400 S. Federal Hwy
Hallandale Beach, FL 33009
07162025

City of Hallandale Beach
City Commission Agenda Cover Memo

Meeting Date:	File No.:	Item Type:		1st Reading	2nd Reading
11/19/2025	**25-391**	☐ **Resolution** ☒ **Ordinance** ☐ **Other**	Ordinance Reading	**11/5/2025**	**11/19/2025**
			Public Hearing	☒	☒
			Advertising Required	☐	☒
			Quasi-Judicial:	☐	☐

Fiscal Impact ($):	Account Balance ($):	Funding Source:	Project Number:
See Below	**N/A**	**See Attached Ordinance**	**N/A**

Contract Required:		P.O. Required:		RFP/RFQ/Bid Number:	Sponsor Name:	Department:
☐Yes	☒No	☐Yes	☒No	**N/A**	**Natasha Mazzie** **Budget Director**	**Budget**

Strategic Plan Focus Areas:				
☒ **Fiscal Stability**	☒ **Resident Services**	☒ **Public Safety**	☒ **Infrastructure & Mobility**	☒ **Economic Development & Affordable Housing**

Implementation Timeline:	
Estimated Start Date: 10/1/2024	Estimated End Date: 9/30/2025

SHORT TITLE:

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AMENDING THE ADOPTED BUDGET FOR FY 2024-25, INCLUDING AMENDMENT TO THREE ISLANDS SAFE NEIGHBORHOOD DISTRICT BUDGET, 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 2024-25 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, Three

Islands Safe Neighborhood District, Cemetery Fund (Governmental), ARPA Fund, Transportation Fund, Contributions & Donations Fund, Capital Projects Fund, Three Islands Special Assessment Fund, 2024 Utility Revenue Bond Tranche 1 Fund, Sanitation Fund, Cemetery Fund (Proprietary), Stormwater Fund, 2024 Stormwater Revenue Bond, Utility Fund, Utility Impact Fee Fund, Fleet Services Fund, and General Liability Fund.

The total amendment amount to the FY 2024-25 Budget is $19,385,011 (see table below).

FUND	AMENDMENT AMOUNT
001 | GENERAL FUND	8,333,759
120 | THREE ISLANDS SAFE NEIGHBORHOOD DISTRICT	1,100,000
142 | CEMETERY FUND (GOVERNMENTAL)	809,049
151 | AMERICAN RESCUE PLAN ACT FUND	1,433,818
160 | TRANSPORTATION FUND	330,000
347 | CONTRIBUTIONS & DONATIONS FUND	872,072
348 | CAPITAL PROJECT FUND	-264,500
380 | THREE ISLANDS SPECIAL ASSESSMENT FUND	834,140
402 | 2024 UTILITY REVENUE BOND TRANCHE 1 FUND	-6,500,000
410 | SANITATION FUND	278,957
420 | CEMETERY FUND (ENTERPRISE)	-809,049
440 | STORMWATER FUND	882,111
441 | 2024 STORMWATER REVENUE BOND	6,500,000
490 | UTILITY FUND	3,108,851
491 | UTILITY IMPACT FEE FUND	1,911,458
530 | FLEET SERVICES FUND	437,963
570 | GENERAL LIABILITY FUND	126,382
TOTAL AMENDMENT AMOUNT	**19,385,011**

<u>Background:</u>

On September 25, 2024, the City Commission adopted the FY 2024-25 Budget in the amount of $206,711,074 (includes all funds).

<u>Current Situation:</u>

The proposed budget amendment includes the appropriation of the following funds:

<u>001 | General Fund</u> – ***Budget Increase – $8,333,759***

1. **Dupont Settlement –** ***Budget Increase – $3,200,005***
   To recognize $3,200,005 in unanticipated revenue received from the DuPont PFAS settlement and transfer it to the General Fund. These proceeds will be reflected in the City's financial statements and reserved for future use as determined by the City Commission. The allocation and use of these funds will be considered by the Commission at a later date to support priorities that best serve the community and enhance the City's long-term financial stability.

