




**City of
OAKLAND PARK
FLORIDA**

**Preliminary Annual City
Budget—Overview**


**Preliminary Budget Part of a
3-Year Financial Plan**

- Current Year—begin PEI implementation
- FY 07/08: absorb revenue cuts and expense increases
- FY 08/09: implement additional budget reductions if voters approve January 29, 2008 statewide referendum



**Preliminary Budget Responds to
Property Tax Reform Package**

- Oakland Park in 5% category: many other Broward County cities forced to make deeper cuts
- Oakland Park nearly 3% below statewide average for increased property tax revenues during last 5 years
- Provides a “transition” between current year and future years
- \$2.1 million reduction for FY 07/08
- Estimated \$5-6 million reduction for following fiscal year



Preliminary Budget: Balanced at \$96.8 million

- Reflects the “Brick and Mortar/Core Services” policy direction
- Results in an overall 9.2% reduction in department operating budgets
- Transition 3 BSO current positions with 3 road patrol deputies
- Continues adaptive response to avoid steep layoffs in fire-rescue personnel if Jan. 29th tax reform vote passes



Preliminary Budget: Balanced at \$96.8 million

- Avoids employee layoffs by using current job vacancies
- Maintains \$149/unit fire assessment fee program for residential properties, and increases the rate structure for commercial and institution/warehouse properties



Financial Strategy

- Absorb revenue cuts and cost increases in FY 07/08
- Continue planning next fiscal year for future revenue reductions
- Maintain a minimum reserve for the combined General and Fire-Rescue Funds at 15%
- Use about \$300,000 from fund balance to pay one time for 3 BSO positions
- Use long-term financing to reimburse costs for a percentage of the new municipal building costs
- Use fund balance conservatively and reduce workforce and City services in future years if Jan 29th vote passes



Planning for the Future—2 Part Strategy

- Fee or One-Time Revenue Increases, i.e.
 - Parks and Leisure Services Fees
 - Sale/Lease of Surplus Municipal Property
- Cost Containment Programs, i.e.
 - Department Efficiency/Effectiveness Studies
 - Reduced Hours of Operations





Budget Memo Overview

Property Tax Reform

- Part 1: nearly \$2 million reduction for FY 07/08
- Part 2: est. \$5.6 million further reduction if 01/29 vote passes



Next Year's Preliminary Annual City Budget

Fund	FY 05/06 Actual	FY 06/07 Budget	FY 07/08 Preliminary
General	\$34.1	\$39.7	\$38.0
Fire-Rescue	8.7	9.1	9.7
Other Special Revenue	0.3	2.6	2.5
Capital Improvement Projects	5.1	36.3	21.5
Vehicle Replacement	1.4	0.5	0.5
Water and Sewer	14.6	13.1	11.5
Solid Waste	13.6	9.0	8.7
Stormwater	2.7	3.4	3.2
Debt	1.2	1.2	1.2
Total	\$81.7	\$114.9	\$96.8

Revenues/Expenses for General and Fire-Rescue Funds

	FY 06/07 Budget	FY 07/08 Preliminary Budget	FY 08/09 Budget Estimate
Revenue			
Ad Valorem	\$17.0	\$16.3	\$14.8
General Fund: Other	14.3	15.3	15.6
Fire Assessment Fee	3.9	4.1	4.1
Fire Other	0.8	0.9	0.9
Other	1.1	1.1	1.2
Enterprise Admin Fees	4.6	4.3	4.0
Fund Balance	0.7	1.5	-
Total	\$42.4	\$43.5	\$40.6
Expenditures			
Operating Expense	41.5	40.8	38.5
Debt	1.2	1.2	1.2
Capital	(0.3)	1.5	0.9
Total	\$42.4	\$43.5	\$40.6
Operating Expense Increase/(Reduction) from FY 06/07 Bgt.	-	(\$0.7)	(\$2.6)

Laying the Groundwork

- Alignment with Strategic and Business Plans = reflects policy direction
- Brick and Mortar/Core Services Scenario = core police and fire-rescue services preserved
- Soft Freeze = 30+ vacant positions held
- Department Efficiencies and Effectiveness Studies = \$300,000 savings

Planning for the City's Long Term Financial Future

- Fee or One-Time Revenue Increases
 - Parks and Leisure Services Fees
 - False Alarm Ordinance
 - Sale/Lease of Surplus Municipal Property
 - Motor Vehicle Accident Response Fee



Planning for the City's Long Term Financial Future

- Cost Containment
 - Department Efficiency/Effectiveness Studies
 - Early Retirement Incentive Program
 - Modifying City Wage Compensation Philosophy
 - Reduced Hours of Operations
 - Upcoming Labor Agreement Negotiations





