

## MEMORANDUM

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February 10, 2014

**TO:** Honorable Mayor and City Commission

**VIA:** Kenneth Fields, City Manager

**FROM:** Dorothy Ecklund, Finance Director

**RE:** Ordinance 2014-01, FY13'14 Budget Amendment #1 – 2<sup>nd</sup> Reading & Public Hearing

**SYNOPSIS:** The City Commission will consider approval of an Amendment to the FY-13'14 Budget adopted on September 17, 2013.

### RECOMMENDATION

The recommendation is for the City Commission to approve Ordinance 2014-01 after second reading and public hearing.

The City Commission approved first reading of Ordinance 2014-01 on February 18, 2014. Public Notice for second reading and public hearing was advertised on Saturday, February 22, 2014 in the News Chief.

### BACKGROUND

The City Commission adopted Ordinance 2013-12, estimating revenues and appropriating funds for FY-2013'14, on September 17, 2013.

We are presenting for second reading and public hearing an amendment of Ordinance 2013-12 to modify the estimates of revenues and appropriations budgeted in various funds. Exhibit A & B, and supporting attachments provide the detail for the proposed amendment.

Reasons for this amendment include:

#### Changes in Budgetary Beginning Fund Balances:

- Increase in Transportation Fund Balance of \$23,414.
- Increase in Street Lighting Special Assessment Fund Balance of \$6,488.
- Decrease in CRA Fund Balance of \$105,289, which is mainly due to the \$100,000 held in trust. This is mainly a housekeeping item to clarify the \$100,000 restricted funds.
- Increase in Police Forfeiture Fund of \$10,258.
- Decrease in Debt Service Fund of \$16,317.

- Decrease in Utility System Fund of \$1,215,000. During the prior year budgetary process, restricted funds for the C Street projects and the C Street carry-over items were both included in the original budgetary estimate of beginning fund balance. This was a clerical error. Notification provided to the City Manager and the Utility Director on 10/30/2013. Notification provided to the City Commission on 11/19/2013 that a short deferral of some non-essential capital projects were within FY-2013'14. The notification identified that the City Manager, Utility Director, and the Finance Director had began discussion relating to the necessary adjustment for FY-2013'14. This is the housekeeping item to correct beginning fund balance relating to this issue.

**General fund revenues and beginning fund balance increased by \$287,341 for the following items:**

- Increase in beginning fund balance of \$108,599
- COP Grant for \$40,742
- Donation from Wal Mart for Christmas gifts for community families of \$1,000
- Donation for refurbishing basketball court in Lincoln Park of \$42,000
- Transfer from Capital Project Fund of \$95,000 for various recreational capital project costs.
  - 3,000 – Bleachers at Northwest Recreation Complex
  - 20,000 – Parking Lot Expansion at Crystal Lake Park
  - 35,000 – Fencing at Crystal Lake Park
  - 10,000 – Play System Shade Cover at Stuart Park
  - 7,000 – Monument Sign at Lake Wailes
  - 20,000 – Engineering for a community park to be located by the new fire substation

**General fund appropriated expenditures increased by \$338,610 mainly due (\$306,740) from following items:**

- Lake Belle settlement of \$108,000
- Recreation capital outlay of \$187,000. These projects include the items listed above plus:
  - 30,000 – Second play station at Crystal Lake Park
  - 62,000 – Refurbishing of basketball court at Lincoln Park
- Professional services within Willow Lawn Cemetery for ground survey work for \$9,890
- Community service expenditures of \$1,000 relating to the expenditure of the Wal-Mart donation for Christmas gift for community families
- Increase in police operating supplies of \$850 for vest carriers and Bluetooth mobile phone recorder

**Library fund revenues and beginning fund balance increased by \$13,458 for the following items:**

- Decrease in beginning fund balance of \$15,060
- Increase of \$21,018 Polk County Library Cooperative
- Increase of \$4,500 interest income

- Increase in donation of \$3,000 from Raymond James Foundation for the purchase of furniture

