



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	Item Type:		1 st Reading	2 nd Reading
11/2/2022	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	10/19/2022	11/2/2022
		Public Hearing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
		Advertising Required	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Quasi Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
File No.:				
22-404				
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number :	
See Below	See Exhibit 2	See Exhibit 2	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"/> Finance & Budget		<input type="checkbox"/> Organizational Capacity		<input type="checkbox"/> Infrastructure/Projects
Implementation Timeline:				
Estimated Start Date: 10/1/2021 Estimated End Date: 9/30/2022				

SHORT TITLE:

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AMENDING THE ADOPTED BUDGET FOR FY 2021-22 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 FY2021-22 Budget as part of the yearend cleanup process. Amending the adopted budget will increase the General Fund, Transportation Fund, and Utility Impact Fees Fund. Three new Funds are being proposed: American Rescue Plan Act (ARPA) Fund and Tree Trust Fund.

The total amendment amount to the FY 2021-22 Budget is \$21,219,217 (see Attachment A).

Background:

On September 27, 2021, the City Commission adopted the FY 2021-22 Budget in the amount of \$151,048,561 (includes all funds). As part of the year-end cleanup process, staff is to present to the City Commission any amendments needed across all funds.

Current Situation:

The proposed budget amendment includes cleanup to the General Fund, Transportation Fund, Utility Impact Fees Fund, American Rescue Plan Act (ARPA) Fund, Utility Bond Fund, and the Tree Trust Fund.

001 | General Fund

1. Transfer to the Transportation Fund– Budget Increase – \$411,754

Within the three previous FY 2021-22 budget amendments, there was an appropriation of \$597,083 of reserves from the Transportation Fund used for streetlight operations and maintenance, bus shelter design, update to the cost allocation study, and ADA compliant bus shuttle stop. Upon review of the Transportation Fund Balance, it was discovered that there is only \$185,329 in restricted unallocated funds. To clean up the Transportation Fund, an additional \$411,754 transfer is needed from the General Fund. The previous budget amendments did not include the transfer from the General Fund to the Transportation Fund.

2. Transfer to the ARPA Fund – Budget Increase- \$0

The General Fund had approximately \$9.4 million in budgeted dollars from ARPA in FY2021-22. This budget amendment will appropriate revenues and expenditures in a standalone ARPA Fund with a corresponding transfer to the General Fund for eligible expenditures. The net effect of the amendment in the General Fund is zero.

3. Lease Buyout of Computer Equipment – Budget Increase- \$0

During FY2021-22, the City Commission approved approximately \$1.1 million in equipment lease-purchase agreements for computers, network switches, and a phone system, paid over a five-year period. The intent was for the equipment to be funded by American Rescue Plan Act dollars. Final ARPA program guidelines exclude lease payments as an allowable expenditure. As such, the City will exercise lease buyout options to purchase the equipment received in FY2021-22, to ensure compliance requirements are met. Per the City's code, the change in appropriation category, from debt service to a capital expenditure, requires City Commission approval.

160 | Transportation Fund

1. Transfer from the General Fund – Budget Increase – \$411,754

Within the three previous FY 2021-22 budget amendments, there was an appropriation of \$597,083 of reserves from the Transportation Fund used for streetlight operations and maintenance, bus shelter design, update to the cost allocation study, and ADA compliant bus shuttle stop. Upon review of the Transportation Fund Balance, it was discovered that

there is only \$185,329 in restricted unallocated funds. To clean up the Transportation Fund, an additional \$411,754 transfer is needed from the General Fund. The previous budget amendments did not include the transfer from the General Fund to the Transportation Fund.

491 | Utility Impact Fees Fund

1. Transfer to the Utility Fund – Budget Increase – \$0

To ensure compliance with the Florida Statutes regarding the use of impact fees for water & sewer, the Finance Department is implementing changes to how the City accounts for the use of impact fee revenues. All contributions to projects will be accounted for using transfers. Utility Impact Fees Fund transfers to the Utility Fund will contribute to various projects in the Utility Fund based on proportionate share and nexus rule requirements.

151 | American Rescue Plan Act (ARPA) Fund

1. Establishment of American Rescue Plan Act Fund – Budget Increase – \$19,957,515

The American Rescue Plan Act includes funds set aside to provide support for local governments to facilitate the ongoing recovery from the COVID-19 pandemic. The State of Florida was allocated approximately \$1.4 billion to disburse to 335 cities, towns, and townships statewide. The City of Hallandale Beach was allocated and has received \$19,957,515 to this date. This fund is being established to ensure proper tracking and compliance of federal requirements. Eligible expenditures identified in the General Fund will be reimbursed by interfund transfers from the ARPA Fund.

490 | Utility Fund

1. Transfer from the Utility Impact Fees Fund – Budget Increase – \$379,884

To ensure compliance with the Florida Statutes regarding the use of impact fees for water & sewer, the Finance Department is implementing changes to how the City accounts for the use of impact fee revenues. All contributions to projects will be accounted for using transfers. Utility Fund transfers from the Utility Impact Fees Fund will contribute to various projects in the Utility Fund based on proportionate share and nexus rule requirements. The change in appropriation category from a capital expenditure to a transfer out to another fund requires City Commission approval.

140 | Tree Preservation Trust Fund

1. Establishing the Tree Preservation Trust Fund budget – Budget Increase – \$58,220

Due to newly implemented accounting standards (GASB Statement No. 84, Fiduciary Activities), it was determined that the Tree Preservation Trust Fund needs to be established as a special revenue fund of the City. The trust fund, established by Chapter 29, Section 7, of the City of Hallandale Beach Code of Ordinances, was created for the purpose of accepting and disbursing the replacement fees paid to the City as part of tree removal permits. Previously, these funds were accounted for in the City's general trust fund. As such, funds in the new special revenue fund will be appropriated annually during the City's budget process.

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 FY2021-22 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.

Florida Statutes Sec. 166.241(4) authorizes a government at any time within the fiscal year, or within sixty days (November 30), following the end of the fiscal year to amend its budget. Also, budget amendments must be approved in the same manner as adoption of the original budget. Since the City of Hallandale Beach adopts its budget by ordinance, this amendment will be adopted by ordinance. There will be two readings of the proposed ordinance approving the amending of the FY 2021-22 Budget.

Cost Benefit:

The proposed budget amendment will increase the FY 2021-22 Budget by an amount not-to-exceed \$21,219,217. This amendment will allow for any cleanup needed across all funds.

STAFF RECOMMENDATIONS:

Staff recommends approval on First Reading and Second Reading of the attached Ordinance amending the FY2021-22 Budget.

PROPOSED ACTION:

The City Commission consider the attached Ordinance.

ATTACHMENT(S):

Exhibit 1 – Proposed Ordinance
Exhibit 2 – Attachment A – Budget Amendment Line Items

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Reviewed By: Natasha Mazzie
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Approved By: Noemy Sandoval
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Assistant City Manager