2. **Transfer from Three Islands District –** ***Budget Increase – $1,100,000***
   The General Fund initially advanced $4.6 million to the Three Islands Safe Neighborhood District (TISND) Fund in anticipation of the project. The total project cost is $5,434,140, of which $3.5 million will be recovered through a special assessment, $1.1 million will be reimbursed to the General Fund using TISND fund balance reserves, while the remaining $834,140 will be funded from General Fund fund balance reserves.

3. **Transfer from ARPA Fund –** ***Budget Increase*** **– $1,433,818**
   To close out the American Rescue Plan Act (ARPA) Fund, as all program expenditures have been completed as of September 30, 2025. This adjustment transfers the remaining unrestricted investment income earned on ARPA proceeds to the General Fund, which funded all related expenditures. Closing the fund ensures proper financial reporting, compliance with grant closeout requirements, and alignment with the City's fund structure for completed programs.

4. **Developer Agreements Fund True-Up –** ***Budget Increase – $872,072***
   A transfer of $872,072 is recommended from Fund 347 to the General Fund. This amount represents unrestricted investment income identified during reconciliation. Consistent with the new Developer Agreement Use Policy, future investment earnings from this fund will be credited to the General Fund rather than retained within the DA Fund. This represents unrestricted balances from legacy developer agreement activity (pre-FY2004) that are no longer assigned to a specific project.

5. **PILOFF Adjustment –** ***Budget Increase – $65,184***
   To reconcile PILOFF (Payment in Lieu of Franchise Fees) revenues and expenditures. The original PILOFF budget was based on estimated, budgeted revenues. A year-end reconciliation is necessary to align the PILOFF with actual revenues received, ensuring accurate accounting of payments made by utilities or other entities in lieu of traditional franchise fees.

6. **FY2023-24 Police & Fire Pension Contributions –** ***Budget Increase – $167,233***
   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 FY2025, the combined required contribution was $10,410,369. The City paid $9,494,477 in October 2024, anticipating the state to cover the remaining $915,892 as estimated by the Plan's actuary. However, the state's actual contributions totaled $1,143,006, leading to an overcontribution of $227,114. This surplus will be recognized in FY2025 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.

7. **Transfer to Three Islands Special Assessment – *Budget Increase – $834,140***
   The General Fund initially advanced $4.6 million to the Three Islands Safe Neighborhood District (TISND) Fund in anticipation of the project. The total project cost is $5,434,140, of which $3.5 million will be recovered through a special assessment, $1.1 million will be reimbursed to the General Fund using TISND fund balance reserves, while the remaining $834,140 will be funded from General Fund fund balance reserves.

8. **Transfer to General Liability Fund – *Budget Increase – $126,382***
   To transfer funds from the General Fund to the General Liability Fund to cover over expenditures related to settlements finalized during FY2025. This adjustment addresses the year-end deficit in the General Liability Fund and ensures all expenditures associated with claims and settlements are fully funded in accordance with the City's financial policies and reporting standards.

9. **Replacement of LPR Camera – *Budget Decrease – $36,250***
   This purchase was funded by the General Fund and should have been purchased by the General Liability Fund. This amendment will correct this item.

10. **Transfer to Capital Project Fund – *Budget Increase – $505,675***
    Adjustment needed as the transfer was recorded as going into the Capital Projects Fund but not coming out of the General Fund.

***120 | Three Islands Safe Neighborhood District* – Budget Increase – $1,100,000**

1. **Repay General Fund – *Budget Increase – $1,100,000***
   The General Fund initially advanced $4.6 million to the Three Islands Safe Neighborhood District (TISND) Fund in anticipation of the project. The total project cost is $5,434,140, of which $3.5 million will be recovered through a special assessment, $1.1 million will be reimbursed to the General Fund using TISND fund balance reserves, while the remaining $834,140 will be funded from General Fund fund balance reserves.