**Library fund appropriated expenditures increased by \$24,019 mainly due (\$23,919) from the following items:**

- Increase in salaries of \$7,500 for part time labor
- Increase in operating IT of \$5,300 for (3) desk top PCs and additional bar scanners
- Increase in library books and subscriptions of \$4,000
- Increase in C/O – Library Furniture \$7,119 for children furniture

**Capital Project fund revenues and beginning fund balance increased by \$1,674,319 for the following items:**

- Increase in Capital Project fund of \$1,674,319 is mainly due to the loan for the fire substation and the new cemetery addition (\$1,700,000) being issues on 09/18/2013

**Capital Project fund appropriated expenditures increased by \$145,000 mainly due from following items:**

- Increase of \$25,000 for a master plan for Lake Wailes Park horseshoe/fish pier area
- Increase of \$25,000 for parking improvements in Lake Wailes Park across from Legion Field
- Increase of \$95,000 in transfers out to the General Fund for the following projects:
  - 3,000 – Bleachers at Northwest Recreation Complex
  - 20,000 – Parking Lot Expansion at Crystal Lake Park
  - 35,000 – Fencing at Crystal Lake Park
  - 10,000 – Play System Shade Cover at Stuart Park
  - 7,000 – Monument Sign at Lake Wailes
  - 20,000 – Engineering at N. Park to be located out by the new fire substation

## **OTHER OPTIONS**

With the exception of the detailed items listed about this is primarily a housekeeping ordinance to conform the budget to items approved by the City Commission.

## **FISCAL IMPACT**

See Exhibit A and Exhibit B attached to Ordinance 2014-01

## **ATTACHMENTS**

Ordinance 2014-01; Exhibit A & B; Budget Amendment

**ORDINANCE 2014-01**

**AN ORDINANCE OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, AMENDING ORDINANCE 2013-12 TO MODIFY THE ESTIMATES OF EXPENDITURES FOR THE OPERATION OF THE SEVERAL DEPARTMENTS OF SAID CITY FOR THE 2013-2014 FISCAL YEAR AND TO MODIFY THE APPROPRIATION OF FUNDS RAISED AND COLLECTED FROM ALL SOURCES SET FORTH IN THE ESTIMATE OF REVENUES FOR SAID FISCAL YEAR; REPEALING ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE.**

SECTION 1. Ordinance 2013-12 is hereby amended to modify the estimates of anticipated revenues for the Fiscal Year 2013-2014 which are hereunto attached as Exhibit "A" and made a part of this ordinance. Such anticipated revenue of said City is hereby appropriated for the several items set forth in the budget and is hereby appropriated proportionately in the amounts as shown in the schedule hereto attached, which said amounts are to be appropriated and allocated to the different funds as collected.

SECTION 2. Ordinance 2013-12 is hereby amended to modify the estimates of expenditures contemplated for the operation of the several departments of the City of Lake Wales, Polk County, Florida, for the Fiscal Year 2013-2014 which are hereunto attached as Exhibit "B" and made a part of this ordinance. Such amended expenditures shall be and the same are hereby ratified, approved, confirmed, accepted and adopted as the Budget for said Fiscal Year.

SECTION 3. All other parts of 2013-12 as remain unchanged and in full force and effect.

SECTION 4. This ordinance shall take effect immediately upon its passage and approval.

**CERTIFIED AS TO PASSAGE** this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Mayor/Commissioner

ATTEST:

