



## City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	Item Type:		1 <sup>st</sup> Reading	2 <sup>nd</sup> Reading
<b>4/7/2021</b>	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	<b>3/17/2021</b>	<b>4/7/2021</b>
		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.:				
<b>21-040</b>				
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number :	
<b>See Below</b>	<b>See Attachment A</b>	<b>General Fund, GO Bond Capital, Stormwater and Utility Funds</b>	<b>N/A</b>	
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>N/A</b>	<b>Marie M. Gouin, Director</b>	<b>Budget &amp; Program Monitoring</b>	
Strategic Plan Focus Areas:				
<input checked="" type="checkbox"/> Finance & Budget		<input checked="" type="checkbox"/> Organizational Capacity		<input type="checkbox"/> Infrastructure/Projects
Implementation Timeline:				
Estimated Start Date: 3/17/2021    Estimated End Date: 9/30/2021				

### SHORT TITLE:

**AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AMENDING THE ADOPTED BUDGET FOR FY 20/21 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 being made to amend the FY20/21 Budget and to account for unanticipated expenditures for the current Fiscal Year, based on the strategies being taken to stop deficit spending, to limit the need for additional overtime, and to mitigate the need for the use of reserves to balance future budgets. Strategies supported by this budget amendment further support the path for the City's financial recovery.

Amending the adopted budget will increase the General Fund, General Obligation (GO) Bond Capital Fund, Stormwater Fund and Utility Fund's budget from fund balance reserves. Unanticipated expenditures include funding for Social Worker position for Human Services operations, administrative support for the Office of Capital Improvement in the Public Works department, and positions for the Utility Billing Division within Finance for collections, billing, and customer service to meet the department's objectives. It will also amend the budget for infrastructure projects in need of rehabilitation from being conceptual to "shovel ready" by starting the design for the identified projects as listed below.

**The total impact to this amendment is a net increase of \$3,911,304.**

Item	General Fund	GO Bond Capital Fund	Utility Fund	Stormwater Fund	Total
Personnel	122,260	32,598	51,106	0	205,964
Infrastructure	0	0	3,205,340	500,000	3,705,340
<b>Total by Fund</b>	<b>\$122,260</b>	<b>\$32,598</b>	<b>\$ 3,256,446</b>	<b>\$500,000</b>	<b>\$3,911,304</b>

**Background:**

On September 29, 2020, the City Commission adopted the FY20/21 Budget in the amount of \$141,285,105 (includes all funds). As part of the adoption of the budget, staff had advised the City Commission that aggressive measures and strategies would need to be taken to combat the financial effects of recent events and past budget practices. Based on projected revenues and expenditures during the adoption of the budget, if all remains unchanged, the deficit in FY 21/22 is projected to be approximately \$5.4 million. This projected budget deficit would bring reserves to approximately \$6.0 million by the end of the fiscal year. Based on the FY 20/21 General Fund Budget, that is approximately 8% of total expenditures.

Staff had advised the City Commission that the first review of operations would be presented to them with recommendations in December. The first budget amendment which was adopted on January 6, 2021, had a total net impact of \$2,435,794. Below are all of the items that are being recommended for the second amendment to the budget.

**Current Situation:**

The proposed budget amendment includes the appropriation of resources from various funds to cover unanticipated expenditures described below. The amendment being presented for City Commission approval is the continuation toward efficiency and streamlining of City operations, which in turn will mitigate the impact of future budget shortfalls. As stated before, all of the challenges that the City is facing cannot be addressed at the same time, this is staff's continued effort in setting the framework towards gaining more efficiencies, increasing revenues and reducing/eliminating the dependency on one-time revenues/reserves.

As we continue to implement the strategies that are currently being executed, the items below require additional investment for operational efficiencies. The current budget amendment will increase and appropriate budgets for the following items:

## **Personnel -**

### **1. Administrative Assistant – Office of Capital Improvements**

The Administrative Assistant for the Office of Capital Improvements Division within Public Works was eliminated as part of the adopted budget; and based on the recommendation of the previous administration. The GO Bond capital projects are still active, the position was eliminated prematurely. The position needs to be reinstated to support the operation of the Division and to assist with the closing of the capital improvement projects funded by the GO Bond, which will require extensive paperwork.

***Impact \$36,220***

***10% General Fund***

***90% Go Bond Capital Fund (prorated for 6 months)***

### **2. Social worker I – Human Services Department**

For approximately eighteen (18) months, only two (2) Social Workers have provided services for the current caseload of clients in addition to have been at the forefront of the Department's response to COVID-19. Adding back the Social Worker I position will allow the department to return to the much-needed structure of having one (1) Social Worker assigned to each of the three (3) main services provided by the department inclusive of Senior Services, General Services and Youth Services, and to better address the needs of the Community during the ongoing COVID-19 pandemic.

The Social Worker I position is a critical position for the Human Services Department. This position directly provides entry-level professional work in case management, resource information and referral, and supportive counseling for an assigned functional area of the department. Furthermore, the Social Worker I conducts initial intakes, performs social service needs assessment, conducts associated research, prepares casework documentation, coordinates available services for clients, and is responsible for additional tasks associated with the various grants and related compliance requirements that support the assigned program area.

