# ORDINANCE 2, 2015

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALM BEACH GARDENS, FLORIDA AMENDING THE CITY OF PALM BEACH GARDENS' BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014, AND ENDING SEPTEMBER 30, 2015, INCLUSIVE; PROVIDING A CONFLICTS CLAUSE, A SEVERABILITY CLAUSE, AND AUTHORITY TO CODIFY; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.**

**WHEREAS,** the City Council of the City of Palm Beach Gardens, Florida adopted a Budget for the 2014/2015 Fiscal Year; and

**WHEREAS,** the City Council has determined that an amendment needs to be made to the previously adopted Fiscal Year 2014/2015 Budget; and

**WHEREAS,** the City Council deems approval of this Ordinance to be in the best interests of the health, safety, and welfare of the residents and citizens of the City of Palm Beach Gardens and the public at large.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PALM BEACH GARDENS, FLORIDA** that:

**SECTION 1.** The foregoing recitals are hereby affirmed and ratified.

**SECTION 2.** The City Council hereby amends the revenues and expenditures listed in the attached Exhibit "1" and adopt such amendments as to the Budget of the City of Palm Beach Gardens for the Fiscal Year October 1, 2014, through September 30, 2015, inclusive.

**SECTION 3.** All ordinances or parts of ordinances in conflict be and the same are hereby repealed.

**SECTION 4.** Should any section or provision of this Ordinance or any portion thereof, any paragraph, sentence, or word be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder of this Ordinance.

**SECTION 5.** This Ordinance shall become effective immediately upon adoption.

**PASSED** this 5TH day of March, 2015, upon first reading.

**PASSED AND ADOPTED** this 2ND day of APRIL, 2015, upon second and final reading.

| **CITY OF PALM BEACH GARDENS** | **FOR** | **AGAINST** | **ABSENT** |
|---|---|---|---|
| BY: _____ Eric Jablin, Mayor | ✓ | | |
| _____ David Levy, Vice Mayor | ✓ | | |
| _____ Joseph R. Russo, Councilmember | ✓ | | |
| _____ Robert G. Premuroso, Councilmember | ✓ | | |
| _____ Marcie Tinsley, Councilmember | ✓ | | |

**ATTEST:**

BY: _____
Patricia Snider, CMC, City Clerk

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY**

BY: _____
R. Max Lohman, City Attorney

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# CITY OF PALM BEACH GARDENS
# CITY COUNCIL
## Agenda Cover Memorandum

**Meeting Date: April 2, 2015**
**Ordinance 2, 2015**

**Subject/Agenda Item:** Second Reading and Adoption - An amendment to the Fiscal Year 2014/15 budget to adjust fund balance carryovers to actual amounts; re-appropriate amounts committed from the FY 2013/2014 budget for outstanding purchase orders and open projects; and for other purposes.

**[X] Recommendation to APPROVE**
**[ ] Recommendation to DENY**

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|---|---|---|---|
| **Reviewed by:**<br><br>City Attorney<br><br>R. Max Lohman, Esq.<br><br>Finance Administrator<br><br>Allan Owens | **Originating Dept.:**<br>Finance<br><br>Allan Owens<br>Finance Administrator<br><br>**Advertised:**<br><br>Date: March 18, 2015<br><br>Paper: Palm Beach Post<br><br>[ ] Not Required | **Costs: $**<br>0<br>(Total)<br><br>$ 0<br>Current FY<br><br>**Funding Source:**<br><br>[ ] Operating<br><br>[ ] Other<br><br>**Contract/Agreement**:<br><br>Effective Date:<br>N/A<br><br>Expiration Date:<br>N/A | **Council Action:**<br><br>[ ] Approved<br><br>[ ] Approved w/ Conditions<br><br>[ ] Denied<br><br>[ ] Continued to:<br><br>**Attachments:**<br><br>• Ordinance 2, 2015 - Exhibit "1" |
| **Submitted by:**<br><br>Department Director<br><br>Allan Owens | | | |
| **Approved by:**<br><br>City Manager<br><br>Ronald M. Ferris | **Affected parties**<br><br>[ ] Notified<br><br>[X] Not required | **Budget Acct.#:** | |

**BACKGROUND:** Section 166.241, *Florida Statutes*, requires that amounts available from taxation and other sources, including amounts carried over from prior fiscal years, must equal total appropriations for expenditures and reserves. To ensure budgeted expenditures do not exceed available resources, it is customary to adjust beginning fund balances to the prior year's actual year-end amounts. This Ordinance amends the FY 2014/2015 budget by adjusting Fund Balance Carryovers to actual amounts, as detailed in Exhibit "1".

