



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#22-0895

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

FROM: Greg Chavarria, City Manager

DATE: December 6, 2022

TITLE: Resolution Approving the Final Consolidated Budget Amendment to Fiscal
Year 2022 – Appropriation - **(Commission Districts 1, 2, 3 and 4)**

Recommendation

Staff requests approval of the Final Consolidated Budget Amendment for Fiscal Year (FY) 2022. Staff recommends that the City Commission adopt a resolution amending the Fiscal Year (FY) 2022 Budget and FY 2022 – FY 2026 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. Due to extenuating circumstances, the November 15, 2022, City Commission meeting was cancelled. However, Florida Governor Ron DeSantis's Executive Order Number 22-253, as amended by Executive Order Numbers 22-255 and 22-256, regarding then Subtropical Storm Nicole, authorizes each political subdivision within the State of Florida to "waive the procedures and formalities otherwise required of the political subdivision by law pertaining to . . . [a]ppropriation and expenditure of public funds."

To properly balance and finalize the FY 2022 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 that the City Commission amend the FY 2022 Final Budget and FY 2022 – FY 2026 Community Investment Plan by approving the following transfers and

appropriations:

Community Redevelopment Agency

A. Appropriation of Unspent Operating Funds – Northwest Progresso Flagler Heights Redevelopment Area Fund, Northwest Progresso Flagler Heights CRA CIP Fund – Property Upgrades to 800 NW 22nd Property and Police Substation Build Out at the YMCA - \$500,672.85

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 2022 are estimated at \$500,672.85. Staff recommends that such remaining funds be appropriated to the following specific redevelopment projects pursuant to an approved community redevelopment plan: \$275,672.85 to the 800 NW 22nd Property Purchase Project, also known as Tony’s Market, for property upgrades consistent with the proposed use of the property, and the balance of \$225,000 to the Police Substation Build Out Project for a lease buildout at the LA Lee YMCA Family Center for a new public safety facility in the Sistrunk Corridor.

Staff recommends that the City Commission amend the FY 2022 Operating Budget and FY 2022 – 2026 Community Investment Plan in the amount of \$500,672.85.

Source:

<i>Funds available as of September 30, 2022</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT 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	500,672.85
TOTAL AMOUNT →					\$500,672.85

Use:

ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
20-347-9100-581-60-6599-P12789	800 NW 22nd Road Property Purchase	Capital Outlay/ Construction	NA	NA	\$275,672.85
20-347-9100-581-60-6599-P12841	Police Substation Build Out	Capital Outlay/ Construction	NA	NA	\$225,000.00
TOTAL AMOUNT →					\$500,672.85

Public Works

B. Transfer from Operating Funds – Project Management Fund – Clean Up of Project Management Funds - \$645,000

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 \$174 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 2022, 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 \$645,000 and that staff would need to proportionally charge back the funds serviced throughout the year to make the Project Management Fund fiscally balanced. Since this is the second year that the fund has ended with a revenue deficit, Public Works has increased the project manager rate for FY 2023 to \$183 per hour, to manage and account for ongoing vacancies in the fund. Staff recommends that the City Commission amend the FY 2022 Operating Budget in the amount of \$645,000 for the Project Management Fund.

Source:

Funds available as of September 30, 2022

ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-001-0000-000-399-999	General Fund	Balances & Reserves/ Appropriated Fund Balance	NA	NA	\$377,000
20-347-0000-000-399-999	NW Progresso Flagler Heights CRA CIP	Balances & Reserves/ Appropriated Fund Balance	NA	NA	\$3,000
10-430-0000-000-399-999	Cemetery System - Capital Projects	Balances & Reserves/ Appropriated Fund Balance	NA	NA	\$2,000
10-455-0000-000-399-999	Central Regional Wastewater System Replacement	Balances & Reserves/ Appropriated Fund Balance	NA	NA	\$32,000
10-454-0000-000-399-999	Water & Sewer General Capital Projects	Balances & Reserves/ Appropriated Fund Balance	NA	NA	\$72,000
10-461-0000-000-399-999	Parking System - Capital Projects	Balances & Reserves/ Appropriated Fund Balance	NA	NA	\$7,000
10-468-0000-000-399-999	Airport - Capital Projects	Balances & Reserves/ Appropriated Fund Balance	NA	NA	\$70,000
10-470-0000-000-399-999	Stormwater - Capital Projects	Balances & Reserves/ Appropriated Fund Balance	NA	NA	\$82,000
TOTAL AMOUNT →					\$645,000