Fund Overview

Combined General Fund Fire Rescue Revenue

Revenue (\$ Millions)	FY 06-07 Forecast	FY 07-08 Preliminary Budget	FY 08/09 Estimate
Ad Valorem	16.6	16.3	14.8
General Fund Other	16.5	15.3	15.6
Fire Assessment	4.0	4.1	4.1
Fire Other	0.9	.09	.09
Other	1.1	1.1	1.2
Enterprise Fund Admin. Fees	4.6	4.3	4.0
Total Revenue	43.7	42.0	40.6
Fund Balance	3.3	1.5	-
Total Funds	47.0	43.5	40.6

Combined General Fund Fire-Rescue Expenditures

Expenditure (\$ Millions)	FY 06-07 Forecast	FY 07-08 Preliminary Budget	FY 08/09 Estimate
Operating Expense	39.6	40.8	38.1
Capital – Building	6.1	-	-
Capital – Other	0.1	1.5	1.3
Debt Services	1.2	1.2	1.2
Total	47.0	43.5	40.6

Capital Improvement Projects Funding

Funding (\$Millions)	FY 06-07 Forecast	FY 07-08 Preliminary Budget
Grants	10.9	8.6
CIP Balances	7.3	8.9
General Fund	6.8	1.5
Transfer/Loans		
Enterprise Transfers	2.1	0.8
Financing (Stormwater)	0.0	0.2
Total	28.2	21.9

Capital Improvement Projects

Projects (\$Millions)	FY 06-07 Forecast	FY 07-08 Preliminary Budget
Streets	1.5	10.3
Parks	4.4	2.0
City Facilities	6.3	0.3
Water – Sewer	1.9	3.0
Stormwater	11.7	5.8
Vehicles	0.5	0.5
Total	26.3	21.9

Water – Sewer Funds

Funding (\$Millions)	FY 06-07 Forecast	FY 07-08 Preliminary Budget
Revenue	11.9	11.4
Fund Balance	0.6	.01
Total	12.5	11.5
Expenditures		
Operating Expense	7.9	8.2
Contingency	0.1	1.0
CIP	1.6	0.1
General Fund Fees	2.4	1.6
Debt Service	0.5	0.6
Total	12.5	11.5

Solid Waste

Funding (\$Millions)	FY 06-07 Forecast	FY 07-08 Preliminary Budget
Revenue	7.8	7.9
Fund Balance	0.3	0.8
Total	8.1	8.7
Expenditures		
Operating Expense	6.1	6.5
Contingency	0.0	0.1
Vehicle Replacement	0.5	0.5
General Fund Fees	1.5	1.6
Total	8.1	8.7

Stormwater

Funding (\$Millions)	FY 06-07 Forecast	FY 07-08 Preliminary Budget
Revenue	3.3	3.2
Fund Balance	0.0	0.0
Total	3.3	3.0
Expenditures		
Operating Expense	1.8	1.8
Contingency	0.0	0.1
General Fund Fees	0.8	1.0
Total	.07	0.0



General Strategy

- In compliance with fiscal policies, maintain a minimum 15% reserve for General Fund and Fire Rescue Fund through FY 08/09 and a 10% minimum for Enterprise Funds



General Strategy

- In compliance with fiscal policies, operating revenue must cover operating expenses, except under extraordinary circumstances where fund balance usage may be approved up to the 15% and 10% minimum reserve requirements

General Strategy

- Permit use of fund balance, up to the minimum reserve requirements, for capital improvement projects

General Strategy

- Maintain favorable rating on financial indicators

Specific Strategy

- Recommend financing \$4 million of the Dixie Municipal Services building cost, allowing the City to work toward a lower operating budget over the next two budget cycles while still maintaining sufficient reserves to meet established policies

Specific Strategy

- Operating gap must be closed for the FY 09/10 budget; fund balance will not be available to cover any deficits

Specific Strategy

- Review internal fee structures within the General Fund and the Fire-Rescue Fund to ensure operational expenses are covered by operational revenue, or, where appropriate, determine a formal subsidy level

Specific Strategy

- Review the rate structure of the Enterprise Funds to ensure operational expenses are covered by operational revenue and sufficient revenue is generated to allow continuing ongoing funding of critical capital projects.



July 2007

Monday, July 16 th	Community Round Table
Wednesday, July 18 th	Final Budget Workshop
Wednesday, July 25 th	Public Hearing on proposed Millage Rate and Fire Assessment Fees

August 2007

Monday, August 27 th	Community Round Table
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September 2007

Wednesday, September 5 th	Public Hearing on tentative Millage Rate and Fire Assessment Fees
Wednesday, September 12 th	Public Hearing and Adoption of Fire Assessment Fee, Solid Waste Fee, and Kings Park Fire Hydrant Assessment Fee
Wednesday, September 19 th	Public Hearing and Adoption of Final Millage Rate and Final FY 07/08 Annual City Budget
