



## Legislation Text

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**File #:** 18-309, **Version:** 1

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**TO:** Mayor and Commissioners  
**FROM:** Mark R. Lauzier, City Manager  
**DATE:** June 5, 2018

Resolution No. 63-18, Budget Amendment

**Recommended Action:**

Motion to approve Resolution No. 63-18 amending the budget for Fiscal Year 2017/18 adopted September 26, 2017.

**Background:**

This is a request to amend the adopted FY 17/18 budget to account for changes necessary since its adoption in September 2017.

Total changes:	
Adopted budget:	\$118,220,551
Increase to General Fund:	12,088,528
Encumbrance:	<u>1,875,451</u>
	\$132,184,490

The need for the changes is to reflect an increase of revenue of \$7,444,853 plus account for a use of surplus of \$4,643,675 from FY 16/17 as well as reflect increased expenses of \$10,504,297 with a contingency of \$1,584,231. The specific changes are reflected in the attached Narrative.

Some of the highlights are:

**GENERAL FUND**

The Building Permit Fund is being transferred back to the General Fund. This separate fund was set up in FY 16/17 and at the request of the City of Delray Beach (City) auditors, it is being moved back into the General Fund. This accounts for \$6,240,595 in increased revenues and \$2,268,739 in expenses.

The City has also discontinued the Master Lease funding program. This was an initiative of a prior Finance Director where \$7.4 million of assets have been purchased to date. This is not a common activity for a municipality and does not have the present City Attorney's approval. After reducing the \$7.4 million by funds previously transferred to the General Construction Fund for purposes of paying this debt (\$1.9 million), we will use \$4.6 million of FY 2016/17 fund balance and \$0.9 million of FY 2017/18 anticipated fund balance to fund and end this program.

Additional funding requests included are a Senior Treasury Analyst position in the Finance Department that will be offset by increased investment income. The Information Technology Department will be addressing unanticipated course corrections related to IT strategy due to shortcomings of Tyler New World ERP implementation and other past decisions. The Building Maintenance Division will increase funding for mold remediation at the Police Department and elevator repairs to the Old School Square garage.

Both the Police and Fire Departments will increase their overtime budgets with offsetting grant revenue. Software and equipment (laptops, bulletproof vest, cameras, AEDs, motorcycle equipment, radios and items needed to outfit new police vehicles) are also included for the Police Department.

Court, canopy and awning repairs needed due to Hurricane Irma in the amount of \$286,000 is being added to the Parks and Recreation budget.

In addition to the transfer to General Construction Fund relative to the Master Lease mentioned above, \$120,000 is being transferred for beach pavilion enhancements added and \$175,000 for patrol vehicles for the five additional police officers added in the current year.

#### OTHER OPERATING FUNDS

The Neighborhood Services Fund revenues are being credited with funds from previous years which includes SHIP (State Housing Initiatives Program), HUD (Housing and Urban Development), FEMA (Federal Emergency Management Agency), SWA (Solid Waste Authority), CRA (Community Redevelopment Agency), Housing Trust and NSP (Neighborhood Stabilization Program) which will increase this fund overall by \$2,645,356.

The CRA financed project for the SW 4th, 6th and 7th Alley improvements originally budgeted in the General Construction Fund (\$4,290,000) will not be done in FY 17/18 and; therefore, the financing and debt for this project are being eliminated. The CRA is increasing their contribution for two projects: the NE 3rd St Streetscape (\$23,000) and the Spady Museum Elevator Lift (\$30,000). With the addition of the transfer from the General Fund for the discontinuation of the Master Lease program, funding for the beach pavilion and the patrol vehicles, the General Construction Fund will increase \$1,274,455 from the approved budget.

The Thira (Threat and Hazard Identification and Risk Assessment) and security upgrades to the SOC projects are being transferred from the Infrastructure Surtax Fund to the Water and Sewer Fund. The only other change to the Infrastructure Surtax Fund is the combination of two projects (EOC and Fire Training Facility) into one project at no anticipated additional cost.

The Water and Sewer Funds are decreasing as a result of the postponement of the Intracoastal Crossing Replacement to the next fiscal year and two FDOT projects (Linton and Atlantic) being funded directly by FDOT and not the City. Due to the funds for the Intracoastal Crossing replacement not being used in the current fiscal year, we are able to return \$2,046,000 to fund surplus.

Additional information for this is contained in the Narrative attachment.

Attachments:  
Resolution No. 63-18 with amended Exhibit A.

Narrative

Master Lease Memo

Fund Balance Analysis

**City Attorney Review:**

Approved as to form and legal sufficiency.

**Funding Source/Financial Impact:**

Funding is contained in the Exhibit A of Resolution.