



City of Hallandale Beach City Commission Agenda Cover Memo

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|---------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------|
| Meeting Date: | Item Type: | | 1 st Reading | 2 nd Reading |
| 2/1/2023 | <input type="checkbox"/> Resolution | Ordinance Reading | 1/18/2023 | 2/1/2023 |
| File No.: | <input checked="" type="checkbox"/> Ordinance | Public Hearing | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 23-548 | <input type="checkbox"/> Other | 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 | See Attachment A | See Attachment A | N/A | |
| Contract/P.O. Required | RFP/RFQ/Bid Number: | Sponsor Name: | Department: | |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Natasha Mazzie, Director | Budget & Program Monitoring | |
| Strategic Plan Focus Areas: | | | | |
| <input checked="" type="checkbox"/> Finance & Budget | | <input checked="" type="checkbox"/> Organizational Capacity | <input checked="" type="checkbox"/> Infrastructure/Projects | |
| Implementation Timeline | | | | |
| Estimated Start Date: 02/01/2023 | | Estimated End Date: 09/30/2023 | | |

SHORT TITLE:

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AMENDING THE ADOPTED BUDGET FOR FY 2022-23 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 FY2022-23 Budget to account for unanticipated expenditures for the current Fiscal Year based on mission critical items identified after the budget was adopted. Amending the adopted budget will increase the General Fund, Transportation Fund, Capital Projects Fund, Stormwater Fund, Utility Fund, Utility Bond Fund, and Building Fund .

The total amendment amount to the FY 2022-23 Budget is \$57,635,792 (see table below).

| FUND | AMENDMENT |
|----------------------------------------|-------------------|
| | AMOUNT |
| 001 GENERAL FUND | 2,055,221 |
| 160 TRANSPORTATION FUND | 500,000 |
| 170 BUILDING & PERMITS FUND | 86,241 |
| 348 CAPITAL PROJECTS FUND | 50,000 |
| 402 UTILITY REVENUE BOND SERIES 2023 | 53,203,002 |
| 440 STORMWATER FUND | 975,750 |
| 490 UTILITY FUND | 765,577 |
| TOTAL AMENDMENT AMOUNT | 57,635,792 |

Background:

On September 28, 2022, the City Commission adopted the FY 2022-23 Budget in the amount of \$183,088,413 (includes all funds). As part of the adoption of the budget, staff had advised the City Commission that aggressive measures and strategies would continue to be taken to combat the financial effects of recent events and past budget practices.

Staff had advised the City Commission that the first review of operations would be presented to them with recommendations throughout the fiscal year. Below are some of the items that are being recommended at this time.

Current Situation:

The proposed budget amendment includes the appropriation of funds from the General Fund, Transportation Fund, Building and Permits Fund Capital Projects Fund, Stormwater Fund, Utility Bond Fund, and Utility Fund to cover the items described below. While all the challenges that the City of Hallandale Beach is facing cannot be addressed simultaneously, the items below are considered critical both for operations and for financial stabilization.

001 | General Fund – \$2,055,221

1. Reallocation of Public Information Officer – \$29,938

This position was adopted with an allocation of 76% CRA and 24% City. This request is for the allocation to be split 50% CRA, 50% City as the tasks and duties of the position are more aligned with the proposed allocation.

2. HBCRA Senior Accountant (Finance Reorganization) – \$82,167 (Prorated over 8 months)

Annual Impact \$123,250

As of January 2022, the HBCRA has needed assistance to perform the month-end close due to a vacancy in the position of CRA Finance and Budget Manager. This position has been difficult to recruit due to the level of expertise required, and the overall challenges of hiring that all local governments are facing. During this time, the Finance Department has been able to provide effective assistance to the CRA as a part of the Interlocal Agreement between the HBCRA and the City, however, not all functions needed by the HBCRA are being covered by the current arrangement as the current Senior Accountant is splitting her time.

