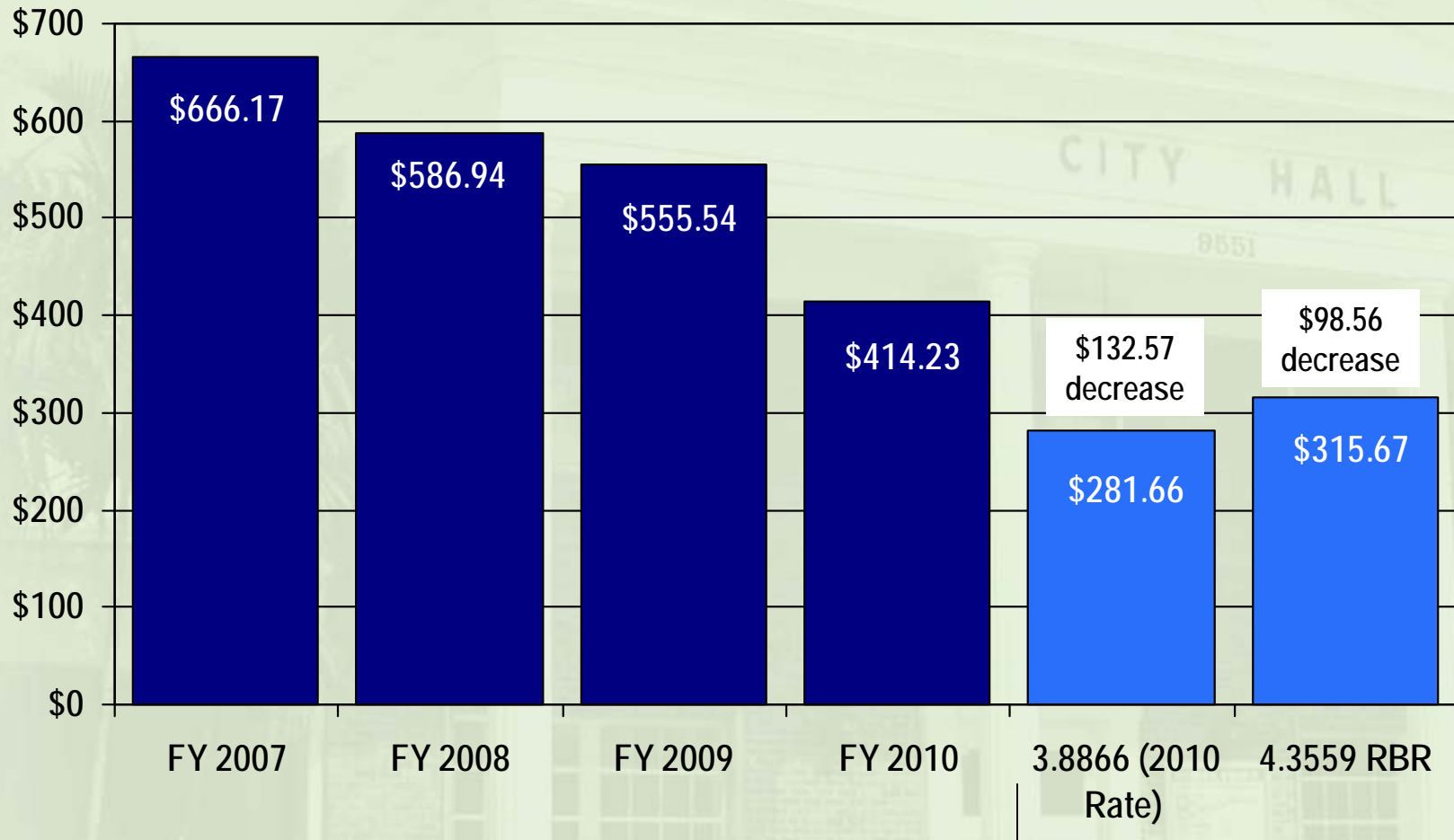
FY 2011
\$206,770

"Save Our Homes" Value

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FY 2011 assumes taxable value increase by CPI of 2.7%

Non-Homesteaded Condo Owner's Tax Bill Will Decrease



FY 2011
\$72,470

← Just Value

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FY 2011 assumes decrease of 32% in market value

