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TO: Honorable Mayor, City Council Members

THRU: Ed Lavalley, ICMA-CM, MPA, City Manager

FROM: Linda Senne, CPA, CGFM, Finance Director

DATE: March 2, 2017

SUBJECT: Budget Amendment #3 for Fiscal Year 2017

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 City of Venice, pursuant to Section 200.065, Florida Statutes, adopted its fiscal year 2017 operating budget, revenues and expenses, and capital improvement program by approving Ordinance No. 2016-15 on September 27, 2016 for \$114,200,097, and amended by approving Ordinance No. 2016-24 on December 13, 2016 for \$16,192,541, and amended by approving Ordinance No. 2017-05 on February 28, 2017 for \$224,118, said budget as amended being \$130,616,756.

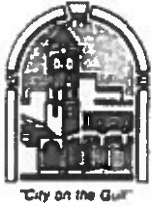
Due to facility improvements needed and a request for a facility condition assessment (see attached memo from the Director of Public Works and Asset Management) the City desires to amend its fiscal year 2017 adopted budget by \$286,530 as identified on Attachment "A" of Ordinance No. 2017-07.

\$286,530 is broken down as follows:

- \$261,530 from the One-Cent Sales Tax Fund for facility improvements identified on the attached spreadsheet.
- \$21,500 from the General Fund for a condition assessment on General Fund facilities, and
- \$3,500 from the Airport Fund for a condition assessment of Airport Fund facilities.

| | Adopted FY2017 Budget | BA #1 Amt | Amount after BA #1 | BA #2 Amt | Amount after BA #2 | BA #3 Amt | Amount after BA #3 |
|-------------------|-----------------------------|-------------------|-----------------------|----------------|-----------------------|----------------|-----------------------|
| General Fund | 26,323,805 | - | 26,323,805 | 224,118 | 26,547,923 | 21,500 | 26,569,423 |
| 1Cent Sales Tax | 4,870,867 | - | 4,870,867 | - | 4,870,867 | 261,530 | 5,132,397 |
| Building Fund | 2,107,279 | 192,541 | 2,299,820 | - | 2,299,820 | - | 2,299,820 |
| Other Special Rev | 1,177,032 | - | 1,177,032 | - | 1,177,032 | - | 1,177,032 |
| Debt Serv Fund | 551,582 | - | 551,582 | - | 551,582 | - | 551,582 |
| Cap Proj Funds | 19,461,082 | 16,000,000 | 35,461,082 | - | 35,461,082 | - | 35,461,082 |
| Enterprise Funds | 50,634,853 | - | 50,634,853 | - | 50,634,853 | 3,500 | 50,638,353 |
| Internal Service | 9,073,597 | - | 9,073,597 | - | 9,073,597 | - | 9,073,597 |
| | 114,200,097 | 16,192,541 | 130,392,638 | 224,118 | 130,616,756 | 286,530 | 130,903,286 |

Please do not hesitate to contact me with questions or concerns.



Memorandum

To: Edward Lavallee, City Manager *EL 3/2/17*

From: John Veneziano, Director of Public Works and Asset Management *JV*

Date: February 22, 2017

Subject: Facility Capital Maintenance Items and Facility Condition Assessment

1) Facility Capital Maintenance Items

Over the past few months, since adoption of the FY 17 budget, it has come to our attention that building components at some city facilities have deteriorated to the point where urgent action is warranted to keep the facility operating at a level where required services would not be impacted. Some components that have been planned for repair or replacement are in worse shape than thought and will require additional funds. In a few cases we will realize some savings as pricing has been lower than projected or scope of work has been modified. A table highlighting these items is attached. The net impact on the budget is a shortfall of just over \$760,000.

2) Facility Condition assessments

As a follow up to the annual staff retreat, a staff work group met to discuss asset management and facility condition assessment for city sites. Working with a database created by the city's insurance carrier, all city buildings and structures having a value of greater than \$25,000 were identified. There are 110 facilities meeting this criterion. Responsible departments reviewed the list and a subset of facilities that are aging and in need of repairs was created. The proposed list of 23 priority facilities is attached to this report. (It should be noted that we did not include the buildings at the Public Works Maintenance Yard because the plan is to relocate and abandon these buildings in the near future so the only improvements made will be minimal to keep the facility operational during this period.)