Carry-forward of Projects and Purchase Orders

In addition, under Generally Accepted Accounting Principles, as one fiscal year comes to a close and a new fiscal year begins, the City is required to carry forward the funds appropriated for prior year obligations that will be paid in the new fiscal year. This Ordinance amends the FY 2014/2015 budget for amounts reserved, committed, or assigned from the FY 2013/2014 budget for outstanding purchase orders and commitments as they relate to open projects that cross fiscal years, as detailed in Exhibit "1". Some of the more significant projects, by fund, that are being re-appropriated include the following:

- General Fund

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|---|---|
| Replacement Fire Station #2 | $2,550,540 |
| Mirasol Park Playground Equipment | 250,000 |
| Municipal Complex Enhancements | 191,935 |
| Radio Consortium | 170,598 |

- Gas Tax Fund

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|---|---|
| Bridge Refurbishment | 632,995 |
| Stormwater Master Plan | 100,000 |

- Recreation Impact Fund

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|---|---|
| City Park Expansion-Phase III | 801,927 |
| Tennis Center Expansion-Phase III | 770,818 |
| Plant/Lilac Park Expansion | 131,620 |
| PGA Park | 119,880 |

- Road Impact Fund

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|---|---|
| Johnson Dairy/Military Trail Light | 579,435 |

- Capital Improvement Fund

| | |
|---|---|
| Water/Road Improvements- 40th/Sunset | 1,522,493 |

Other Significant Budget Adjustments

Preliminary unaudited financial statements indicate General Fund Budget Stabilization Reserves of approximately $6.6 million as of September 30, 2014. At the same time, a review of several areas in the FY 2015 budget indicates additional funding is necessary for the following: Gas Tax Special Revenue Fund; golf course operations; and replacement of a special-needs van for the Youth Enrichment Center. A discussion of each of these items follows:

- A transfer of $301,322 from General Fund Budget Stabilization Reserves to the Gas Tax Special Revenue Fund is recommended. This transfer would cover a shortage of $301,322 in the Gas Tax Fund Balance being carried over to FY 2015, due to variances between actual and estimated expenditures and revenues.

- Staff has been reviewing the impacts on revenues and expenditures from the recent golf course renovations. After analyzing the first twelve (12) months of operation since re-opening the course, staff is recommending adjustments to both projected revenues and operating expenditures in FY 2015.

  Based on actual twelve (12) months' historical data, an additional $166,000 of revenue is anticipated. This adjustment will increase the total anticipated revenue in FY 2015 to $1.82 million.

  Of the additional $166,000 in revenues, $119,000 is recommended to be added to the operating expense budget. This adjustment will increase the total expenditure budget in FY 2015 to approximately $1.89 million, which reflects a more accurate estimate of the cost to maintain the newly installed turf.

  The balance of the additional revenues, $47,000, will be added to the Golf Special Revenue Fund Reserves of $37,000 budgeted in FY 2015 to cover a shortage of $84,000 in the Golf Special Revenue Fund Balance being carried over to FY 2015.

- Notwithstanding the above adjustments, the Golf Special Revenue Fund's anticipated operating expenditures slightly exceed the projected revenues in FY 2015.

  One option staff has explored to help reduce the Fund's operating expenditures is to purchase turf maintenance equipment this fiscal year, in the amount of $384,955, using General Fund Budget Stabilization Reserves rather than enter into another operating lease that will be paid by the Golf Special Revenue Fund. If this strategy is implemented, the Golf Fund's FY 2015 operating budget would realize monthly savings of approximately $5,000.

- Lastly, the Youth Enrichment Center's special-needs van, which was donated to the City in 2000, is in need of replacement. Due to the fact that this vehicle was donated, it has not been part of the vehicle replacement amortization program, and therefore has not been replaced by the Fleet Fund. The estimated replacement cost for this type of van is $45,100, and staff is recommending a transfer from the General Fund Budget Stabilization Reserve Fund to the Recreation Special Revenue Fund Youth Enrichment Capital Outlay account for replacement of the vehicle.

Summary of Impacts on General Fund Budget Stabilization Reserve Fund

To summarize, the other significant budget adjustments contained in Ordinance 2, 2015 which impact General Fund Budget Stabilization Reserves, include the following:

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|---|---|
| 1. Supplemental appropriation for Gas Tax Special Revenue Fund | 301,322 |
| 2. Purchase of golf course turf maintenance equipment | 384,955 |
| 3. Purchase of Youth Enrichment Center special-needs van | 45,100 |
| Total Transfers From Budget Stabilization Reserves | $731,377 |

After the above transfers are made, the General Fund Budget Stabilization Reserves will total $5,918,310 in FY 2015, an increase of $3,254,199 from the originally adopted budget. Unassigned General Fund Reserves are unaffected, and will remain at $23,066,106.

**CITY COUNCIL:** On March 5, 2015, the City Council approved Ordinance 2, 2015 on first reading by a vote of 5 to 0.

**STAFF RECOMMENDATION:** Staff recommends approval of Ordinance 2, 2015 as presented on second and final reading.