\_\_\_\_\_  
City Clerk

**EXHIBIT "A"**  
**ORDINANCE 2014 - 01**  
**SCHEDULE OF ESTIMATED REVENUES & BALANCES**

	Adopted Budget	Changes	Amended Budget
<b>GENERAL FUND</b>			
Balance Forward	2,088,426	108,599	2,197,025
Ad Valorem Taxes	3,764,352	-	3,764,352
Sales & Use Taxes	1,391,200	-	1,391,200
Licenses & Permits	968,500	-	968,500
Special Assessments	-	-	-
Intergovernmental Revenue	1,299,788	40,742	1,340,530
Charges for Services	1,769,557	-	1,769,557
Fines & Forfeitures	27,250	-	27,250
Miscellaneous Revenues	77,235	43,000	120,235
Other Financing Sources	237,600	-	237,600
Transfer from Other Funds	828,000	95,000	923,000
Total	12,451,908	287,341	12,739,249
<b>TRANSPORTATION FUND</b>			
Balance Forward	30,855	23,414	54,269
Ad Valorem Taxes	-	-	-
Sales & Use Taxes	606,000	-	606,000
Licenses & Permits	-	-	-
Special Assessments	-	-	-
Intergovernmental Revenue	123,000	-	123,000
Charges for Services	109,168	-	109,168
Fines & Forfeitures	-	-	-
Miscellaneous Revenues	500	-	500
Other Financing Sources	-	-	-
Transfer from Other Funds	-	-	-
Total	869,523	23,414	892,937
<b>STREET LIGHTING FUNDS</b>			
Balance Forward	352	6,488	6,840
Ad Valorem Taxes	-	-	-
Sales & Use Taxes	-	-	-
Licenses & Permits	-	-	-
Special Assessments	14,577	-	14,577
Intergovernmental Revenue	-	-	-
Charges for Services	-	-	-
Fines & Forfeitures	-	-	-
Miscellaneous Revenues	-	-	-
Other Financing Sources	-	-	-
Transfer from Other Funds	-	-	-
Total	14,929	6,488	21,417

CRA FUND

Balance Forward	432,274	(105,289)	326,985
Ad Valorem Taxes	553,289	-	553,289
Sales & Use Taxes	-	-	-
Licenses & Permits	-	-	-
Special Assessments	-	-	-
Intergovernmental Revenue	467,148	-	467,148
Charges for Services	-	-	-
Fines & Forfeitures	-	-	-
Miscellaneous Revenues	4,000	-	4,000
Other Financing Sources	-	-	-
Transfer from Other Funds	-	-	-
Total	<u>1,456,711</u>	<u>(105,289)</u>	<u>1,351,422</u>

POLICE FOREFEITURE FUND

Balance Forward	39,000	10,258	49,258
Ad Valorem Taxes	-	-	-
Sales & Use Taxes	-	-	-
Licenses & Permits	-	-	-
Special Assessments	-	-	-
Intergovernmental Revenue	-	-	-
Charges for Services	-	-	-
Fines & Forfeitures	10,000	-	10,000
Miscellaneous Revenues	10,050	-	10,050
Other Financing Sources	-	-	-
Transfer from Other Funds	-	-	-
Total	<u>59,050</u>	<u>10,258</u>	<u>69,308</u>

LIBRARY FUND

Balance Forward	227,823	(15,060)	212,763
Ad Valorem Taxes	373,940	-	373,940
Sales & Use Taxes	-	-	-
Licenses & Permits	-	-	-
Special Assessments	-	-	-
Intergovernmental Revenue	411,000	21,018	432,018
Charges for Services	8,000	-	8,000
Fines & Forfeitures	-	-	-
Miscellaneous Revenues	15,525	7,500	23,025
Other Financing Sources	-	-	-
Transfer from Other Funds	-	-	-
Total	<u>1,036,288</u>	<u>13,458</u>	<u>1,049,746</u>

LAW ENFORCEMENT FUND

Balance Forward	-	-	-
Ad Valorem Taxes	-	-	-
Sales & Use Taxes	-	-	-

Licenses & Permits	-	-	-
Special Assessments	-	-	-
Intergovernmental Revenue	21,200	-	21,200
Charges for Services	-	-	-
Fines & Forfeitures	-	-	-
Miscellaneous Revenues	-	-	-
Other Financing Sources	-	-	-
Transfer from Other Funds	-	-	-
Total	<u>21,200</u>	<u>-</u>	<u>21,200</u>

#### DEBT SERVICE FUND

Balance Forward	1,948,874	(16,317)	1,932,557
Ad Valorem Taxes	-	-	-
Sales & Use Taxes	694,932	-	694,932
Licenses & Permits	382,938	-	382,938
Special Assessments	-	-	-
Intergovernmental Revenue	-	-	-
Charges for Services	-	-	-
Fines & Forfeitures	-	-	-
Miscellaneous Revenues	5,900	-	5,900
Other Financing Sources	-	-	-
Transfer from Other Funds	1,107,118	-	1,107,118
Total	<u>4,139,762</u>	<u>(16,317)</u>	<u>4,123,445</u>

