ORDINANCE 10, 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 adopts such amendments 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 All ordinances or parts of ordinances in conflict be and the same are hereby repealed.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 4th day of June, 2015, upon first reading.

PASSED AND ADOPTED this 1st day of July, 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: July 1, 2015
Ordinance 10, 2015

Subject/Agenda Item: Second Reading and Adoption- An amendment to the Fiscal Year 2014/15 budget.

[X] Recommendation to APPROVE
[ ] Recommendation to DENY

Reviewed by: City Attorney R. Max Lohman, Esq. Finance Administrator Allan Owens	**Originating Dept.:** Finance Allan Owens Finance Administrator **Advertised:** Date: June 16, 2015 Paper: Palm Beach Post: [ ] Not Required	**Costs: $ 6,006,305** (Total) **$ 6,006,305** Current FY **Funding Source:** [ ] Operating [ ] Other **Contract/Agreement**: Effective Date: N/A Expiration Date: N/A	**Council Action:** [ ] Approved [ ] Approved w/ Conditions [ ] Denied [ ] Continued to: **Attachments:** • Ordinance 10, 2015 - Exhibit "1"
Submitted by: Department Director Allan Owens			
Approved by: City Manager Ronald M. Ferris	**Affected parties** [ ] Notified [X] Not required	**Budget Acct.#:** 001.0900.519.9926 $550,000 001.0900.519.9930 $5,456,305	

BACKGROUND: After posting the recently approved budget amendments, which adjusted October 1, 2014 budgeted fund balances to actual audited amounts, the General Fund Budget Stabilization Reserve account totals $5,918,310, which is an increase of approximately $3.5 million from the inception of the account in 2011. As you remember, this account was initially funded with the transfer of $2.4 million dollars from the Series 2003 Debt Service Reserve Fund which was eliminated when the Series 2003 Bonds were refinanced in 2011. The growth of this account provides the City with a unique opportunity to augment and accelerate investments in City infrastructure and pay down some of the City's existing debt, while still maintaining adequate reserves. These areas of opportunity include the Police Tactical Training Facility, Golf Course Clubhouse, City Park, and pension unfunded liabilities. A discussion of each of these items, and staff's recommendation, follows:

- A review of the recently completed design criteria package for the Police Tactical Training Facility indicates that the total cost to construct the facility is approximately $3,005,000. This amount includes all necessary planning, design, construction, site work, equipment and fixtures. The current FY 2015 budget appropriated $1,880,000 million for this project. In order to move forward with a contract, staff recommends transferring $550,000 from Law Enforcement Confiscated Funds and $575,000 from Budget Stabilization Reserves to this project, increasing the current year appropriation to $3,005,000.

- In addition to the Police Tactical Training Facility, staff has been working on refining the cost estimates for the Golf Course Clubhouse. The first phase of this project is being funded with $1,300,000 that was appropriated in FY 2015. From this allocation, $1,264,974 has been identified for items such as design, planning, sewer, parking/lighting, FPL upgrade/connections, demolition and other various site work. In addition to these costs, staff recently received the design criteria package with preliminary construction cost estimates of $4,623,570 million. When adding this cost to the $1,264,974 planning, design, and site work costs, the total estimated cost of the project is $5,888,544. Of this amount, $1,300,000 is available in FY 2015, leaving a balance of $4,588,544 needed to complete construction. In looking at the current Recreation Impact Fund Five (5) - Year Capital Improvement Plan (CIP), $2,300,000 is allocated to this project in FY 2016. This would leave a remaining balance of $2,288,544 required to fully fund the estimated cost. In order to optimize the use of the Budget Stabilization Reserves, and to provide full funding for this project so that a contract could be awarded in October of this year, staff recommends transferring $2,288,544 from Budget Stabilization Reserves to the Golf Course Clubhouse CIP project in FY 2015.

- In order to accelerate the completion of all phases of renovations at City Park, including two (2) illuminated multi-purpose fields, bike trail, pavilion, restrooms, maintenance building, playground expansion, and landscaping, staff is recommending a transfer of $1,200,000 from Budget Stabilization Reserves to the City Park CIP project in FY 2015. This project is currently being funded over several years using Recreation Impact Fees, with scheduled completion of all phases in FY 2018. The proposed transfer this year will provide full funding so that construction can begin immediately after adoption of the budget amendment, and be completed next fiscal year.

- In addition to capital projects, staff has been reviewing other areas to maximize and leverage the use of Budget Stabilization Reserves. One such use is to pay down outstanding debt. Although there are currently no bonds that are callable, the largest single debt of the City, public safety unfunded liabilities, requires no such provision, and, accordingly, can be prepaid at any time.

  In reviewing the most recent actuarial valuations, the unfunded liabilities of the Plans total $39.1 million ($23.4 for Police, and $15.7 for Fire), while the funded ratios are 71% and 77% for Police and Fire, respectively. The annual payments to amortize the unfunded liabilities in 2016 total $1,392,761 ($601,407 for Police, and $791,354 for Fire). In order to accelerate the City's goal to achieve a minimum of 80% funding for each plan, staff is recommending that $1,392,761 be transferred from Budget Stabilization Reserves, and used to pay towards the unfunded liabilities of the Police and Fire Pension Plans in FY 2015.

Summary of Impacts on General Fund Budget Stabilization Reserve Fund

To summarize, the recommended transfers contained in Ordinance 10, 2015, which impact General Fund Budget Stabilization Reserves, include the following:

1. Supplemental appropriation for Golf Course Clubhouse	$2,288,544
2. Additional payment towards unfunded public safety liabilities	1,392,761
3. Supplemental appropriation for City Park	1,200,000
4. Supplemental appropriation for Police Tactical Training Facility	575,000
Total Transfers From Budget Stabilization Reserves	$5,456,305

After the above transfers are made, the current General Fund Budget Stabilization Reserve Account will total $462,005. Unassigned General Fund Reserves are unaffected, and will remain at $23,066,106.

Other Items

In addition to the above recommended transfers, Ordinance 10, 2015 adjusts budgeted revenues and expenditures to reflect the following contributions and miscellaneous revenues:

1. Ballenisles - $11,500 for a Life Fire Simulator
2. Frenchman's Creek - $10,000 for digital combustion equipment and software for the Fire Department
3. Intergovernmental revenue of $11,664 for add-on module for OSSI System for PBC Court Interface for citations

CITY COUNCIL: On June 4, 2015, the City Council approved Ordinance 10, 2015 on first reading by a vote of 5 to 0.

STAFF RECOMMENDATION: Staff recommends approval of Ordinance 10, 2015 as presented on second and final reading.