

Agenda Memorandum

To: Honorable Mayor and City Council Members
From: Bryan Cobb, City Manager
Date: April 19, 2021
Subject: Resolution No. 4051-21, Mid-Year Budget Amendment

Procedure: Consent Agenda

Introduction: This is a request for City Council to approve mid-year budget amendments that involve adjustments to the revenues and expenditures of each fund.

Discussion: City financial policies require City Council approval of budget amendments for all inter-fund transfers regardless of the amount, increases or decreases in appropriated fund balance, and for any increase in the total approved appropriation level of a fund. To the extent that mid-year actual expenses exceed the approved appropriation level, the City Council must provide formal budget authority that recognizes the unanticipated revenues and expenses. The budget amendment provided in Exhibit 1 of Resolution No. 4051-21 will amend the fund totals of the affected funds. The changes within each of the affected funds reflect the total increase or decrease to the fund and the amendment or change to the revenues, expenses, inter-fund transfers, and appropriated fund balance.

Budget Impact: The Mid-Year Budget Amendment detailed in Exhibit 1 of Resolution No. 4051-21 identifies several funds to be adjusted, and in some cases the source of funds will be fund balance. Exhibit 1 depicts the actual 2021 revenues/expenditures, the current FY 2020-21 budget, the necessary adjustment to the fund, and an amended FY 2020-21 budget reflecting all the adjustments.

For the fiscal year ended September 30, 2020, the Unassigned Fund Balance of the City's General Fund was \$9,693,254, an increase of \$1,254,199. The General Fund Unassigned Fund Balance was 31.08% of budgeted expenditures less transfers before mid-year adjustments. The Budget Guideline policy requires the unassigned fund balance remain at a minimum of 15% of budgeted expenditures less transfers. The General Fund includes adjustments to various revenue and expenditure accounts. The mid-year budget amendment for the General Fund does not require the use of fund balance.

The following revenues increased (decreased):

City Business Tax Receipts	24,392
City Occupational License	4,000
CARES ACT	941,258
School Resources	(26,866)
Interfund Transfer - DEA Fund	<u>3,784</u>
Total Revenue Increase:	\$946,568

The following expenditures increased (decreased):

Insurance/Liability	1,187
Workers Compensation	2,566
Regular Salaries	(11,000)
Part-Time	11,000
Police - Overtime	11,473
Fire-Overtime	72,250
Other Contractual Services	1,600
Small Tools	1,200
Other Operating Supplies	441,000
Special Events	(14,900)
Transfer Our-Vehicle Replacement Fund	14,900
Reserve for Contingency	<u>415,292</u>
Total Expenditure Increase:	\$946,568

The increase in revenues to the General Fund is primarily related to the recognition of CARES funding received from Seminole County. The City has received \$941,258 this fiscal year. The increase in revenues related to CARES will be offset by CARES expenses incurred in the current year for Police and Fire overtime, as well as, other eligible CARES expenses, which include HVAC upgrades at City Hall, the Gym and Riverside. Approximately \$400,000 of the reimbursement amount relates to expenses incurred in the previous fiscal year and will be placed in Reserve for Contingency.

The Transportation Impact Fee Fund (Fund 102) reflects an increase in revenues and expenditures of \$20,000. As a result of current collection trends, Residential Impact Fees will be decreased by \$10,000, while Commercial Impact fees will be increase by \$30,000. The increase in revenues is offset by an increase in Reserve for Contingency.

The Federal Law Enforcement Trust Fund, (Fund 106) reflects an increase in revenues and expenditures of \$3,784. In December 2004, the City Council established the Problem Oriented Policing (POP) program. The POP program demands continuous sustained contact with the citizens of the community to find creative new solutions to address local concerns. To succeed, the program often requires Police overtime. Forfeiture funds can be transferred to General Fund to pay for Police personnel overtime costs associated with the program.

The Tree Bank Fund (Fund 112) reflects an increase in Transfers Out to the 3rd Generation Sales Tax Fund of \$40,068. The transfer out is to reimburse the 3rd Generation Sales Tax Fund (Fund 304) for the installation of 22 Crape Myrtles trees at Solary Park. The increase in Transfers Out is offset by a decrease in Reserve for Contingency.

The Law Enforcement Fund (Fund 125) reflects an increase in Transfers Out to the Vehicle Replacement Fund (Fund 302) of \$37,992. The transfer is needed to provide funds for the replacement of Police Unit # 4741. The source of funds is Fund Balance.

The General Facility Improvement Fund (Fund 330) reflects an increase in Transfers Out to the Vehicle Replacement Fund (Fund 302) of \$31,471. The transfer is needed to provide funds for the purchase of equipment essential for maintaining the grounds at Solary Park. The increase in Transfers Out is offset by a decrease in Parks and Recreation/Buildings as a result of savings from the Riverside Multi-purpose room repairs.

The Public Improvement Revenue Bonds Fund (Fund 403) recognizes an increase in expenses of \$143,454, mostly as a result of the refinancing of the Utility Revenue Bonds, Series 2010B. The amendment to Fund 403, as provided in Exhibit 1, carries out the following: moves budget from the 2010B Utility Revenue Bonds interest account into the 2020A Utility Revenue Bonds interest account; funds closing costs; funds other debt service costs; reduces the transfer out to the 2020A Utility Revenue Bonds Fund (Fund 418). The use of Fund Balance is being adjusted to offset the increases in the various debt service categories.

Both the Water/Wastewater Operating Fund (Fund 401) and the Stormwater Fund (Fund 410) show small increases in various General Liability and Workers Compensation lines to align actuals with budget. The offset is a reduction in Reserve for Contingency.

The Health Insurance Fund (Fund 510) includes a \$25,000 increase in Wellness funds received from Florida Blue that is offset by an increase in Other Current Charges for the Wellness Incentive benefit program.

Strategic Impact: Continue high levels of customer service, productivity, and efficiency while maintaining fiscal and organizational health.

Recommendation: It is recommended that City Council adopt Resolution No. 4051-21.

Attachment(s): None

Prepared by: Nadia Todor, Financial Management Analyst

Mid-Year Budget Review
FY 2020-21
Law Enforcement Fund (125)
Resolution 4051-21

Account Number	Description	Project Number	2021 Actual	2021 Current Budget	2021 Budget Adjustment	2021 Amended Budget
<u>Revenues</u>						
125-0000-389.90-00	Use of Fund Balance		-	-	37,992	37,992
<i>Total Revenues</i>						-
					37,992	
<u>Expenditures</u>						
125-9000-581.91-13	Transfers / Vehicle Replacement Fund		-	-	37,992	37,992
<i>Total Expenditures</i>						
					37,992	

Mid-Year Budget Review
FY 2020-21
Vehicle / Equipment Replacement Fund (302)
Resolution 4051-21

Account Number	Description	Project Number	2021 Actual	2021 Current Budget	2021 Budget Adjustment	2021 Amended Budget
<u>Revenues</u>						
302-0000-381.10-61	Transfer In - Law Enforcement		-	-	37,992	37,992
302-0000-381.10-50	Transfer in - DEA Fund		-	-	31,471	31,471
302-0000-381.15-00	Transfer in - General Fund		-	-	14,900	14,900
						-
<i>Total Revenues</i>					84,363	
<u>Expenditures</u>						
302-2101-521.52-99	Other Operating Supplies		2,685	-	1,650	1,650
302-2101-521.64-40	Vehicles		161,292	175,624	36,342	211,966
302-7200-572.64-10	Machinery & Equipment		-	-	46,371	46,371
<i>Total Expenditures</i>					84,363	