#### CAPITAL PROJECTS FUND

Balance Forward	354,073	1,674,319	2,028,392
Ad Valorem Taxes	-	-	-
Sales & Use Taxes	-	-	-
Licenses & Permits	-	-	-
Special Assessments	-	-	-
Intergovernmental Revenue	160,000	-	160,000
Charges for Services	-	-	-
Fines & Forfeitures	-	-	-
Miscellaneous Revenues	26,900	-	26,900
Other Financing Sources	1,700,000	-	1,700,000
Transfer from Other Funds	-	-	-
Total	<u>2,240,973</u>	<u>1,674,319</u>	<u>3,915,292</u>

#### UTILITY SYSTEM FUND

Balance Forward	7,269,448	(1,215,000)	6,054,448
Ad Valorem Taxes	-	-	-
Sales & Use Taxes	-	-	-
Licenses & Permits	-	-	-
Special Assessments	-	-	-
Intergovernmental Revenue	715,000	-	715,000
Charges for Services	6,755,500	-	6,755,500
Fines & Forfeitures	-	-	-

Miscellaneous Revenues	334,500	-	334,500
Other Financing Sources	-	-	-
Transfer from Other Funds	-	-	-
Total	<u>15,074,448</u>	<u>(1,215,000)</u>	<u>13,859,448</u>

AIRPORT FUND

Balance Forward	-	-	-
Ad Valorem Taxes	-	-	-
Sales & Use Taxes	-	-	-
Licenses & Permits	-	-	-
Special Assessments	-	-	-
Intergovernmental Revenue	152,950	-	152,950
Charges for Services	59,608	-	59,608
Fines & Forfeitures	-	-	-
Miscellaneous Revenues	34,300	-	34,300
Other Financing Sources	-	-	-
Transfer from Other Funds	39,907	-	39,907
Total	<u>286,765</u>	<u>-</u>	<u>286,765</u>

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TOTAL ESTIMATED			
REVENUES & BALANCES	37,651,557	678,672	38,330,229

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**EXHIBIT "B"**  
**ORDINANCE 2014 - 01**  
**SCHEDULE OF ESTIMATED APPROPRIATED EXPENDITURES & RESERVES**

	Adopted Budget	Changes	Amended Budget
<b>GENERAL FUND</b>			
City Commission	70,632	2,059	72,691
City Manager	201,125	-	201,125
City Clerk	101,910	-	101,910
Finance	248,823	-	248,823
Human Resources	133,670	-	133,670
City Attorney	63,872	-	63,872
Planning	232,966	-	232,966
Fleet Maintenance	20,865	(2,059)	18,806
Facilities Maintenance	88,404	-	88,404
Information Technology	123,480	31,870	155,350
Insurance/Risk Mgt	-	-	-
Support Services	119,205	-	119,205
Municipal Admin Bldg	61,913	-	61,913
Non-Departmental	28,200	108,000	136,200
Police	4,411,334	850	4,412,184
Fire	2,522,954	-	2,522,954
Building Permits & Inspections	214,880	-	214,880
Code Enforcement	71,453	-	71,453
Waste Disposal	841,017	-	841,017
Lake Conservation	2,000	-	2,000
Field Operations	-	-	-
Cemetery	150,461	9,890	160,351
Public Service Admin	-	-	-
Other Transportation	5,433	-	5,433
Economic Environment	136,500	-	136,500
Other Human Services	-	1,000	1,000
Library	-	-	-
Parks Division	666,726	187,000	853,726
Recreation Facilities	478,728	-	478,728
Special Events	39,026	-	39,026
Depot Complex	27,051	-	27,051
Interfund Transfers	39,907	-	39,907
Summary - General Fund Expenditures	11,102,535	338,610	11,441,145
Reserve & Contingencies	1,349,373	(51,269)	1,298,104
Total General Fund	12,451,908	287,341	12,739,249