The Senior Accountant would be situated at the HBCRA offices. This position would report to the Chief Accountant (recommended below), who would also report to the Executive Director, and Deputy Executive Director respectively of the HBCRA. This arrangement would keep the Chief Accountant who is currently helping the HBCRA as a Senior Accountant, accountable for the Finance & Budgeting function of the HBCRA while also providing flexibility to the Chief Accountant to pull additional resources if/when needed. This also ensures continuity of finance and budget operations in the HBCRA if there is ever turnover.

A salary allocation of 100% would be allocated to the HBCRA and an interlocal agreement between the City and HBCRA will be executed for this allocation.

3. Senior Accountant Reclass to Chief Accountant (Finance Reorganization) – \$19,571

This position would be responsible for the General Ledger Division at the direction of and with the Controller. This would provide more day-to-day support for the General Ledger staff and provide an opportunity for the Controller to focus on departmental initiatives, training, and reviewing workpapers.

We are recommending that this position be classified as a P4 position with a starting salary of \$96,820 as the current Senior level role is a P3. A salary allocation of 20% would be allocated to the HBCRA and an interlocal agreement between the City and HBCRA will be executed for this allocation.

4. Treasury Senior Accountant (Finance Reorganization) – \$72,500 (Prorated over 8 months)

Annual Impact \$108,750

The treasury function of managing cashflows to maximize returns on investment was not considered a priority at a time when interest rates were low. However, with today's much higher interest rates, there is a unique opportunity to both manage cashflows and investments actively and add a member of the team whose cost would be covered by the additional returns themselves. This person would work alongside the Chief Accountant to implement Tyler Reconciliation Manager and manage the day-to-day cash receipts being reconciled by the Accounting Coordinator. Having a dedicated Treasury Senior Accountant would also help with timely reporting of investment performance that would be included in the Monthly Treasury Reports included in our departmental initiatives. The proposed increase in income investments is approximately \$200,000, which means that proper oversight of the City's treasury functions would bring in more than enough additional revenues to cover the fiscal impact of the position.

5. Fixed Asset Senior Accountant Upgrade (Finance Reorganization) – \$12,287 (Prorated over 8 months)

Annual Impact \$18,431

After more than four attempts at recruiting for the Fixed Asset Accountant II from FY2021 to FY2022, we have had many challenges finding the right person at the salary and title we are offering. As such, we are requesting that this position be upgraded to a Senior Accountant position which would greatly improve the recruitment efforts and find the person with the right skills, knowledge, and experience, needed for the role.

6. Payroll Administrator (Finance Reorganization) – \$62,833 (Prorated over 8 months)
Annual Impact \$94,250

The Finance Department designed and implemented a new payroll review process. This has resulted in little to no special payrolls processed during the year that are due to payroll errors. In the past, this was a frequent issue. In coordination with the Finance Director, this position also stays up to date with payroll tax laws and changes in the quarterly and annual filing requirements. We recommend adding a Payroll Supervisor position to bring in a supervisory and specialized person to manage the city-wide payroll process.

7. Temporary Staff for Finance – \$142,500

The Finance Department's reorganization plan includes the hiring of three senior accountants responsible for the City's HBCRA, Treasury, and Fixed Assets accounting functions as noted herein. The filling of these vacancies in a timely manner with personnel that have the right skills, knowledge, and experience is imperative to meeting the goal of issuing the City's annual financial report by March 31st. As such, part of the Finance Department's recommendations is to fill the positions with consultants on a temp-to-hire basis using Robert Half International, Inc. as approved at the December 14, 2022, City Commission Meeting.

8. Requests for City Clerk's Office – \$15,968

Reclassification of former Administrative Assistant position to an Office Manager position, Uniforms, Licenses and Certifications, and Office Supplies.

9. Update to Interlocal Agreement with HBCRA (SIU) – \$304,219

On September 28, 2022, the City Commission adopted the FY 2022-23 budget which included the ILA between the City and HBCRA which provides funding by the HBCRA to the City for the continued support of the Quadrant Safety Board (QSB), community education courses, the strategic intelligence unit and grant training for a total reimbursable funding of \$1,412,752. At the time of the FY 2022-23 budget adoption, the ILA was not finalized. On November 2, 2022 the City Commission approved the Interlocal Agreement between the City and the HBCRA for a total funding of \$1,716,971. This budget amendment will add \$304,219 to both the revenue and the expenditure with a net effect of zero.