FY 2011 Business Plan

Financial Impacts

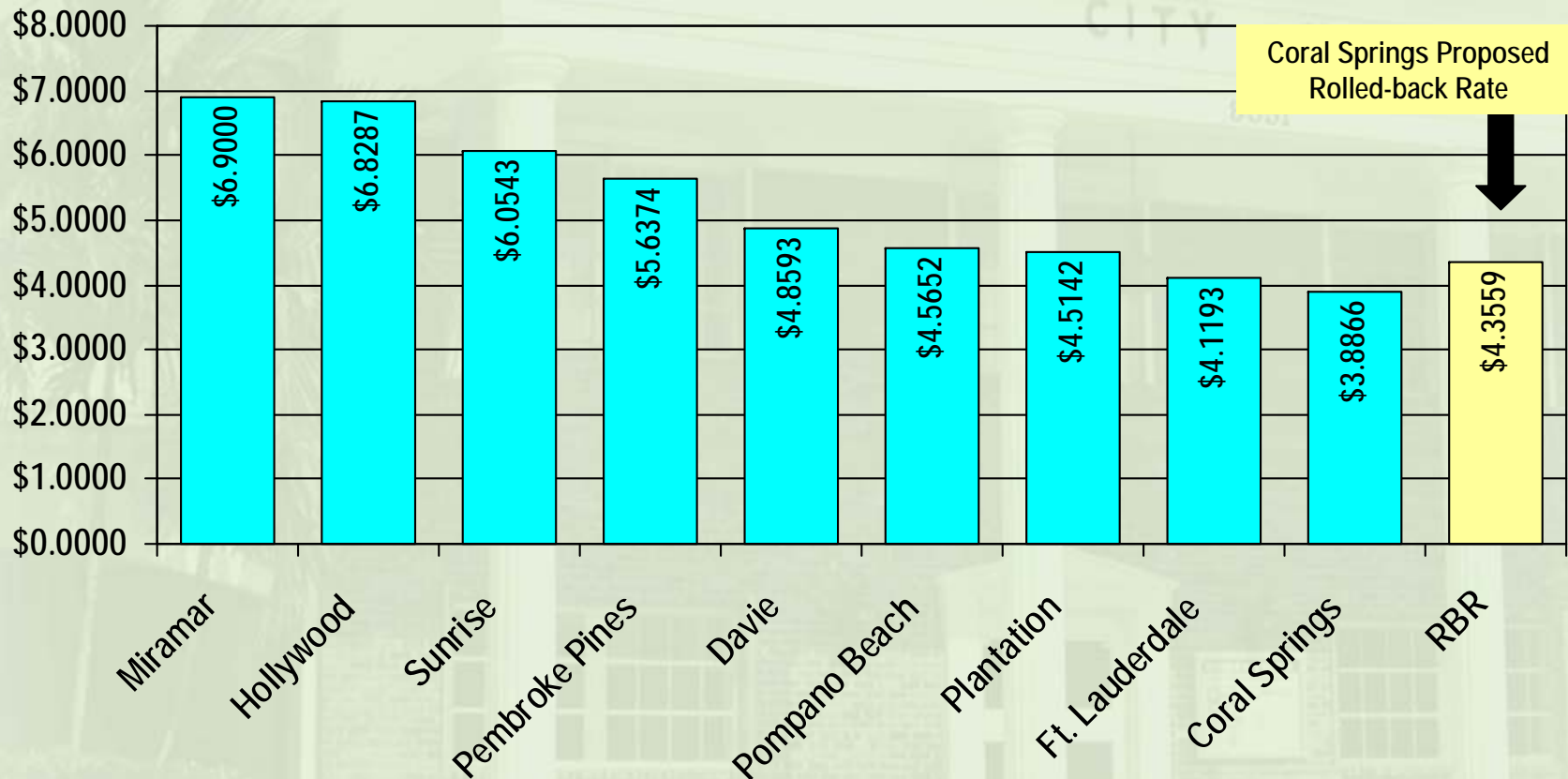
- Hold the operating millage rate to the Rolled-back Rate, which raises the same amount of revenue as previous year
- Maintain Debt Service millage rate at \$0.1763
- As called for in Ordinance, user fees will go up by just 2.38% or the rate of inflation over the past two years

