



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 2019-48

City Council

9/12/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 2019-48 - AMENDING THE FISCAL YEAR 2019 BUDGET

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 2019-48.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019; PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

In order to maintain a balanced budget, supplemental budget resolutions require approval by City Council during the course of a fiscal year. The attached resolution includes budget adjustments for Fiscal Year 2019 that require Council Action.

General Fund related budget adjustments include increases or decreases in estimated revenues from various sources that result in a net increase in estimated revenues. Offsetting the increases in revenues are changes to the Allocated Overhead/(Cost Recovery) based on the most recent Full Cost Allocation Study.

The Transfer to the Stormwater Capital Projects Fund was decreased as a result of decreased revenues within the Stormwater Utility Fund. Offsetting the decrease in the Stormwater Capital Projects Fund is a decrease in Grant Match Funding ensuring no existing projects would be affected. In Fiscal Years 2017 and 2018 the Escambia County Tax Collector increased the fees associated with the collection of non-ad valorem special assessments. Additionally at the end of Fiscal Year 2018, certain properties owned by the Airport were determined to qualify for a credit to the Stormwater Utility Fee. Therefore, less than anticipated revenue has been collected.

In Fiscal Year 2008, Inspection Services was moved out from the General Fund and into its own Special Revenue Fund. This allowed those revenues to be isolated and used only for the purpose allowed for Inspection Services. However, soon after that, the Great Recession occurred reducing

the amount of building activity within the City, thus, reducing Inspection Services Revenues. During Fiscal Year 2009 through Fiscal Year 2011, transfers totaling \$450,000 from the General Fund to the Inspection Services Fund occurred allowing Inspection Services to continue operations during that time. Included in this Supplemental Budget Resolution is a transfer of \$450,000 from the Inspection Services Fund to the General Fund as repayment of those transfers.

On June 13, 2019, City Council approved a Real Property Exchange Agreement with the YMCA exchanging the City-Owned property next to the Vickrey Center with the YMCA owned property on Langley Avenue. Based on the appraised value of \$520,000, Sale of Assets within the General Fund have been increased and is offset by a transfer from the General Fund to the Local Option Sales Tax Fund in the same amount. The \$520,000 has been appropriated for the Soccer Complex Project within the Local Option Sales Tax Fund to account for the purchase of the YMCA property.

An additional \$30,000 transfer from the General Fund to the Golf Course Fund has been made due to decreased revenues at the Osceola Golf course.

Within the Special Grants Fund, appropriations have been made to recognize grant revenues and expenditures that have occurred throughout the fiscal year.

Revenue of \$105,124 has been budgeted with the Law Enforcement Trust Fund based on receipts and will be placed into Fund Balance.

Revenues from the Local Option Sales Tax are greater than anticipated in the Beginning Fiscal Year 2019 Budget and the excess amount has been placed into Fund Balance. The increased revenue amount is the amount reflected for Fiscal Year 2019 in the Fiscal Year 2020 Proposed Budget.

Revenues within the Airport Fund were greater than anticipated and have been adjusted based on actual revenues received. The excess amount will be placed into Fund Balance.

On the Unencumbered Carryover Resolution adopted by City Council in November 2018, balances remaining in Capital Outlay for Technology Resources were carried forward to Fiscal Year 2019. However, as purchases were made, there were some that did not qualify for Capital and were charged to Operating Expenses. Therefore, appropriations have been shifted from Capital Outlay to Operating Expenses.

On May 10, 2018 City Council adopted a resolution amending their Financial Planning and Administration Policy indicating their desire to provide a separate line item for salary increases for non-union employees. As outlined in the Financial Planning and Administration Policy, those amounts appropriated in budget line items for salary increases must remain as adopted unless changed by a supplemental budget resolution. The Fiscal Year 2019 Budget included a separate line item appropriation entitled "9196 - Salary Increases (Non-Union)". Pay increases for non-union employees were effective October 1, 2018. Included in this supplemental budget resolution is a transfer from 9196 - Salary Increases (Non-Union) to 9111 - Salaries where the expenses were charged.

PRIOR ACTION:

September 19, 2018 - City Council formally adopted a beginning FY 2019 Budget on Budget

Resolution No. 18-40.

November 8, 2018 - City Council approved Supplemental Budget Resolution No. 18-48 covering purchase orders payable.

November 8, 2018 - City Council approved Supplemental Budget Resolution No. 18-50 covering unencumbered carryovers.

December 13, 2018 - City Council approved Supplemental Budget Resolution No. 18-62 covering unencumbered carryovers.

FUNDING:

N/A

FINANCIAL IMPACT:

All appropriations of City funds in the supplemental budget resolution are covered by fund balances, shifts in expenses, or changes in revenues. Approval of the supplemental budget resolution provides for a balanced budget for Fiscal Year 2019. A final supplemental budget resolution for Fiscal Year 2019 will be brought before City Council at the November 10, 2019 City Council Meeting once final revenues are received.

CITY ATTORNEY REVIEW: Yes

8/14/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator
Richard Barker, Jr., Chief Financial Officer

ATTACHMENTS:

- 1) Supplemental Budget Resolution No. 2019-48
- 2) Supplemental Budget Explanation No. 2019-48

PRESENTATION: No