***Impact \$36,457 (prorated for 6 months)***

***100% General Fund***

### **3. Assistant Director – Development Services Department**

This position will assist the Director in overseeing the various divisions within the department, assume responsibilities in the absence of the Director, and will primarily focus on revenue generating programs within the Department. Areas of responsibility will include enhancements to the Business License Tax Receipts Program, implementation of the new Certificate of Use Program, and the review of the Vacation Rentals Program for overall program efficiencies and improvements. These programs are key to the success of the City's financial strategy and require the oversight of a dedicated and knowledgeable individual.

***Impact \$82,181 (prorated for 6 months)***

***100% General Fund***

#### 4. Accounting Clerk II (1), and Part-Time Accounting Clerk I – Finance Department, Utility Billing Division

After further review of the Finance Department, additional support is required for collections, billing, and customer service to meet the department's objectives and to bring the City to compliance with regulatory requirements. One (1) Accounting Clerk II and two (2) Part-time Accounting Clerk I positions are being recommended to ensure the following objectives are met:

- Attend to backlog of deposit refunds to bring the Department to compliance with City Code (Sec. 30-6), timely billing adjustments, payment plan monitoring, service order management, shutoffs, customer contact information control, updating standard operating procedures (SOP's), reviewing meter issues, lien monitoring, timely lien filing, review accounts sent to collection agencies, and other tasks not currently being performed timely due to understaffing.
- Adequate staffing backup for collections, billing, and customer service functions (currently, backups to these functions are covered by management)
- Better management of employee compensated absences and scheduling
- Cross-training within the Utility Billing Division

Providing adequate support would allow management to focus on updating policies relating to collections, write-offs, and cash management; creating process manuals and SOP's for employees to conduct staff training that encourages cross-training; analyze revenues to develop strategic plans to promote revenue generating and cost saving initiatives; timely debt monitoring of future revenue bonds; provide support to the Department of Public Works with meter reading issues on a timely basis; and to also focus on employee development and employee morale.

Affording management the ability to focus on these initiatives will give the collections, billing, and customer service teams the tools that they need to ensure revenues are collectible, payments are received timely and billing is processed accurately therefore maximizing the revenue on the rates currently being charged to customers.

***Impact \$51,106 (prorated for 5 months)***  
***100% Utility Fund***

#### Summary of Personnel and Funding Sources

Positions	General Fund	GO Bond Capital Fund	Utility Fund	Total
Administrative Assistant	3,622	32,598		36,220
Social Worker I	36,457			36,457
Assistant Director	82,181			82,181
Accounting Clerk II			21,758	21,758
Accounting Clerk I P/T			14,674	14,674
Accounting Clerk I P/T			14,674	14,674
<b>Total by Fund</b>	<b>\$122,260</b>	<b>\$32,598</b>	<b>\$51,106</b>	<b>\$205,964</b>

#### Infrastructure

##### 1. Project Design Initiation

As the City continues to face the challenge of infrastructure in need of rehabilitation, staff is proposing to move the following projects from conceptual to “shovel ready” by expediting the design of these projects.

During past years, the City has missed out on numerous grant opportunities for funding that would have assisted with the rehabilitation of our infrastructure. Having projects designed and awaiting construction funding, is often a requirement of federal, state and county grant opportunities to be able to complete the project within the specified grant period of performance. By expediting project design now, projects will be in a better position to qualify for grant funds and will also be closer to being ready for construction once the utility revenue bond is approved and in place. It should be noted that once the bond is in place, the cost of design for bond approved projects will also be eligible for reimbursement from bond proceeds.

### Summary of Proposed Projects and Funding Sources

Project	Project Category	Estimated Project Cost	Cost of Design
<b>Utility Fund:</b>			
North Miami Beach Interconnect	Water Projects	400,000	80,000
Sewer Lift Upgrades 1,2,5 and 6	Wastewater Projects	10,000,000	2,000,000
Layne Blvd 10" Water Main	Water Projects	3,139,500	627,900
Force main along NE 7th St. to NE 12th Ave	Water Projects	2,487,200	497,440
		<b>\$16,026,700</b>	<b>\$3,205,340</b>
<b>Stormwater Fund:</b>			
Stormwater Flap Gates 3 Island	Stormwater Projects	2,500,000	500,000
		<b>\$2,500,000</b>	<b>\$500,000</b>
<b>Total</b>		<b>\$18,526,700</b>	<b>\$3,705,340</b>

Based on industry standard, the cost for the design is twenty (20) percent of the estimated cost of the project.

**Impact \$3,705,340**

**86% Utility Fund**

**14% Stormwater Fund**

### 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 FY 20/21 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 20/21 Budget.

**Cost Benefit:**

The proposed budget amendment will increase the FY 20/21 Budget by an amount not to exceed \$3,911,304 for efficiencies in Department of Public Works, Human Services and the Finance Departments.

<b>PROPOSED ACTION:</b>
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Staff recommends approval on Second Reading of the attached Ordinance amending the FY 20/21 Budget to record the revenues, expenditures and other related adjustments.

<b>ATTACHMENT(S):</b>
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Exhibit 1 – Proposed Ordinance

Exhibit 2 – Attachment A – Budget Amendment

Prepared By: Maggie Gouin

Marie M. Gouin  
Budget & Program Monitoring Director

Reviewed By: Noemy Sandoval

Noemy Sandoval  
Assistant City Manager

Approved By: Noemy Sandoval

Noemy Sandoval  
Assistant City Manager