



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#23-0973

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Greg Chavarria, City Manager

DATE: November 21, 2023

TITLE: Resolution Approving the Final Consolidated Budget Amendment to Fiscal
Year 2023 – Appropriation - **(Commission Districts 1, 2, 3 and 4)**

Recommendation

Staff recommends the City Commission adopt a resolution amending the Fiscal Year (FY) 2023 Operating Budget and the FY 2023 – FY 2027 Community Investment Plan (CIP).

Background

Section 166.241, Florida Statutes allows the City to amend its budget within 60 days following the end of the fiscal year. To properly balance and finalize the FY 2023 Operating Budget, it is necessary to adjust negative balances and align expenses to the proper funding sources.

Examples of recommended actions within the budget amendment are:

- transfer between funds;
- transfer between capital and operating budgets;
- transfer between capital projects;
- acceptance and appropriation of grant funding;
- amendment to staffing level;
- appropriation from fund balance; and
- appropriation for modified revenue and related expenditures.

Staff recommends the City Commission amend the FY 2023 Final Budget and the FY 2023 – FY 2027 Community Investment Plan, as amended, by approving the following transfers and appropriations:

Public Works

A. Appropriation of Fund Balance, Transfer between Operating Funds – General Fund, Sanitation Fund, Cemetery Systems Fund, Water & Sewer Fund, Central Regional Wastewater System, Parking System – Operations, Airport – Operations, Stormwater Fund, Water & Sewer Master Plan 2017, Water & Sewer Regional Master Plan 2017, Project Management Fund – Clean Up of Project Management Funds - \$1,329,000

The Public Works Project Management Fund is an internal service fund that was created to both account for project management service costs and to properly allocate service charges to the projects serviced by the City’s project managers and their support staff.

To achieve full cost-recovery, each project manager is expected to charge 1,560 hours per year, at a rate of \$183 per hour. The revenue generated covers the cost of service, provides for the salaries of the fund’s support staff, and covers related administrative expenses. Due to prolonged project manager vacancies throughout FY 2023, the Project Management Fund did not generate enough revenue to fully cover its annual overhead expenses.

Towards the end of the fiscal year, it was determined that the fund was short \$1,329,000 and that staff would need to proportionally charge back the funds serviced throughout the year to make the Project Management Fund fiscally balanced. Staff recommends that the City Commission amend the FY 2023 Operating Budget in the amount of \$1,329,000 for the Project Management Fund.

Source:

Funds available as of September 30, 2023

ACCOUNT NUMBER	COST CENTER NAME	CHARACTER CODE/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-001-0000-000-399-999	General Fund	Balances & Reserves/ Appropriated Fund Balance	N/A	N/A	\$786,000
10-409-0000-000-399-999	Sanitation - Operations	Balances & Reserves/ Appropriated Fund Balance	N/A	N/A	\$1,000
10-430-0000-000-399-999	Cemetery System - Operations	Balances & Reserves/ Appropriated Fund Balance	N/A	N/A	\$12,000
10-454-0000-000-399-999	Water & Sewer General Capital Projects	Balances & Reserves/ Appropriated Fund Balance	N/A	N/A	\$126,000
10-455-0000-000-399-999	Central Regional Wastewater System General Capital Projects	Balances & Reserves/ Appropriated Fund Balance	N/A	N/A	\$29,000

10-461-0000-000-399-999	Parking System - Operations	Balances & Reserves/ Appropriated Fund Balance	N/A	N/A	\$14,000
10-468-0000-000-399-999	Airport - Operations	Balances & Reserves/ Appropriated Fund Balance	N/A	N/A	\$169,000
10-470-0000-000-399-999	Stormwater - Operations	Balances & Reserves/ Appropriated Fund Balance	N/A	N/A	\$62,000
10-473-0000-000-399-999	Stormwater Bonds Construction Fund	Balances & Reserves/ Appropriated Fund Balance	N/A	N/A	\$34,000
10-495-0000-000-399-999	Water & Sewer Master Plan 2017	Balances & Reserves/ Appropriated Fund Balance	N/A	N/A	\$90,000
10-496-0000-000-399-999	Water & Sewer Regional Master Plan 2017	Balances & Reserves/ Appropriated Fund Balance	N/A	N/A	\$6,000
TOTAL AMOUNT →					\$1,329,000