TRANSPORTATION FUND

Expenditures	858,014	-	858,014
Reserve & Contingencies	11,509	23,414	34,923
Total	869,523	23,414	892,937
<b>STREET LIGHTING FUNDS</b>			
Expenditures	14,585	-	14,585
Reserve & Contingencies	344	6,488	6,832
Total	14,929	6,488	21,417
<b>CRA FUND</b>			
Expenditures	1,356,711	-	1,356,711
Reserve & Contingencies	100,000	(105,289)	(5,289)
Total	1,456,711	(105,289)	1,351,422
<b>POLICE FOREFEITURE FUND</b>			
Expenditures	24,000	-	24,000
Reserve & Contingencies	35,050	10,258	45,308
Total	59,050	10,258	69,308
<b>LIBRARY FUND</b>			
Expenditures	939,767	24,019	963,786
Reserve & Contingencies	96,521	(10,561)	85,960
Total	1,036,288	13,458	1,049,746
<b>LAW ENFORCEMENT FUND</b>			
Expenditures	21,200	-	21,200
Reserve & Contingencies	-	-	-
Total	21,200	-	21,200
Summary Total - Special Revenue	3,457,701	(51,671)	3,406,030
<b>DEBT SERVICE FUND</b>			
Expenditures	2,110,041	-	2,110,041
Reserve & Contingencies	2,029,721	(16,317)	2,013,404
Total	4,139,762	(16,317)	4,123,445
<b>CAPITAL PROJECTS FUND</b>			
Expenditures	1,920,000	50,000	1,970,000
Transfers To Other Funds	-	95,000	95,000
Reserve & Contingencies	320,973	1,529,319	1,850,292
Total	2,240,973	1,674,319	3,915,292

UTILITY SYSTEM FUND

Expenditures	12,765,482	-	12,765,482
Reserve & Contingencies	2,308,966	(1,215,000)	1,093,966
Total	<u>15,074,448</u>	<u>(1,215,000)</u>	<u>13,859,448</u>

AIRPORT FUND

Expenditures	286,765	-	286,765
Reserve & Contingencies	-	-	-
Total	<u>286,765</u>	<u>-</u>	<u>286,765</u>

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TOTAL ESTIMATED REVENUES & BALANCES	37,651,557	678,672	38,330,229
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City of Lake Wales  
 Budget Amendment - Detail  
 Ordinance 2014-01