***142 | Cemetery Fund (Governmental)* – Budget Increase – $809,049**

1. **Create Fund – *Budget Increase –$809,049***
   To reclassify the Cemetery Fund, previously reported as an Enterprise Fund, to a Special Revenue Fund for financial statement purposes. This change aligns with accounting and financial reporting standards, as the Cemetery Fund does not generate sufficient revenues to recover its full operating costs and is therefore

more appropriately classified as a governmental activity. Consistent with professional best practices for fund reporting, this reclassification enhances transparency and ensures compliance with GASB guidance and the City's financial reporting objectives. FY 2025-26 will be adjusted in a future budget amendment.

***151 | ARPA Fund* – Budget Increase – $1,433,818**

1. **Close Out Fund – *Budget Increase – $1,433,818***
   To close out the American Rescue Plan Act (ARPA) Fund, as all program expenditures have been completed as of September 30, 2025. This adjustment transfers the remaining unrestricted investment income earned on ARPA proceeds to the General Fund, which funded all related expenditures. Closing the fund ensures proper financial reporting, compliance with grant closeout requirements, and alignment with the City's fund structure for completed programs.

***160 | Transportation Fund* – Budget Increase – $330,000**

1. **Roadway Improvements – *Budget Increase – $330,000***
   Funds were appropriated in the General Capital Projects Fund (348). These funds should have been appropriated in the Transportation Fund (160). This budget amendment is to realign the budget to the correct fund.

***347 | Contributions & Donations Fund* – Budget Increase – $872,072**

1. **Developer Agreements Fund True-Up – *Budget Increase – $872,072***
   A transfer of $872,072 is recommended from Fund 347 to the General Fund. This amount represents unrestricted investment income identified during reconciliation. Consistent with the new Developer Agreement Use Policy, future investment earnings from this fund will be credited to the General Fund rather than retained within the DA Fund. This represents unrestricted balances from legacy developer agreement activity (pre-FY2004) that are no longer assigned to a specific project.

***348 | Capital Projects Fund* – Budget Decrease – $264,500**

1. **Roadway Improvements – *Budget Decrease – $330,000***
   Funds were appropriated in the General Capital Projects Fund (348). These funds should have been appropriated in the Transportation Fund (160). This budget amendment is to realign the budget to the correct fund.

2. **Police Gym Locker Room – *Budget Increase – $65,500***
   To transfer $65,500 for the Police Gym Locker Room Construction Project, originally budgeted in the General Fund, to the Capital Projects Fund to properly account for this multi-year capital improvement. Reclassifying the budget as a transfer out from the General Fund ensures centralized tracking and disclosure of total project costs over multiple fiscal years, supporting transparency and consistency within the City's financial reporting framework.

***380 | Three Islands Special Assessment Fund* – Budget Increase – $834,140**

1. **Three Islands Project – *Budget Increase – $834,140***

The General Fund initially advanced $4.6 million to the Three Islands Safe Neighborhood District (TISND) Fund in anticipation of the project. The total project cost is $5,434,140, of which $3.5 million will be recovered through a special assessment, $1.1 million will be reimbursed to the General Fund using TISND fund balance reserves, while the remaining $834,140 will be funded from General Fund fund balance reserves.

***402 | 2024 Utility Revenue Bond (Tranche 1)* – Budget Decrease – $6,500,000**

1. **Reclass Stormwater Projects to New Fund – *Budget Decrease – $6,500,000***
   There are 3 stormwater projects in the Utility Bond fund that need to be budgeted in their own dedicated fund due to standard accounting practices as governed by GASB.

***410 | Sanitation Fund* – Budget Increase – $278,947**

1. **Reclass Vehicles Purchased – *Budget Increase – $278,947***
   Vehicles were purchased in the Fleet Services Fund. A reclass of the expenditures is needed to ensure that vehicle purchases are captured in each respective Proprietary Fund.

***420 | Cemetery Fund (Proprietary)* – Budget Increase – $26,602**

1. **Reclass Vehicles Purchased – *Budget Increase – $26,602***
   Vehicles were purchased in the Fleet Services Fund. A reclass is needed to ensure that vehicle purchases are captured in each respective Proprietary Fund.