10. New Parking Initiatives – \$313,238

The new Parking Program is almost a year old. As promised, management informed the City Commission that the program would be reevaluated on an ongoing basis in order to make improvements and provide greater overall program efficiencies, while also responding to the needs of the community. The Hallandale Beach Police Department has recommended significant improvements to the parking program. The increase to the police budget for parking initiative hardware will allow for the purchase of hardware (LPR, etc.) to automate lot enforcement in both North and South City Beach and handheld devices for the Parking Enforcement Unit. This allows the Parking Enforcement Unit to focus enforcement in other zones of the city while having 100% accountability in these areas. These changes are estimated to help generate an additional \$200,000 in parking revenue for the last quarter of the fiscal year. This program is expected to generate approximately \$875,000 of additional revenue on a yearly basis.

11. Interlocal Agreement with CRA for Code Compliance Specialist – \$96,747

On September 28, 2022 the City Commission adopted the FY 2022-23 budget to include a Code Compliance Specialist. This position will enforce compliance of code violations in a timely and effective manner to maintain a quality standard of living within the CRA area. On November 2, 2022, the ILA was approved by the City Commission. This budget amendment will add \$96,747 of reimbursable costs to the revenues. The expenditures were already budgeted as part of the FY 2022-23 adopted budget.

12. Code Rewrite – \$400,000

Although numerous ordinances have been codified through the years, the City's Land Development Code has not been fully reviewed since the 1970-80s. In various areas, the Code creates challenges and affects the quality of the development or the ability to develop in the City. This budget amendment is to retain a consultant through RFP to review and rewrite the City's Land Development Code and provide corresponding updates to the City's Comprehensive Plan.

13. Cubicles for Finance Reorganization – \$50,000

This request is to add additional space for the reorganization of the Finance department.

14. Transfer to Transportation Fund – \$500,000

15. Transfer to Capital Projects Fund – \$50,000

160 / Transportation Fund – \$500,000

1. Roadway Improvements – \$500,000

The Public Works department is requesting this funding to address areas of the City with significant roadway degradation issues. The Public Works Department is in the process of creating a detailed roadway paving and improvement plan which would cover the next three to four years, and address roadway improvements in all four (4) quadrants of the City. The proposed funding would represent the costs in year one of the three to four year program.

170 / Permits & Inspections Fund – \$86,241

1. Administrative Assistant for DSD Annex Building – \$43,121 (Prorated over 8 months)

Annual Impact \$64,681

This position will facilitate the operations and will provide administrative support for the plan reviewers and inspectors, providing a high level of customer service.

2. Permit Technician (Building Safety Inspections Program & Unsafe Structure Board Liaison) – \$43,121 (Prorated over 8 months)

Annual Impact \$64,681

This position will be the primary technician handling the 40-year building safety inspection program and will process the cases for the unsafe structure board.

348 / Capital Projects Fund – \$50,000

1. ADA Compliant Bus Stop – \$50,000

This project was included in the FY23 budget. Staff estimated \$116,000 for the design of the project. However, the cost proposal from the consultant is \$161,028 which is an increase of \$45,028 (since the last estimate used for the original budget request), and the project requires \$50k more now. The \$50,000 is requested to cover any contingencies that may arise. As a reminder the ADA Compliant Bus Stop program is a requirement of Broward County.

402| Utility Revenue Bond Fund – \$53.2M

1. Establishing the Utility Revenue Bond Fund and Appropriation – \$53.2M

During FY2022, the City Commission approved Ordinance 2022-026 establishing a 5-Year Capital Improvement Plan (CIP) that includes approximately \$230 million in utility infrastructure projects of which \$181 million will be funded by utility revenue bonds. The City anticipates issuing approximately \$53.2 million in the first series of utility revenue bonds during FY2023 based on the adopted 5-Year CIP and rates established from the Utility Rate Study adopted by City Commission. The Utility Revenue Bond Fund will be used to track bond funded project expenditures as required by the upcoming Master Utility System Bond Ordinance scheduled for City Commission approval in March 2023.

