



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	File No.:	Item Type:	1 st Reading	2 nd Reading	
11/20/2024	24-421	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	10/30/2024	11/20/2024
			Public Hearing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			Advertising Required	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			Quasi-Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number:		
See Below	N/A	See Attached Ordinance	N/A		
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A	Natasha Mazzie, Budget Director	Budget & Program Monitoring		
Strategic Plan Focus Areas:					
<input checked="" type="checkbox"/> Fiscal Stability	<input checked="" type="checkbox"/> Resident Services	<input checked="" type="checkbox"/> Public Safety	<input checked="" type="checkbox"/> Infrastructure & Mobility	<input checked="" type="checkbox"/> Economic Development & Affordable Housing	
Implementation Timeline:					
Estimated Start Date: 10/1/2023			Estimated End Date: 9/30/2024		

SHORT TITLE:

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AMENDING THE ADOPTED BUDGET FOR FY 2023-24 TO REFLECT THE REVENUES, EXPENDITURES, APPROPRIATIONS AND OTHER MISCELLANEOUS BUDGET ADJUSTMENTS; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

STAFF SUMMARY:

Summary:

The proposed ordinance is to amend the FY 2023-24 Budget to account for unanticipated expenditures for the current Fiscal Year based on mission critical items identified after the budget was adopted, and to account for necessary adjustments as part of the end-of-year (EOY) process. Amending the adopted budget will increase the General Fund, Capital Project Fund, Revenue Bond Fund, Utility Fund, Stormwater Fund, Utility Impact Fee Fund, Friends of the Hepburn Center Fund, and Excess Benefit Plan Fund.

The total amendment amount to the FY 2023-24 Budget is \$88,216,310 (see table below).

Background:

On September 26, 2023, the City Commission adopted the FY 2023-24 Budget in the amount of \$208,799,844 (includes all funds).

Current Situation:

The proposed EOY budget amendment includes the appropriation of funds from the General Fund, Capital Project Fund, Revenue Bond Fund, Utility Fund, Stormwater Fund, Utility Impact Fee Fund, and Friends of the Hepburn Center Fund, and Excess Benefit Plan Fund to cover the items described below. These items are considered critical both for operations and for financial stabilization.

FUND	AMENDMENT AMOUNT
001 GENERAL FUND	1,748,930
348 CAPITAL PROJECT FUND	800,000
402 REVENUE BOND FUND	56,275,350
440 STORMWATER FUND	293,374
490 UTILITY FUND	27,483,884
491 UTILITY IMPACT FEE FUND	1,614,772
XXX FRIENDS OF THE HEPBURN CENTER FUND	0
XXX EXCESS BENEFIT PLAN FUND	0
TOTAL AMENDMENT AMOUNT	88,216,310

001 | General Fund – Budget Increase – \$1,748,930

- Update to FY2023-24 Police & Fire Pension Contributions– Budget Increase – \$0**
 Additional expenditures and revenues represent the City's obligations under Florida Statutes, Chapter 112, to annually fund the City's Police Officers' and Firefighters' Personnel Retirement Trust. In accordance with City Ordinance 2020-031, state tax distributions shall be applied to reduce the City's contribution. For FY2024, the combined required contribution was \$11,771,780. The City paid \$11,162,043 in October 2023, anticipating the state to cover the remaining \$609,737 as estimated by the Plan's actuary. However, the state's actual contributions totaled \$1,094,832, leading to an over-contribution of \$485,094. This surplus will be recognized in FY2024 as both revenues and expenditures, resulting in a net fiscal impact of \$0 on the City's budget. Additionally, this over-contribution will offset the unfunded accrued liability, potentially decreasing future required city contribution payments.

2. **Police Pension Legal Settlement – Budget Increase – \$74,205**
To cover the reimbursement amounts identified in the settlement agreements related to the purchase of Additional Accrual Service in the Hallandale Beach Police Officers' & Firefighters' Personnel Retirement Trust for two police officers, previously approved by the City Commission. One settlement is still pending awaiting approval of the agreement.
3. **Fire Pension Legal Settlement – Budget Increase – \$81,308**
To cover the reimbursement amounts identified in the settlement agreements related to the purchase of Additional Accrual Service in the Hallandale Beach Police Officers' & Firefighters' Personnel Retirement Trust for three firefighter/paramedics, previously approved by the City Commission.
4. **Transfer to Stormwater Fund – Budget Increase – \$293,374**
To account for the purchase of trucks with tanks using General Fund dollars. These assets are then transferred to the Stormwater Fund to support stormwater management operations.
5. **Transfer to Capital Project Fund – Budget Increase – \$800,000**
Atlantic Shores & Diana Drive Roadway Improvement Project (see Capital Projects Fund below)
6. **Transfer to Utility Impact Fee Fund – Budget Increase – \$14,950**
To correct water and sewer impact fees collected in prior periods that were recorded in the General Fund in error.

348 | Capital Project Fund – Budget Increase – \$800,000

1. **Atlantic Shores Roadway Improvement Project – Budget Increase – \$400,000**
Atlantic Shores Roadway Improvement is a project related to area beautification and roadway safety improvements, with the project area being Atlantic Shores Blvd between Federal Hwy and NE 12th Avenue.
2. **Diana Drive Roadway Improvement Project – Budget Increase – \$400,000**
Diana Drive Roadway Improvement is a project related to area beautification and roadway safety improvements, with the project area being Diana Drive from Golden Isles Drive to SE 26th Avenue.

