



Legislation Text

File #: ORD. NO. 2019-48, Version: 1

**TO:** Honorable Mayor & Members of the North Port Commission

**FROM:** Peter D. Lear, CPA, CGMA, City Manager

**TITLE:** Ordinance No. 2019-48 amending the non-district budget for fiscal year 2018-19

**Recommended Action**

Continue Ordinance No. 2019-48 amending the non-district budget for fiscal year 2018/19 to second reading on November 26, 2019.

**Recommended Action on Second Reading**

Approve and Adopt Ordinance No. 2019-48 on second reading.

**Background Information**

Fleet Management Fund

Fleet Management had many unanticipated repairs, cylinder replacements and other more costly repairs to the City vehicles and equipment. Additionally, there was an increase in steel costs and tires in fiscal year 2018/19. The fuel and maintenance costs are charged back to the departments through the cost allocation plan.

Self-Insurance Fund

The City had two significant worker's compensation claims in fiscal year 2018/19 that were over \$150,000 each.

Employee Benefits Fund

Unbudgeted costs for COBRA (Consolidated Omnibus Budget Reconciliation Act) insurance coverage and 1095 tax forms for healthcare were charged to this fund. These items are budgeted in the fiscal year 2019/20 budget.

**Recommended Changes for Second Reading**

No changes to the Ordinance.

**Additional Background Information for Second Reading**

In reference to the fuel expense being over budget in the Fleet Management Fund. Following is a history of budget vs. actual for fuel costs.

	FY 16/17	FY 16/17	FY 17/18	FY 17/18	FY 18/19	FY 18/19	FY 19/20
	Adopted	Actual	Adopted	Actual	Adopted	Actual	Adopted
Fuel Costs	935,000	1,010,146	1,188,050	1,284,788	1,244,410	1,332,564	1,560,820

The actual increase for fuel costs from FY 18 to FY 19 are only 3.7%, but the amount budgeted was not enough to cover any increase from FY 18 actuals.

In addition to the number of total vehicles increasing each year (448 in FY 2017, 467 in FY 18 and 492 in FY 2019), the mileage driven is increasing due to the travelling distance to the West Villages.

### **Strategic Plan**

Affordability, Growth and Development

### **Financial Impact**

The non-district budget for fiscal year 2018/19 will increase \$436,517 (\$335,172 in the Fleet Management Fund, \$94,948 in the self-insurance fund and \$6,397 in the employee benefits fund).

### **Procurement**

N/A

#### Attachments:

1. Ordinance No. 2019-48 Second Reading
2. 2019-48 Exhibit A Second Reading
3. 2019-48 Fund Balance Reports for Self-Insurance and Employee Benefits Funds Second Reading
4. Ordinance No. 2019-48 First Reading
5. 2019-48 Exhibit A First Reading
6. 2019-48 Fund Balance Reports for Self-Insurance and Employee Benefits Funds First Reading

**Prepared by:** Lisa Herrmann, Budget Administrator

**Department Director:** Kimberly Ferrell, Finance Director



## City of North Port

### ORDINANCE NO. 2019-48

**AN ORDINANCE OF THE CITY OF NORTH PORT, FLORIDA, AMENDING THE NON-DISTRICT BUDGET FISCAL YEAR 2018-19 BY PROVIDING FOR CHANGES RELATED TO FLEET MANAGEMENT, SELF INSURANCE AND EMPLOYEE BENEFITS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to Ordinance No. 2018-46, the City of North Port, Florida adopted the Non-District Budget and Capital Improvement Budget and Program for fiscal year 2018-19; and

**WHEREAS**, the City of North Port, Florida desires to amend the Non-District Budget for supplemental appropriations in the amounts identified in Exhibit A; and

**WHEREAS**, Section 166.241(4)(c) Florida Statutes requires that such a budget amendment be adopted in the same manner as the original budget.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF NORTH PORT, FLORIDA:**

#### **SECTION 1 – ADOPTION**

1.01 The Non-District Budget for fiscal year 2018-19 is hereby amended by providing for changes identified in Exhibits A, attached hereto and incorporated by reference as if set forth herein.

#### **SECTION 2 – CONFLICTS**

2.01 In the event of any conflict between the provisions of this ordinance and any other ordinance or portions thereof, the provisions of this ordinance shall prevail to the extent of such conflict.

#### **SECTION 3 – SEVERABILITY**

3.01 If any section, subsection, sentence, clause, phrase, or provision of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such provision shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions hereof.

**SECTION 6 – EFFECTIVE DATE**

6.01 This ordinance shall take effect immediately upon adoption by the City Commission of the City of North Port, Florida.

READ BY TITLE ONLY at first reading by the City Commission of the City of North Port, Florida in public session the 12th day of November 2019.

PASSED and DULY ADOPTED by the City Commission of the City of North Port, Florida on the second and final reading in public session this 26th day of November 2019.

CITY OF NORTH PORT, FLORIDA

\_\_\_\_\_  
MAYOR DEBBIE MCDOWELL

ATTEST

\_\_\_\_\_  
HEATHER TAYLOR  
INTERIM CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS

\_\_\_\_\_  
AMBER L. SLAYTON  
CITY ATTORNEY

Ordinance 2019-48 Exhibit A

	<b>Appropriated</b>	
	<b>Use</b>	<b>Source</b>
<b><u>Fleet Management Fund (520)</u></b>		
Repair and Maintenance Vehicles	\$ 247,018	
Operating Supplies - Fuel	\$ 88,154	
Revenue - Fleet Labor		\$ 247,018
Revenue - Fleet Fuel		\$ 88,154
<i>Description</i>		
Increased cost for repairs and fuel for FY 18/19. Revenue from increased charges to the departments.		
<b><u>Self Insurance Fund (530)</u></b>		
Claims - Worker's Compensation	\$ 94,948	
Appropriated Fund Balance		\$ 94,948
<i>Description</i>		
City had two significant claims of over \$150,000 each		
<b><u>Employee Benefits Fund (810)</u></b>		
Professional Services	\$ 5,531	
Other Current Charges - Wellness Program	\$ 866	
Appropriated Fund Balance		\$ 6,397
<i>Description</i>		
Unbudgeted COBRA and 1095 costs		
<b>BUDGET AMENDMENT TOTAL</b>	<b>\$ 436,517</b>	<b>\$ 436,517</b>



**City of North Port  
Self Insurance Fund (530)  
Fund Balance Analysis  
As of 10/24/19**

**Estimated  
Results with  
Adoption of  
Ordinance  
2019-48**

Estimated Unaudited Fund Balance 9/30/18	\$ 628,279	\$ 628,279
Amended Reserve (Use) of Fund Balance 2019	313,650	313,650
Ordinance 2019-48 Budget Amendment (Projected)		(94,948)
<b>Projected Fund Balance as of 9/30/19</b>	<b>\$ 941,929</b>	<b>\$ 846,981</b>

**City of North Port  
Employee Benefits Fund (810)  
Fund Balance Analysis  
As of 10/24/19**

**Estimated  
Results with  
Adoption of  
Ordinance  
2019-48**

Estimated Unaudited Fund Balance 9/30/18	\$ 292,838	\$ 292,838
Amended Reserve (Use) of Fund Balance 2019	1,180	1,180
Ordinance 2019-48 Budget Amendment (Projected)		(6,397)
<b>Projected Fund Balance as of 9/30/19</b>	<b>\$ 294,018</b>	<b>\$ 287,621</b>