440 / Stormwater Fund – \$975,570

1. Stormwater Project at NE 3rd Avenue and 2nd Street – \$975,750

This project is one developed in response to an ongoing flooding issue at that location. This project's design was initiated in FY21, and the opinion of construction cost associated with them was before the historic levels of inflation we have been experiencing nationwide since then. The project was originally budgeted at approximately, \$300,000, but the costs based on bids are now at \$975,750.

The opinion of probable cost at the 100% design completion noted that this project would be in the current market approximately \$900,000 to complete. The project is currently out for bids and the funds requested are in anticipation of the cost being reflective of the opinion of probable cost offered by the consultant at the 100% design completion. The project would address an area of major flooding which causes significant standing water in FADD.

490 / Utility Fund – \$765,577

**1. Assistant Director – \$111,459 (Prorated over 8 months)
Annual Impact \$167,189**

Due to the increased focus of the Public Works managerial team as it relates to infrastructure rehabilitation, we are requesting the addition of this position to our organizational chart in an effort to maintain the appropriate high level of effective and efficient services to the residents. This position will perform managerial oversight of the Fleet, Cemetery, Environmental Compliance, Facilities Maintenance and Sanitation Services.

2. Water Feasibility Study – \$200,000

The Public Works team has performed a review of the 2019 10-year Water Supply Plan and found that current city development is outpacing many of the assessments noted in the plan as it relates to our ability to provide water to the proposed level of future residents. This study is to review all options for providing water for future needs.

3. Temporary Staff for Finance – \$249,120

During the December 14, 2022, City Commission meeting, staff presented the AMI Meter Remediation Project Plan in response to the utility city-wide meter read system failures. Temporary staffing was recommended and approved to assist with continued operations of the Finance Department.

4. Utility Billing Supervisor – \$101,500

The utility city-wide meter read system failures has highlighted a need to have an additional layer between the UB Specialist and the UB Operations Manager. Currently, the UB Specialist has had to spend a significant amount of their time with the billing process. The addition of this position will improve the progress of our departmental

initiatives, ensure timely utility billing, and provide more training & development opportunities to staff which helps encourage employee retention and improve the overall operations of the Division.

**5. Fixed Asset Senior Accountant Upgrade (Finance Reorganization)– \$4,778
(Prorated over 8 months)**

Annual Impact \$7,167

After more than four attempts at recruiting for the Fixed Asset Accountant II from FY2021 to FY2022, we have had many challenges finding the right person at the salary and title we are offering. As such, we are requesting that this position be upgraded to a Senior Accountant position which would greatly improve the recruitment efforts and find the person with the right skills, knowledge, and experience, needed for the role.

6. Reclass of Accounting Clerk I to Meter Maintenance Coordinator – \$48,720

There is a need within the Public Works Department for a position that will run analytical reports related to meter failures and irregular usage, creating, and managing work orders related to the exceptions. The efficiency we expect from the meter maintenance coordinator position will eliminate the need for Accounting Clerk I of the Finance Department's Accounting Clerks. Taking a proactive approach with this type of supervisory personnel in DPW would help ensure the highest amount of "good reads" sent to the Finance Department during cycle-billing. The Meter Maintenance Coordinator position requires a higher level of responsibility than the Accounting Clerk I, which necessitates additional salary costs.

7. Cubicles for Finance Reorganization – \$50,000

This request is to add additional space for the reorganization of the Finance department.

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 FY2022-23 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 budget amendment will increase the FY 2022-23 Budget by an amount not-to-exceed \$57,635,792. This amendment will allow staff to continue to implement revenue generating initiatives and to move the city forward with greater efficiency.

PROPOSED ACTION:

Staff recommends approval on First Reading of the attached Ordinance amending the FY2022-23 Budget.

ATTACHMENT(S):

Exhibit 1 - Proposed Ordinance
Exhibit 2 – Attachment A - Budget Amendment Line Items
Exhibit 3 – Preliminary Bond Issuance Summary

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