Debit	Credit		Reason	
	23,414	102-271-001-000-000	Fund Balance	Transportation Fund Balance
	6,488	103-271-001-000-000	Fund Balance	Street lighting Fund Balance
105,289		105-271-001-000-000	Fund Balance	CRA Fund Balance (less restricted funds)
	10,258	106-271-001-000-000	Fund Balance	Police Forfeiture Fund Balance
16,317		201-271-001-000-000	Fund Balance	Debt Service Fund Balance
<b>General Fund:</b>				
	108,599	001-271-001-000-000	Fund Balance	General Fund Balance
	40,742	001-331-200-000-000	COPS Fast Grant	Posting of COPS Fast Grant revenue.
	1,000	001-366-522-000-000	Donation - Fire Department	Wal Mart donation for Christmas gifts for community families
	42,000	001-366-900-000-000	Misc. Donation	Donation for Lincoln Park Basketball Courts
	2,059	001-519-100-999-111	M&R Contract - Fleet	Allocation of fleet maintenance
	50	001-519-300-999-362	Allocate to Wastewater Div	Adjustment to allocation distribution
2,059		001-511-000-446-391	Allocation to Waste Disposal	Allocation of fleet maintenance
3,920		001-519-300-999-392	Allocate to Parks	Adjustment to allocation distribution
23,000		001-519-300-999-524	Alloc to Building Insp	Adjustment to allocation distribution
4,000		001-519-300-999-592	Allocation to CRA/Economic Dev	Adjustment to allocation distribution
1,000		001-519-300-999-710	Allocate to Library	Adjustment to allocation distribution
	142	001-519-500-999-441	Allocate to Streets Div	Adjustment to allocation distribution
142		001-519-500-999-529	Allocation to Econ Dev/Fund 001	Adjustment to allocation distribution
108,000		001-519-900-349-800	Settlement Costs - Lake Belle	Settlement Costs - Lake Belle
850		001-521-150-352-050	Operating Supplies - Equip	Vest carrier and bluetooth mobile phone recorder
9,890		001-539-100-331-900	Professional Services	Ground survey work at Willow Lawn Cemetery
1,000		001-569-000-882-850	Community Services	Wal Mart donation for Christmas gifts for community families
5,400		001-571-000-452-493	Operating Supplies - IT	(3) desk top PCs and additional bar scanners
7,500		001-571-000-112-100	Regular Salaries	Increase in part time labor
	12,900	001-571-000-999-110	Alloc. to Library Fund	Alloc to Library
3,000		001-572-100-664-200	C/O - Bleachers - NW Complex	New Bleachers at NW Complex (Impact Fees)
30,000		001-572-100-664-210	C/O - Play Equip - Crystal Lake	Second play station at Crystal Lake Park
20,000		001-572-100-664-215	C/O - Park Lot Expansion - Crystal Lake	Parking Lot Expansion at Crystal Lake Park (Impact Fees)
35,000		001-572-100-664-215	C/O - Fence - Crystal Lake	Fencing Addition at Crystal Lake Park (Impact Fees)
10,000		001-572-100-664-240	C/O - Play Equip - Stuart	Stuart Park Play System Shade Cover (Impact Fees)
62,000		001-572-100-664-260	C/O - Lincoln Park - (Basketball Courts)	Basketball Courts
7,000		001-572-100-664-270	C/O - Monument Sign - Lake Wailes	Monument Sign to be located at Lake Wailes (Impact Fees)
20,000		001-572-100-664-280	C/O - N. Park - Engineering	Basketball Courts (Impact Fees)
	95,000	001-381-330-000-000	Transfer from Capital Projects	Impact Fees - Bleachers - 3,000, Parking Lot Expansion - 20,000, Fencing - 35,000, Play Equip - 10,000, - Monument Sign - 7,000, N Park Engineering - 20,000 = 95,000
<b>Capital Project Fund:</b>				
	1,674,319	330-271-001-000-000	Fund Balance	Capital Project Fund Balance
	500,000	330-384-300-000-000	Loan Proceeds - Cemetery	Loan received in prior year - 09/18/203
	1,200,000	330-384-400-000-000	Loan Proceeds - Fire Station	Loan received in prior year - 09/18/203
25,000		330-572-663-012-000	Lake Wailes Park-Parking Improve	Parking Improvements Lake Wailes across from Legion Field
25,000		330-572-663-013-000	Master Plan LW Park-Horseshoe/Fishing Pier	Master Plan for Lake Wailes Park
	95,000	330-581-000-991-001	Transfer to General Fund	Impact Fees - Bleachers - 3,000, Parking Lot Expansion - 20,000, Fencing - 35,000, Play Equip - 10,000, - Monument Sign - 7,000, N Park Engineering - 20,000 = 95,000

City of Lake Wales  
 Budget Amendment - Detail  
 Ordinance 2014-01

Debit	Credit		Reason
<b>Library Fund:</b>			
15,060		110-271-001-000-000 Fund Balance	Library Fund Balance
	21,018	110-338-001-000-000 Polk County Library Cooperative	Increase in expectation of library cooperative revenue.
	2,500	110-361-101-062-000 Library - Interest Income	Interest Income
	2,000	110-361-801-060-000 Library - Interest Income	Interest Income
	3,000	110-369-999-000-000 Other	Donation from Raymond James Foundation - library furniture
12,900		110-571-581-999-571 Alloc. from Library-001571000	Alloc from Library
4,000		110-571-600-666-000 Library Books & Subscriptions	
7,119		110-571-400-664-930 C/O - Library Furniture	Children furniture - Donation from RJF for \$3,000
<b>Utility Fund:</b>			
1,215,000		403-271-001-000-000 Fund Balance	Utility Fund Balance - Adjustment due to C street restricted funds and C Street project carry-over both included in original budget estimated balance. Notification provided to City Manager and Utility Director on 10/30/2013. Notification provided to the City Commission with financial statements on 11/19/2013.