These 23 facilities are proposed for the first group of facility condition assessments. A consultant will be hired to bring in a team of experts to review and evaluate various building systems. They will produce a schedule and cost estimates for various capital maintenance projects for each facility. In addition to condition, the schedule will consider cost efficiency, effective delivery of services, future changes in needs for service and reduction in liability. Estimated cost will be under \$60,000. We expect to have a quote by Friday, February 24, 2017.

PWD Current Facility Capital Maintenance Needs

One-Cent Sales Tax Fund

| Facility | Item | FY2017 Budget | Projected Spending | Surplus (+)/ Deficit (-) | Reason | Schedule |
|--|---------------|-------------------|---------------------|--------------------------|--------------------------|--|
| Venice Community Center | Roof | \$ 200,000 | \$ 600,000 | \$ (400,000) | leaks, deterioration | urgent |
| | Door Hardware | - | 30,000 | (30,000) | fire marshall inspection | urgent |
| | Chiller | - | 33,000 | (33,000) | deterioration | by warm weather |
| Total Venice Community Center | | \$ 200,000 | \$ 663,000 | \$ (463,000) | | |
| City Hall | Chiller | | 100,000 | (100,000) | broken, underperforming | by warm weather |
| | Entryway | 196,470 | 100,000 | 96,470 | cracking, unsafe | reduced scope, soliciting quotes |
| Total City Hall | | \$ 196,470 | \$ 200,000 | \$ (3,530) | | |
| Triangle Inn | Foundation | - | 12,000 | (12,000) | drainage issues | PO issued |
| | Windows | 57,000 | 40,000 | 17,000 | leaks, deterioration | PO issued |
| Total Triangle Inn | | \$ 57,000 | \$ 52,000 | \$ 5,000 | | |
| Venice Police Station | Roof | - | 300,000 | (300,000) | leaks, deterioration | asap |
| Total Police Station | | \$ - | \$ 300,000 | \$ (300,000) | | |
| Total | | 453,470 | 1,215,000 | (761,530) | | |
| City of Venice Parking Lot, Site 3 | | 500,000 | - | 500,000 | | Postponed at the January 10, 2017 City Council Meeting |
| Total Amount Needed From One-Cent Sales Tax Fund for Budget Amendment | | \$ 953,470 | \$ 1,215,000 | \$ (261,530) | | |

Prepared by Department of Public Works and Finance

Proposed Condition Assessment List

| <u>Facility</u> | <u>Type of asset</u> | <u>Approx. Size (sf)</u> |
|------------------------|--------------------------|--------------------------|
| Chuck Reiter Park | building (2), lights | 3,352 |
| City Hall* | building | 33,000 |
| Fire Station 51 | building | 6,550 |
| Fire Station 52 | building | 11,500 |
| Fishing Pier | pier, lighting | 12,000 |
| Hecksher Park | building, courts, lights | 1,220 |
| Higel Park | dock and boat ramp | 2,500 |
| Marina Park | dock and boat ramp | 3,500 |
| Police Firing Range | building, outdoor range | 9,600 |
| Police Station | building | 21,900 |
| Service Club Restroom | building | 400 |
| South Brohard Park | building, boardwalk (2) | 4,000 |
| South Brohard Paw Park | boardwalk | 1,300 |
| South Jetty | building | 850 |
| Triangle Inn | building | 3,500 |
| Venice Comm Center | building | 34,100 |
| Warehouse | building | 3,280 |
| Wellfield Park | buildings (6) | 10,000 |

| <u>Airport Facilities</u> | <u>Type of asset</u> | <u>Approx. Size (sf)</u> |
|---|----------------------|--------------------------|
| Airport Administration Building | building | 3,950 |
| Airport Maintenance Building | building | 3,000 |
| Airport Electrical Vault | building | 540 |
| Hangar Building #900 | building | 13,200 |
| Venice Manufactured Home Clubhouse and Laundry Room | building | 5,900 |

| | | | |
|--------------------------|------------|---------------|------------------|
| General Fund square feet | 86% | 162,552 | \$ 21,500 |
| Airport Fund square feet | <u>14%</u> | <u>26,590</u> | \$ 3,500 |
| | 100% | 189,142 | \$ 25,000 |