Use:

ACCOUNT NUMBER	COST CENTER NAME	CHARACTER CODE/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-530-0000-000-90-9901	Project Management	Anticipated Year End Balance	\$0	\$0	\$1,329,000
TOTAL AMOUNT →					\$1,329,000

B. Transfer between Funds – General Fund, Sanitation Operations Fund – Sanitation Franchise Fees - \$2,909,343

Sanitation franchise fees are a source of general fund revenue paid by private licensed haulers to collect refuse within City limits. The amount of generated revenue is based upon the hauler’s gross receipts for the year. By municipal ordinance, the City currently receives 25% of gross receipts for solid waste collections.

For Fiscal Year 2023, the City experienced a 29.9% increase in generated revenue related to Sanitation Franchise Fees. This is the second year in a row that revenue actuals have come in higher than expected, following a few years of stagnated growth due to COVID-19. The total revenue received in FY 2023 was \$11,333,734, exceeding the adopted budget projection of \$8,424,391. Consequently, there is an additional \$2,909,343 in revenue generated that is recommended to be transferred to the Sanitation Operations Fund to offset the fees paid by residents for Sanitation services.

Staff recommends that the City Commission amend the FY 2023 Operating Budget in the amount of \$2,909,343 for the transfer of funds from the General Fund to the Sanitation Fund

based upon estimated Sanitation Franchise Fee receipts in FY 2023.

Source:

Funds available as of September 30, 2023

ACCOUNT NUMBER	COST CENTER NAME	CHARACTER CODE/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-001-0000-000-399-999	General Fund	Balances & Reserves/ Appropriated Fund Balance	NA	NA	\$2,909,343
TOTAL AMOUNT →					\$2,909,343

Use:

ACCOUNT NUMBER	COST CENTER NAME	CHARACTER CODE/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-001-9200-581-90-9409	General Fund	Other Uses/ Transfer to Sanitation	\$8,424,391	\$8,100,000	\$2,909,343
TOTAL AMOUNT →					\$2,909,343

Use:

ACCOUNT NUMBER	COST CENTER NAME	CHARACTER CODE/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-409-9200-581-381-001	Sanitation - Operations	Other Sources/ General Fund	\$8,424,391	\$8,100,000	\$2,909,343
TOTAL AMOUNT →					\$2,909,343

Community Redevelopment Agency

C. Appropriation of Unspent Operating and Incentive Funds – Northwest Progresso Flagler Heights Redevelopment Area Fund, CRA Incentive Programs, Northwest Progresso Flagler Heights CRA CIP Fund – Carter Park and Streetscape Improvements - \$7,881,000

Section 163.387(7), Florida Statutes, which governs Community Redevelopment Agency (CRA) trust funds, provides that on the last day of the fiscal year of the community redevelopment agency, any money which remains in the trust fund after the payment of expenses be returned to each taxing authority which paid the increment in the proportion that the amount of the payment of such taxing authority bears to the total amount paid into the trust fund by all taxing authorities for that year, used to reduce the amount of any indebtedness to which increment revenues are pledged, deposited into an escrow account for the purpose of later reducing any indebtedness to which increment revenues are pledged, or appropriated to a specific redevelopment project pursuant to an approved community redevelopment plan.