***440 | Stormwater Fund* – Budget Increase – $882,111**

1. **Reclass Vehicles Purchased – *Budget Increase – $538,138***
   Vehicles were purchased in the Fleet Services Fund. A reclass is needed to ensure that vehicle purchases are captured in each respective Proprietary Fund.

2. **Reclass Stormwater Projects – *Budget Increase – $343,973***
   Budget for Stormwater Fund share of costs of issuance.

***441 | 2024 Stormwater Revenue Bond* – Budget Increase – $6,500,000**

1. **Reclass Stormwater Projects – *Budget Increase – $6,500,000***
   Creation of a Stormwater Revenue Bond Fund. There are 3 stormwater projects in the Utility Bond fund that need to be budgeted in their own dedicated fund due to standard accounting practices as governed by GASB.

***490 | Utility Fund* – Budget Increase – $3,108,851**

1. **Transfer from Utility Impact Fee Fund – *Budget Increase – $1,911,458***
   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 2024 and impact fee revenues collected during fiscal year 2025. The actual amount of the transfer may be less than budgeted. This exercise is intended to identify allowable costs to apply impact fees as part of the year-end reconciliation and to maintain compliance with all requirements.

2. **PILOFF Adjustment – *Budget Increase – $65,184***
   To reconcile PILOFF (Payment in Lieu of Franchise Fees) revenues and expenditures. The original PILOFF budget was based on estimated, budgeted revenues. A year-end reconciliation is necessary to align the PILOFF with actual revenues received, ensuring accurate accounting of payments made by utilities or other entities in lieu of traditional franchise fees.

3. **Reclass Vehicles Purchased – *Budget Increase – $1,132,209***
   Vehicles were purchased in the Fleet Services Fund. A reclass is needed to ensure that vehicle purchases are captured in each respective Proprietary Fund.

<u>491 | Utility Impact Fee Fund</u> – Budget Increase – $1,911,458

1. **Transfer to Utility Fund – *Budget Increase – $1,911,458***
   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 2024 and impact fee revenues collected during fiscal year 2025. The actual amount of the transfer may be less than budgeted. This exercise is intended to identify allowable costs to apply impact fees as part of the year-end reconciliation and to maintain compliance with all requirements.

<u>530 | Fleet Services Fund</u> – Budget Increase – $437,963

1. **Reclass Purchased Vehicles (Transfer In) – *Budget Increase – $437,963***
   $437,962 in vehicles were purchased from various funds (General, Transportation and Risk); however, these purchases should have been made through the Fleet Fund in accordance with City policy. This budget amendment realigns the funding to the appropriate Fleet Fund to ensure compliance with established accounting procedures and proper fund usage.

<u>570 | General Liability Fund</u> – Budget Increase – $126,382

1. **Settlements – *Budget Increase – $126,382***
   To transfer funds from the General Fund to the General Liability Fund to cover over expenditures related to settlements finalized during FY2025. This adjustment addresses the year-end deficit in the General Liability Fund and ensures all expenditures associated with claims and settlements are fully funded in accordance with the City’s financial policies and reporting standards.

<u>Why Action is Necessary:</u>

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 FY2024-25 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.

Section 166.241 authorizes a municipality to amend its adopted budget anytime during the fiscal year or within sixty (60) days after the end of the fiscal year for which the budget applied.

Cost Benefit:

The proposed budget amendment will increase the FY 2024-25 Budget by an amount not-to-exceed $19,385,011. This budget amendment allows for year-end adjustments to be made in accordance with Florida Statutes Section 166.241.

PROPOSED ACTION:

The City Commission consider the attached Ordinance.

ATTACHMENT(S):

Exhibit 1 – Ordinance
Exhibit 2 – Line-Item Detail

Prepared By: *Nickens Remy*
Nickens Remy
Assistant Budget Director

Reviewed By: *Natasha Mazzie*
Natasha Mazzie
Director of Budget

Reviewed By: *Noemy Sandoval*
Noemy Sandoval
Assistant City Manager