



MEMORANDUM

City of Venice

Finance Department

TO: Honorable Mayor and Council Members

THROUGH: Ed Lavallee, ICMA-CM, MPA, City Manager

FROM: Linda Senne, CPA, Finance Director

DATE: November 9, 2020

COUNCIL APPROVAL: Yes

MEETING DATE: November 17, 2020

STRATEGIC PLAN GOAL: Ensure a Financially Sound City

SUBJECT: Budget Amendment #1 for Fiscal Year 2021

Background: The City of Venice, pursuant to Section 200.065, Florida Statutes, adopted its fiscal year (FY) 2021 operating budget, revenues and expenses, and capital improvement program by approving Ordinance No. 2020-21 on September 22, 2020 for \$128,048,942. The City Council can amend the budget as necessary throughout the year by adopting an amending ordinance in the same manner as the original budget adoption.

The FY2021 budget was increased by certain encumbrances (\$24,141,274) and project balances (\$14,390,590) rolled forward from FY2020. Encumbrances represent the balances on certain purchase orders at September 30, 2020. Project balances are when a project has been approved in FY2020, but a contract has not been finalized (or encumbered).

In addition, certain additional expenses were not anticipated at the time the original FY2021 budget was adopted or amended. The City desires to amend its FY2021 adopted budget by \$299,960 for the purpose identified on the attached memo from the Public Works Director, and Attachment "A" of Ordinance No. 2020-41. The proposed amended budget for FY2021 is \$166,880,766 as shown in the schedule on page 3.

Requested Action: Approve Budget Amendment

If for an agenda item, this document and any associated backup created by City of Venice staff has been reviewed for ADA compliance: Yes

City Attorney Review/Approved: N/A

Risk Management Review: N/A

Finance Department Review/Approved: Yes

Funds Availability (account number): See Attachment A of Ordinance 2020-41

ORIGINAL(S) ATTACHED: Click or tap here to enter text.

Cc: Click or tap here to enter text.

Proposed Amended Budget for FY2021

	Adopted FY2021 Budget	Encumbrance Roll	Project Rolls	Net Budget Transfers	BA #1	Amt after BA #1
General Fund	\$ 36,056,183	\$ 124,733	\$ 45,000	\$ 35,000	\$ -	\$ 36,260,916
1Cent Sales Tax	2,335,552	6,962,856	403,582	-	-	9,701,990
Building Permits Fund	3,212,437	4,271,438	-	-		7,483,875
Other Special Rev	1,331,200	-	100,000	-	-	1,431,200
Debt Service Fund	2,571,949		-	-	-	2,571,949
Other Cap Proj Funds	3,679,667	1,102,436	422,229	-	-	5,204,332
Enterprise Funds	66,747,352	10,451,041	13,384,779	-	149,980	90,733,152
Internal Service	12,114,602	1,228,770	-	-	149,980	13,493,352
Total	<u>\$ 128,048,942</u>	<u>\$ 24,141,274</u>	<u>\$ 14,355,590</u>	<u>\$ 35,000</u>	<u>\$ 299,960</u>	<u>\$ 166,880,766</u>



MEMORANDUM

City of Venice

Public Works Department

TO: Ed Lavallee, City Manager

FROM: Travis Hout, Fleet and Facilities Manager

THROUGH: James Clinch, Public Works Director

James R. Clinch P.E.
Digitally signed by James R. Clinch
P.E.
Date: 2020.11.03 13:39:15 -05'00'

THROUGH: Linda Senne, Finance Director

Linda Senne

Digitally signed by Linda Senne
DN: cn=Linda Senne, o=City of Venice,
email=lsenne@venicegov.com, c=US
Date: 2020.11.03 15:27:12 -05'00'
Adobe Acrobat version: 2020.012.20048

DATE: November 3, 2020

COUNCIL APPROVAL: Yes

STRATEGIC PLAN GOAL: Provide Efficient, Responsive Government with High Quality Services

SUBJECT: Budget Amendment to Purchase Unexpected Solid Waste Unit.

Background:

Due to an unexpected vehicle failure of a Solid Waste unit, an emergency rental unit was granted to maintain service collection standards. On Thursday, September 24th, Solid Waste unit 488 (2012 Lodal) failed due to the hydraulic system overheating to a temperature of greater than 300 degrees, which in turn, melted multiple system components. The cause of the malfunction is believed to be from a failed Moeller switch board. The cost to repair the unit is greater than the market value of the truck, compared to its service life. Repair costs are estimated to be between \$21,998 - \$43,295, while the auction estimated value is below \$8,000 in running condition. Even with repairs, the full operation of the vehicle is still questionable. There is no guarantee the repaired hydraulic system would be safe enough to put back on the streets. Given the extreme cost to repair the vehicle with no guarantee it will be safe and fully operational, it is in the best interest of the city to retire the unit and seek its replacement.

The failed unit is used for yard waste and recycling collection. It is a smaller truck with a single axle allowing it to be used in tight areas such as Bay Indies and other small roadways throughout the city. The Solid Waste Department only has two trucks of this size. Losing one of the smaller trucks will hinder waste collection service and has the potential to negatively impact public health should the collection schedule be delayed or paused. The current rental truck that is allowing the department to continue service uninterrupted is at a rate of \$6,000 per month. At this time, we have an opportunity to quickly acquire a spec. truck that is being built for expedited delivery within an estimated 8 weeks. This will eliminate the need for a long term rental and fulfill Solid Waste's operational needs. Currently, new waste units are experiencing a lead time greater than nine months.

After further review of failed unit 488, it has been decided it will be sent to auction “as is” and all proceeds will be placed back into the Solid Waste Fleet Fund. The current request is to proceed with a budget amendment to replace the failed unit and return the current rental unit. To date, insurance is still reviewing the case and any funds received will be put towards the purchase of the new unit.

Please note, this unit was not planned for replacement in FY21 and therefore this is being requested as a budget amendment at this time. The new replacement unit will be added into the Solid Waste & Recycling Fleet Management Program for future replacement and funding.

Requested Action:

Approval of budget amendment and approval to purchase new unit for the cost of \$149,980 to maintain city services.

City Attorney Review/Approved: No

Risk Management Review: Yes

Finance Department Review/Approved: Yes

Funds Availability (account number): Recycling 470-0948-534.64-00

ORIGINAL(S) ATTACHED: Quote from Tampa Crane, repair estimate.

Cc: Peter Boers, Procurement Manager, Joe Welch, Controller