



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 2021-92

City Council

11/18/2021

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 2021-92 - FINAL AMENDMENT TO THE FISCAL YEAR 2021 BUDGET

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 2021-92.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2021; PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

In order to maintain a balanced budget, supplemental budget resolutions need to be approved by City Council during the course of a fiscal year. In September 2020, City Council adopted Supplemental Budget Resolution No. 2019-39 amending the Fiscal Year 2020 Budget. However, at that time, the final revenues and expenditures were unknown. According to Florida Statute 166.241, the governing body of a municipality may, within up to 60 days following the end of the fiscal year, amend a budget for that year. The attached resolution includes final budget adjustments for Fiscal Year 2021 that require Council action.

General Fund related budget adjustments include increases and decreases in estimated revenue from various sources, which results in a net zero change in total revenues.

The decrease in Other Grants and Aids within the Saenger Theatre is due to the lower than estimated revenues from the Saenger Facility Fee due to the COVID-19 Pandemic.

The decrease in Operating Expenses within Public Works is based on the reimbursement from the State of Florida for emergency traffic controller replacement.

Revenues within the Tree Planting Trust Fund, Park Purchases Fund, and the Housing Initiatives Fund have been adjusted in accordance with actual revenues received and will be offset with Fund Balance. These "Funds" are all included in the General Fund. However, they are budgeted and

reflected as separate funds from a budget standpoint to provide transparency for each of these accounts.

Within the Special Grants Fund, revenues and expenditures have been appropriated based on grants that have been awarded to the City of Pensacola during the fiscal year. Additionally, \$130,000 has been appropriated representing the contribution from Upward Intuition for the construction of a Skate Park.

The transfer from the Local Option Gasoline Tax Fund to the LOGT Debt Service Fund has been increased and is offset by a combination of increased Interest Income, a reduction in the amount transferred to the LOGT Debt Service Fund, and a decrease in appropriated Fund Balance.

Adjustments have been made to various revenue accounts within the three CRA Funds based on the actual amounts received.

Within the Stormwater Utility Fee Fund revenues have been adjusted based on actual revenues received and are offset with a reduction in Operating Expenses.

Net revenue of \$357,201 has been reduced within the Parking Fund based on reduced revenues received throughout the fiscal year. The impacts from COVID-19 and the closure of the General Daniel "Chappie" James Jr. Bridge due to Hurricane Sally damage impacted revenue within the Parking Fund. The reduction in revenue has been offset with reductions in various line items.

Net revenue of \$1,569,424 has been reduced within the Section 8 Housing Assistance Fund based on a reduction in Federal Funding and are offset with a decrease in Operating Expenses. A decrease in appropriated Fund Balance of \$1,740,320 is from budgeted expenditures brought forth into Fiscal Year 2021 in December 2020. However, the budgeted revenues were not carried forward. Therefore, the \$1,740,320 is to appropriate the revenue that should have been brought forward at that time.

Net revenue of \$49 has been appropriated within the Law Enforcement Trust Fund based on receipts and will be placed into Fund Balance.

Revenues within the Golf Fund were greater than anticipated. The Golf Course was not required to shut down during the COVID-19 pandemic, thus increased play resulted as the ability to be socially distant was made possible at the Golf Course. The additional revenue will be placed into Operating Expenditure line items.

The revenues within the Inspection Services Fund have been more than anticipated and will be placed into Operating Expenses.

The COVID-19 pandemic's impact continues to have an effect on the Recreation Fund, the Roger Scott Tennis Center Fund, and the Community Maritime Services Fund. Revenues in these three funds have decreased due to the cancellation of many activities and events. The reduction in revenues has been offset with decreased expenses in the three funds.

Revenues from Interest Income were more than anticipated in the CRA Debt Service Fund and the

LOGT Debt Service Fund. The additional revenue be placed into Debt Service Reserves (Fund Balance).

Local Option Sales Tax is projected to generate revenue more than the current estimated revenue by \$1.2 million. This will be placed into Fund Balance to offset the significant reduction experienced in Fiscal Year 2020 resulting from the COVID-19 pandemic.

Interest Income in the CRA Series 2017 and 2019 Project Funds has been recognized and has been offset with an increase in Capital Outlay.

Interest Income in the LOST Series 2017 Project Fund was greater than anticipated and has been offset with an increase in Reserves for Contingency.

Interest Income in the amount of \$2,814 was received within the Stormwater Capital Projects Fund. Earlier in the year, City Council amended the City's Financial Planning and Administrative Policy. Historically, the transfer from the General Fund to the Stormwater Capital Projects Fund equaled the revenue fee collection in the Stormwater Utility Fund. The change in the policy sets the General Fund transfer amount to the Stormwater Capital Fund at \$2,735,000 each fiscal year. Appropriations have been increased in Stormwater Vaults City-Wide to offset the increased revenue.

Within the Gas Utility Fund revenues have been adjusted based on actual amounts received and will be placed into Fund Balance.

Within the Sanitation Fund, an anticipated \$500,000 from CNG Rebates was not received. The application for funding was denied and is currently in the appeal process. Should the appeal be approved, it is anticipated that the funding from FY 2021 will be received during FY 2022. Should that happen, the Fund Balance drawdown will be replenished. In total, revenues were down from budget by \$444,897 requiring a drawdown of Fund Balance in the amount of \$569,897. Expenditures of \$125,000 have been appropriated within Operating Expenses to provide sufficient funding for the remainder of the fiscal year.

Revenues in the Port Fund have been adjusted based on actual amounts received and have been offset with a reduction in the Port Contingency line item.

Revenues within the Airport Fund were less than anticipated and have been adjusted based on actual revenues received. The net decrease will be offset with a decrease in various line item accounts.

Within the Insurance Retention Fund \$4,357 has been received from the City's portion from the vending machines and is offset with an increase in operating expenses. The funds will be used for employee recognition events.

Estimated revenues within the Special Assessments Fund have increased and are offset with an increase in appropriations

PRIOR ACTION:

September 23, 2020 - City Council formally adopted a beginning FY 2021 Budget on Budget

Resolution No. 2020-43

November 12, 2020 - City Council adopted Supplemental Budget Resolution No. 2020-56, covering purchase orders payable

December 10, 2020 - City Council adopted Supplemental Budget Resolution No. 2020-59, covering unencumbered carryovers

October 14, 2021 - City Council adopted Supplemental Budget Resolution No. 2021-86 amending the FY 2021 Budget

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. Adoption of the supplemental budget resolution provides for a balanced budget for Fiscal Year 2021.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

11/9/2021

STAFF CONTACT:

Kerrith Fiddler, City Administrator

Amy Miller, Deputy City Administrator - Administration & Enterprise

Amy Lovoy, Finance Director

ATTACHMENTS:

- 1) Supplemental Budget Resolution No. 2021-92
- 2) Supplemental Budget Explanation No. 2021-92

PRESENTATION: No