FY 2011 Business Plan

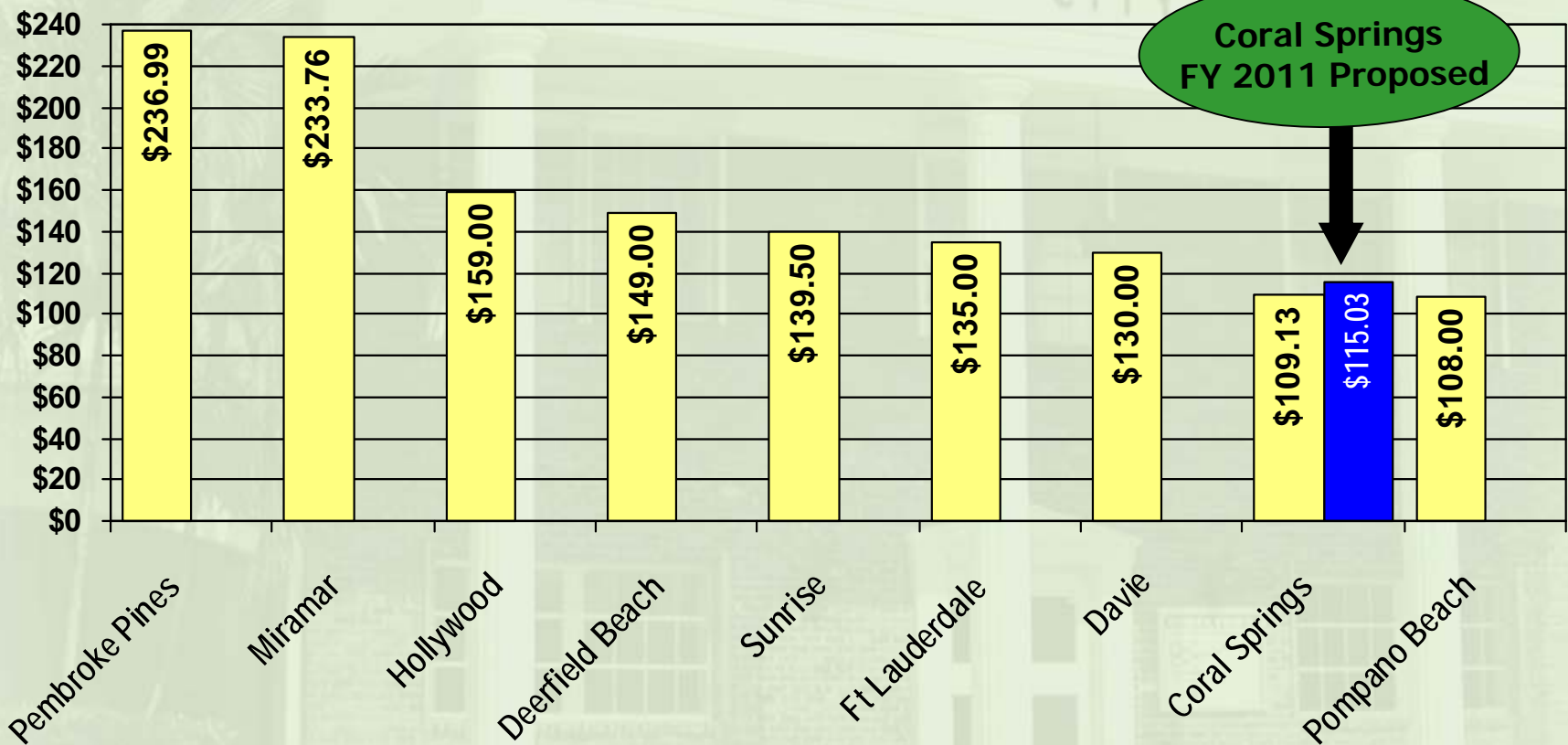
Financial Impacts

- Fire Assessment Fee will increase by less than \$6.00
- Solid Waste Special Assessment will increase by 1.4% or \$3.48 (per contract)
 - from \$246.72 to \$250.20 for single family homes
- Increase water rates by 3% and increase base sewer charge from 85% to 100% (due to increases in Broward County treatment costs)
 - Approximately \$4.14 per month for an average single-family residence

