

# Elect Michael B. Moskowitz, CPA The "Budget Commissioner"

Out on the campaign trail, I hear two questions repeatedly:

(1) How can the City be in bad shape financially when the tax roll is increasing?

(2) Where is all the money going?

Allow me to answer these questions.

**(1) How can the City be in bad shape financially when the tax roll is increasing?**

Just because you see a lot of new construction around town doesn't mean the City is collecting Property Taxes on these developments anytime soon.

A new development becomes part of the tax base only after it has been completed and after it has received a Certificate of Occupancy. But receiving a CO is a process that is susceptible to abuse or that whose timing can be manipulated, due to the fact that December 31<sup>st</sup> is the tax base cut-off date. For example, let's say a building receives a CO on 12/31/2005 or before. It then becomes part of the tax base on 1/1/2006 and tax bills go out in October, 2006, to be paid from November, 2006, to March, 2007. So even though the building may have residents in January, 2006, the City will finally see Property Tax dollars in at the latest March, 2007.

**BUT** let's say the developer stalls the development due to the Christmas holidays, finishes after the New Year, and receives the CO on 1/12/2006. It then doesn't become part of the tax base until 1/1/2007! The tax bills go out in October, 2007, and the property taxes can be paid until March, 2008. So even though the building may have residents in January, 2006, the City will finally see Property Tax dollars in at the latest March, 2008.

Developers primarily want to obtain COs as quickly as possible, but because they must pay property taxes on unsold inventory and common areas as well as may wish to provide a tax break to the buyers of their properties, there exists an incentive to stall development. But notice how the City receives \$0.00 of Property Taxes until MUCH AFTER (COULD BE OVER 2 YEARS!) the Certificate of Occupancy has been granted.

**(2) Where is all the money going?**

In the 2004-2005 Operating Budget, the City's Total Revenues in the General Fund are \$240,000,000. The largest single provider of Revenue in this General Fund is Property Taxes. The remaining revenues in the General Fund are generated by FP&L (13%), communications



service taxes (7%), charges for services (7%), license and permit fees (5%), state and county shared revenue (7%), fines (1%), and miscellaneous (14%). The total amount the City of Fort Lauderdale collects in Property Taxes is \$111,000,000.

The purpose of the General Fund is to fund the operations of the City, and the most expensive department in the City is the Police Department, with a budget of \$77,000,000. Out of this Police Departmental budget, \$65,000,000 is designated for salaries and fringe benefits (pension payments, social security tax payments, City insurance contributions). Hence, the Police Department's employees represent 59% of all Property Taxes collected by the City!

Please see the October 15<sup>th</sup> entry on our "Recent News" section of the website to read a continued answer to this question.

Within the last 10 years, the City has been plagued by poor financial decision making. The City of Fort Lauderdale needs at least 1 out of 5 Commissioners with an accounting and finance background to make optimal fiscal decisions for the City. Don't allow the budget crisis of 2 years ago to happen again. Elect Michael B. Moskowitz, CPA, the "Budget Commissioner."

I've lived in Fort Lauderdale or LBTS for the past 24 years and am currently living in Victoria Park. I am a licensed CPA in the State of Florida, have served on the City of Fort Lauderdale's Budget Advisory Board, and am knowledgeable of our city's history and active in the Fort Lauderdale Historical Society. Please contact me at 954-465-3172 or [mike@mikein2006.com](mailto:mike@mikein2006.com), and kindly spend some time reading the campaign website: [www.MikeIn2006.com/](http://www.MikeIn2006.com/)