402 | Utility Revenue Bond Fund – Budget Increase – \$56,275,350

1. **Adjustment to appropriations related to Utility Revenue Bond proceeds– Budget Increase – \$56,275,350**
The Utility Revenue Bond Fund was created in FY2023 in anticipation of issuing \$60 million in bonds to fund the City's Capital Improvement Plan (CIP) for essential water, sewer, and stormwater infrastructure projects. To ensure that these critical projects stayed on schedule, the City used its Utility Fund (Fund 490) to begin some of the work before bond proceeds were available.

As part of the final adjustments, approximately \$25.3 million of the bond proceeds will be used to reimburse the Utility Fund for projects that were already underway due to timing and need. These reimbursements will be recorded as transfers from the Utility Revenue Bond Fund to the Utility Fund. The remaining bond proceeds will continue to support the

City's ongoing and future infrastructure projects as outlined in the CIP. These steps ensure that all funds are properly allocated, keeping the City's infrastructure projects on track while maintaining clear and accurate financial reporting.

440 | Stormwater Fund – Budget Increase – \$293,374

1. Trucks with Tanks – Budget Increase – \$293,374

Due to increased flash flooding the need to purchase two specialized vehicles equipped with pumps and associated components designed to transport and deliver fluids, such as water, concrete or other liquid materials, to specific locations was necessary. These purchases should be paid for with General Fund dollars.

490 | Utility Fund – Budget Increase – \$27,483,884

1. Transfer In from the Revenue Bond Fund – Budget Increase – \$25,334,318

To account for approximately \$25.3 million in reimbursements from the Utility Revenue Bond Fund for bond-funded projects appropriated in the Utility Fund in accordance with Reimbursement Resolution No. 2022-018.

2. Transfer from Utility Impact Fee Fund – Budget Increase – \$2,134,694

To ensure compliance with Florida Statutes regarding the use of impact fees for water and sewer, the Finance Department is implementing changes to how the City accounts for impact fee revenues. All contributions to projects will be accounted for using transfers. The Utility Impact Fees Fund will transfer to the Utility Fund to support various projects based on proportionate share and nexus rule requirements. This end-of-year (EOY) transfer will reflect the allowable amount of restricted impact fees applied to project costs in the Utility Fund, derived from the ending fund balance as of year-end 2023. The actual amount of the transfer may be less than budgeted, and additional transfers may be applied for miscellaneous corrections. This exercise is intended to correct previously recorded impact fees and their allowable costs as part of the year-end reconciliation and to maintain compliance with all requirements.

3. Project Expense Allocation Correction for Lift Station #3– Budget Increase – \$14,872

This amount is related to corrections as noted above and as part of the year end reconciliation process.

491 | Utility Impact Fee Fund – Budget Increase – \$1,614,772

1. Transfer from General Fund – Budget Increase – \$14,950

In previous years, certain receipts related to water and sewer impact fees were recorded to the General Fund. A transfer from the General Fund to the Utility Impact Fees Fund is required. Interfund transfers and increases in fund capital project expenditures require City Commission approval.

2. Transfer to Utility Fund – Budget Increase – \$1,599,744

To ensure compliance with Florida Statutes regarding the use of impact fees for water and sewer, the Finance Department is implementing changes to how the City accounts for impact fee revenues. All contributions to projects will be accounted for using transfers. The Utility Impact Fees Fund will transfer to the Utility Fund to support various projects based on proportionate share and nexus rule requirements. This EOY transfer will reflect the allowable amount of restricted impact fees applied to project costs in the Utility Fund, derived from the ending fund balance as of yearend 2023. The actual amount of the

transfer may be less than budgeted, and additional transfers may be applied for miscellaneous corrections. This exercise is intended to correct previously recorded impact fees and their allowable costs as part of the year-end reconciliation and to maintain compliance with all requirements.

XXX | Friends of the Hepburn Center Fund – No Budget Impact

1. Friends of the Hepburn Center Fund

This fund tracks donations made to The Friends of Hepburn Center, Inc., a local nonprofit. Previously, these funds were part of the General Trust Fund (Fund 610) as agency funds, but since 2021, we've been manually reporting them separately. We're now requesting the establishment of a custodial fund to automate this process and improve efficiency.

XXX | Excess Benefit Plan Fund – No Budget Impact

1. Excess Benefit Plan Fund

This fund accounts for the City's Excess Benefit Plan, which supports employees whose retirement benefits exceed standard limits. Historically, these funds were reported within the Professional/Management Pension Fund (Fund 651) but have been manually separated for reporting purposes. We're now requesting the establishment of a custodial fund to simplify reporting and reduce manual work.

Why Action is Necessary:

In accordance with Florida Statutes Section 166.241(2), a municipal government may not expend or contract for expenditures in any fiscal year except those expenditures pursuant to the adopted budget, except for the items that the Budget Ordinance that adopts the annual budget allows to be appropriated without Commission approval, and for the reallocation of carryover projects that were previously approved by the Commission. Since these adjustments were not anticipated in the FY2023-24 Budget, nor allowable in accordance with the Budget Ordinance, a budget amendment is required to obtain Commission approval for the appropriations and expenditures of these funds.

Cost Benefit:

The proposed EOY budget amendment will increase the FY 2023-24 Budget by an amount not-to-exceed \$88,216,310. This amendment will allow staff to continue to provide additional community services, ensure public safety, and to make necessary adjustments as part of the year end process.

PROPOSED ACTION:

The City Commission consider the attached Ordinance.

ATTACHMENT(S):

- Exhibit 1 – Ordinance
- Exhibit 2 – Line-Item Detail

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