FY 2010 Operating Millage Rate Comparison

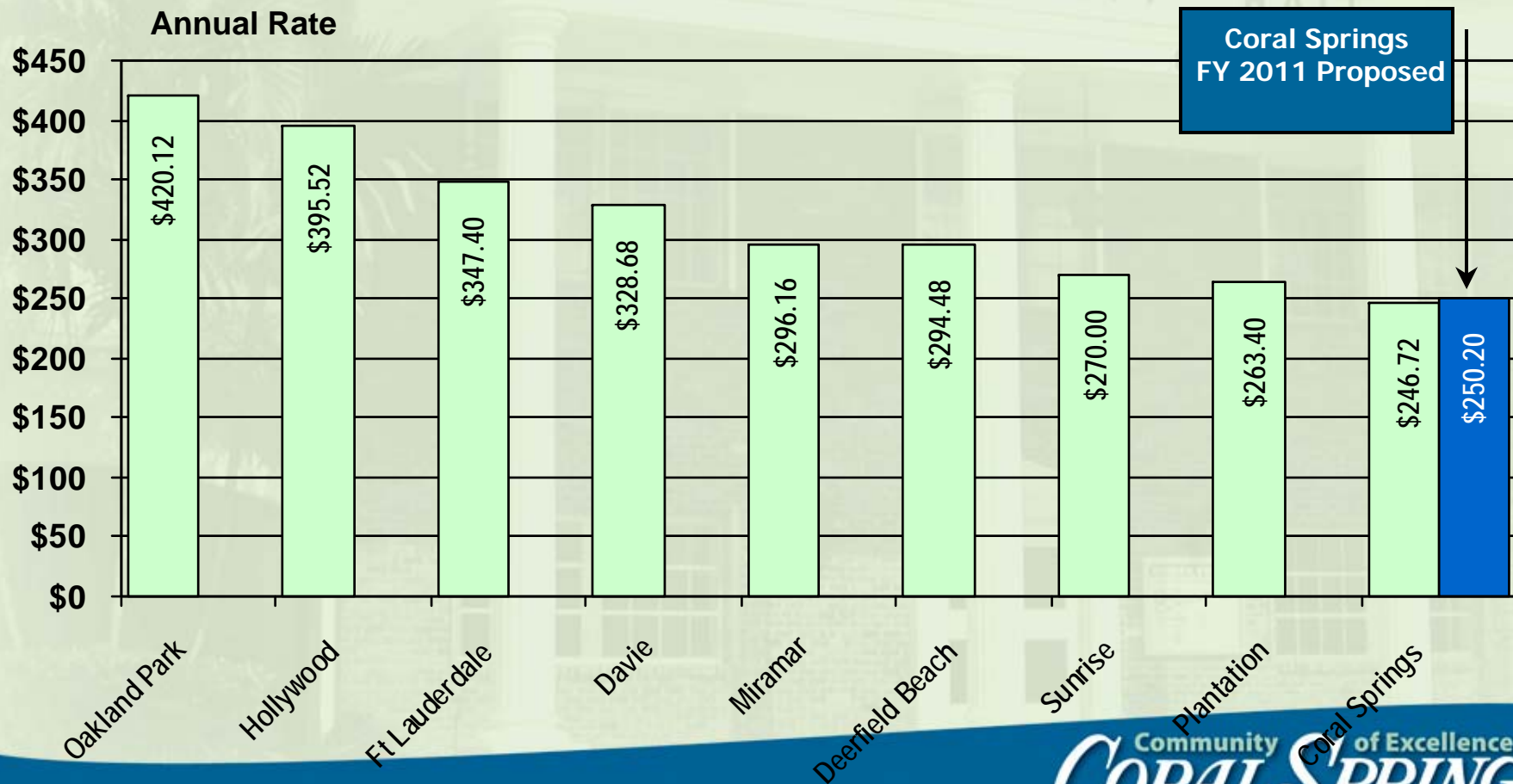


FY 2010 Fire Assessment Fee Comparison Single-Family Home





Broward Cities Solid Waste Rate Comparison – FY 2010



Future Challenges

1. TABOR
2. Gubernatorial Candidate Tax Rate Freeze Proposals
3. Economic Recovery (or lack thereof)
4. Public Safety Pensions
5. Communications and Dispatch Equipment Upgrade
6. Deepwater Horizon Oil Spill

Budget Calendar

- | | |
|---------|--|
| July 7 | Commission Business Plan Workshop I
(5:00 pm) |
| July 20 | Commission Business Plan Workshop II
(6:30 pm) during regular Commission
meeting to adopt TRIM Notification and
Special Assessments |
| Sept 13 | First Public Hearing (5:15 pm) |
| Sept 21 | Second Public Hearing (6:30 pm) |



Thank You

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