The CRA Operating balances for FY 2023 are estimated at \$514,400 and the unspent CRA Incentive balances are \$7,366,600. Staff recommends that such remaining funds be appropriated to the following specific redevelopment projects pursuant to an approved

community redevelopment plan: \$6,000,000 to the New Carter Park Senior Center Project, for walking trails, lighting, signage, parking, playground, sidewalk turf replacement and other normal and customary park uses. The remaining \$1,881,000 will be deposited to the NPF Streetscape Improvement Project to remove blight, improve safety, and help activate the Northwest Progresso Flagler Community Redevelopment Area for the community's benefit.

Staff recommends that the City Commission amend the FY 2023 Operating Budget and FY 2023 – 2027 Community Investment Plan in the amount of \$7,881,000.

Source:

<i>Funds available as of September 30, 2023</i>					
ACCOUNT NUMBER	COST CENTER NAME	CHARACTER CODE/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
20-101-1530-552-399-999	NW Progresso Flagler Heights Redevelopment Area	Balances & Reserves/ Appropriated Fund Balance	NA	NA	\$514,400
20-119-1531-552-399-999	NWP CRA Business Incentives	Balances & Reserves/ Appropriated Fund Balance	NA	NA	\$7,366,600
TOTAL AMOUNT →					\$7,881,000

Use:

ACCOUNT NUMBER	COST CENTER NAME	CHARACTER CODE/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
20-347-9100-572-60-6599-P12097	New Carter Park Senior Center	Capital Outlay/ Construction	\$2,100,000	\$2,065,505	\$6,000,000
20-347-9100-541-60-6599-P12507	NPF Streetscape Improvement Project	Capital Outlay/ Construction	\$619,646	\$127,707	\$1,881,000
TOTAL AMOUNT →					\$7,881,000

Finance

D. Un-Appropriation of Bond Proceeds – Water and Sewer Revenue Bonds, Series 2023C – Advanced Metering Infrastructure Project - \$(46,000,000)

On the May 2, 2023, Budget Amendment, the City amended the FY2023 Operating Budget and FY 2023 – FY 2027 Community Investment Plan to appropriate \$46,000,000 in anticipation of issuing Water and Sewer Revenue Bonds to support the Advance Metering Infrastructure (AMI) Project. In the interest of adding greater clarity, consistency, and specificity in definition of scope and requirements to the Request for Proposals (RFP), the City rejected the proposals for the AMI Project. The RFP is expected to be awarded in FY 2024; funding was not included in the recent bond issuance.

Staff recommends the City Commission amend the FY 2023 Operating Budget and FY 2023 – FY 2027 Community Investment Plan to remove the appropriation of \$46,000,000 for the Advanced Metering Infrastructure (AMI) Project.

Source:

Funds available as of September 30, 2023					
ACCOUNT NUMBER	COST CENTER NAME	CHARACTER CODE/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-498-0000-000-384-001-REV2023C	Water and Sewer Revenue Bonds, Series 2023C	Other Sources/ Bond Proceeds	\$45,857,583	\$45,857,583	(\$45,857,583)
10-450-0000-000-384-001-REV2023C	Water and Sewer Revenue Bonds, Series 2023C	Other Sources/ Bond Proceeds	\$142,417	\$142,417	(\$142,417)
				TOTAL AMOUNT →	(\$46,000,000)

Use:

ACCOUNT NUMBER	COST CENTER NAME	CHARACTER CODE/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-498-7999-533-60-6599-P12716	Advanced Metering Infrastructure	Capital Outlay/ Construction	\$45,857,583	\$45,857,583	(\$45,857,583)
10-450-9000-517-70-7305-REV2023C	Water and Sewer Revenue Bonds, Series 2023	Other Uses/ Other Debt Costs	\$142,417	\$142,417	(\$142,417)
				TOTAL AMOUNT →	(\$46,000,000)

Strategic Connections

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term financial planning

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are United.

Related CAMs

None

Attachment

Exhibit 1 – Resolution

Prepared by: Tamieka McGibbon, Principal Budget and Management Analyst

Department Director: Laura Reece, Office of Management and Budget