



**FINANCE DEPARTMENT**  
**Memo No. 18-01**

**DATE:** November 6, 2017

**TO:** Greg Harrison, City Manager

**VIA:** Erjeta Diamanti, Budget Officer

**FROM:** Andrew Jean-Pierre, Finance Director

**SUBJECT: Budget adjustment for FY2017**

A budget is an estimate of anticipated expenditures and revenues. The Finance Department in conjunction with the Budget Department has reviewed the current estimates and has found a need to transfer budgeted amounts within certain fund expenditures for the end of the fiscal year ending 2017. This will also provide administration a realistic view of the City's financial position and improve the ability of a department to review and compare past performance.

Below is a summary of the adjustments and the impact on the funds.

**General Fund**

Preliminary results for FY 2017 show the City's General Fund will exceed its projection for revenues by \$883,450 for the electric utility tax, electric franchise tax, half-cent sales tax and state revenue sharing. Also several of the City's expenditure line items were under expended by \$403,500. The result of this activity has created a favorable variance for the City of \$1,286,950.

Management is requesting your approval to use a portion of this variance to adjust the below line items related to the Emergency Medical Services (EMS) Fund.

- \$1,121,428 cover overtime expenses associated with emergency medical services due to an unusually high vacancy rate driven by the need to hire 15 new firefighters approved in the FY 2017 budget and to staff vacancies caused by the normal retirement of several employees during the year. Unfortunately, the steps involved in filling Fire Department vacancies tend to cause an uncomfortably long delay in hiring, anywhere from three to five months. On-the-job injuries and long-term illness cases are also contributing factors. On any given week, there may be one to two employees unavailable for work due to injury.
- \$200,061 to cover assignment pay differential due to the reclassification of 5 firefighter positions to lieutenant in FY 2017. The resulting salary increase for those personnel engendered a corresponding increase in their assignment pay that was not budgeted for in the FY 2017 adopted budget.

The EMS fund balance will cover \$440,000 with the remainder to be covered with a transfer from the General Fund balance in the amount of \$881,489.

## **Disaster Recovery Fund**

- \$16,028 to cover the purchase of materials and services relating to Hurricane Matthew.
- \$412,477 to cover the purchase of materials and services relating to Hurricane Irma.
- \$4,958,625 to cover the estimated cost of debris removal for Hurricane Irma.

Total adjustment is \$5,387,130 to be funded by Federal Emergency Management Agency (FEMA), Insurance and the General Fund Disaster Reserve. It is estimated that between 75% - 100% of these costs will be reimbursed by FEMA and the City's insurance carrier. The remaining amount will be covered by the General Fund Disaster Reserve. Estimated amount to be funded by the General Fund Disaster Reserve is \$1,346,783 and \$4,040,347 to be reimbursed by FEMA. See Exhibit A for the line item detail on the accounts that would be adjusted.

On behalf of Finance and the Budget department, we respectfully request your approval of the suggested line item adjustments for a grand total \$6,708,619.