



FINANCE DEPARTMENT
Memo No. 19-111

DATE: May 7, 2019

TO: Greg Harrison, City Manager

VIA: Erjeta Diamanti, Budget Officer

FROM: Andrew Jean-Pierre, Finance Director

SUBJECT: Budget adjustment for FY2019

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 revise budgeted amounts within certain expenditure line items for the end of the fiscal year ending 2019. This will also provide administration a realistic view of the City's financial position.

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

Utility Fund

- \$1.5 million to cover costs associated with wastewater treatment costs. In September 2018 Broward County Commissioners approved an amendment to increase their rates for North Regional Wastewater Treatment costs for services provided to large users of Broward County system. Due to this increase we have incurred a 22% increase on both our operations and maintenance charges per 1,000 gallons treatment as well as in our debt services per million gallons per day (MGD) of reserve capacity. This amount will be covered by Utility fund reserves which has an estimated balance \$12.9 million.
- \$2.8 million to cover our documented costs due to the damage to our utility infrastructure caused by the subcontractor working for the Florida Department of Transportation. Because the provision of utility service to City residents is a public welfare function performed by the City, the damage required the City's immediate response and expenditure of public funds under emergency conditions. To date, the City has documented \$2,816,965.24 in damages relating to the occurrence. In consultation with our attorney we are seeking reimbursement from the insurance company of the subcontractor. City staff and management is committed to recovering these funds.

Information Technology Fund

- \$166,000 to add video security and license plate recognition technology to various parks. This amount will be covered by Information Technology fund reserves which has an estimated balance \$170k.

On behalf of Finance and the Budget department, we respectfully request your approval of the suggested line item adjustments for a grand total \$4,482,965.