C. Transfer between Funds – General Fund, Sanitation Operations Fund – Sanitation Franchise Fees - \$1,225,092

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.

In FY 2021, the City saw a 3.9% reduction in generated revenue related to Sanitation Franchise Fees as a result of the COVID-19 pandemic. A similar trend was projected for FY 2022, with Franchise Fees estimated at \$7,500,000. The total amount received in FY 2022 was \$8,725,092, exceeding expectations. Consequently, there is an additional \$1,225,092 that is recommended to be transferred to the Sanitation Operations Fund.

Staff recommends that the City Commission amend the FY 2022 Operating Budget in the amount of \$1,225,092 for the transfer of funds from the General Fund to the Sanitation Fund based upon actual Sanitation Franchise Fee receipts in FY 2022.

Source:

Funds available as of September 30, 2022					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-001-0000-000-399-999	General Fund	Balances & Reserves/ Appropriated Fund Balance	NA	NA	\$1,225,092
TOTAL AMOUNT →					\$1,225,092

Use:

ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-001-9200-581-90-9409	General Fund	Other Uses/ Transfer to Sanitation	\$7,500,000	\$7,500,000	\$1,225,092
TOTAL AMOUNT →					\$1,225,092

Use:

ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-409-9200-581-381-001	Sanitation - Operations	Other Sources/ General Fund	\$7,500,000	\$7,500,000	\$1,225,092
TOTAL AMOUNT →					\$1,225,092

Development Services Department

D. Transfer between Funds – Building Certification Maintenance Fund, Building Permits Fund – \$278,842

The Development Services Department (DSD) is requesting to utilize the Building Certification Maintenance Fund to reimburse the Building Permits Fund for eligible expenditures to spend down funds remaining in the Building Certification Maintenance Fund.

On November 6, 2018, (CAM 18-1190), the City adopted Ordinance No. C-18-38 to amend the Building Services permit fees. The ordinance discontinued technology fees and training and educational fees, which would be covered by the administrative cost identified in the new fee structure, instead of being tracked as separate funds. The Building Certification Maintenance Fund is intended to offset the cost of training and education, including travel related expenses, materials, equipment, code books, reference materials and conferences. Over the last two (2) years, the Building Permits Fund expended \$278,842 on training, conferences, membership dues, and training and travel expenses.

Staff recommends for the City Commission to amend the FY 2022 Operating Budget in the amount of \$278,842 to spend down the remaining Building Certification Maintenance Fund balance.

Source:

<i>Funds available as of September 30, 2022</i>					
ACCOUNT NUMBER	COST CENTER NAME	CHARACTER CODE/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-141-0000-000-399-999	Building Certification Maintenance	Balances & Reserves/ Appropriated Fund Balance	N/A	N/A	\$278,842
TOTAL AMOUNT →					\$278,842

Use:

ACCOUNT NUMBER	COST CENTER NAME	CHARACTER CODE/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
10-140-9200-581-90-9901	Building Permits	Other Uses/ Anticipated Year End	N/A	N/A	\$278,842
TOTAL AMOUNT →					\$278,842

Strategic Connections

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

- The Internal Support Focus Area
- Goal 8: Be 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 planning

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

Related CAM

22-0929

Attachment

Exhibit 1 – Resolution

Prepared by: Tamioka McGibbon, Principal Budget and Management Analyst

Department Director: Laura Reece, Office of Management and Budget