



MEMORANDUM

City of Venice

Finance Department

TO: Honorable Mayor and Council Members

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

FROM: Linda Senne, CPA, Finance Director

DATE: September 11, 2019

COUNCIL APPROVAL: Yes

MEETING DATE: September 24, 2019

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

SUBJECT: Budget Amendment #4 for Fiscal Year 2019

Background: The City of Venice, pursuant to Section 200.065, Florida Statutes, adopted its fiscal year (FY) 2019 operating budget, revenues and expenses, and capital improvement program by approving Ordinance No. 2018-34 on September 18, 2018 for \$110,533,159. 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 FY2019 budget was increased by certain encumbrances (\$16,021,064) and project balances (\$25,484,518) rolled forward from FY2018. Encumbrances represent the balances on certain open purchase orders at September 30, 2018. Project balances are when a project has been approved in FY 2018, but a contract has not been finalized (or encumbered). The Fiscal Year 2019 budget was also amended by approving Ordinance No. 2019-06 on January 22, 2019 for \$711,457 (BA #1), Ordinance No. 2019-12 on May 28, 2019 for \$2,190,637 (BA #2), and Ordinance No. 2019-17 on June 11, 2019 for \$164,718 (BA #3), said budget as amended being \$155,105,553.

In addition, certain additional expenses were not anticipated at the time the original FY2019 budget was adopted or amended. The City desires to amend its FY2019 adopted budget further by \$138,084 for purposes identified on the attached memo from the City Engineer, and Attachment "A" of Ordinance No. 2019-33. The proposed amended budget for FY2019 is \$155,243,637 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 2019-33

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

Cc: Click or tap here to enter text.

Proposed amended budget for FY2019

Column1	Adopted FY2019 Budget	Encumbrance/ Project Roll	BA #1, 2 & 3	Adjusted Original Budget	BA #3	Amended FY2019 Budget
General Fund	\$ 29,886,860	\$ 392,597	\$ 1,040,358	\$ 31,319,815	\$ -	\$ 31,319,815
1Cent Sales Tax	3,113,340	1,674,690	175,000	4,963,030	-	4,963,030
Building Fund	2,462,951	126,772	403,289	2,993,012	-	2,993,012
Other Special Rev	1,477,225	-	4,500	1,481,725	-	1,481,725
Debt Serv Fund	2,572,000	-	-	2,572,000	-	2,572,000
Cap Proj Funds	5,840,000	19,885,971	(40,000)	25,685,971	-	25,685,971
Enterprise Funds	53,369,464	18,842,894	1,335,048	73,547,406	50,542	73,597,948
Internal Service	11,811,319	582,658	148,617	12,542,594	87,542	12,630,136
Total	\$ 110,533,159	\$ 41,505,582	\$ 3,066,812	\$ 155,105,553	\$ 138,084	\$ 155,243,637

CITY OF VENICE
Office of the City Manager

*Copy to:
Finance Director*

TO: Mayor & Council
FROM: Ed Lavallee
RE: Emergency Purchase
DATE: August 15, 2019

The adopted FY2019 General Operating budget contains an allocation of \$80,000 to rebuild or replace the cutting arm on a tractor used to trim the vegetation around storm water swales. The City was able to purchase a new arm for \$40,000 and have it retrofitted to the tractor. However, the arm proved to be ineffective in enabling the tractor to negotiate the slope of the swales and to get close enough to the base of the swales. In addition to having a restricted cutting radius, it created a severe risk to employees operating the tractor by causing the tractor to tip onto two wheels when on an incline.

The determination was made to acquire a suitable tractor and compatible cutting arm that would provide safe and effective operation. The manufacturer offered a \$37,000 credit against the initial \$40,000 cutting arm purchase. The cost of the new system is \$132,542, less a \$37,000 credit, for a total expense approximating \$95,000. As the net cost exceeds the original budget allocation of \$80,000 a budget amendment will be presented to Council. Given that the Council is on the summer break and the need to cut the swales on a routine basis the purchase was approved in advance of the budget adjustment. The City has already received some complaints from residents about the depth of the vegetation around the swales and the associated hazards.

This memo is provided as a courtesy to make Council aware of the emergency purchase



MEMORANDUM

City of Venice

Engineering Department

TO: Edward Lavallee, City Manager

FROM: Travis Hout, Fleet Manager and Kathleen Weeden, PE, City Engineer

DATE: August 1, 2019

COUNCIL APPROVAL: No

MEETING DATE: Click or tap to enter a date.

STRATEGIC PLAN GOAL: Upgrade and Maintain City Infrastructure and Facilities

SUBJECT: Emergency Purchase Request – Slope Mower

Background:

In FY19 CIP the remodel of the current slope mower for stormwater was approved for \$80,000 to rebuild or replace the arm of the machine and refurbish the tractor. The joint decision to use a new style mowing arm at half the cost of what we budgeted was to conserve money on this project. The new arm system was delivered as described and was accepted but when the new arm was used it did not operate well on the degree of banking we have in our stormwater areas making this configuration non-useable for our use. This new system has been used a few times and it has tipped the tractor on two wheels and fails to reach far enough to properly maintain the stormwater areas. Improperly maintained stormwater areas can lead to added debris, overgrown vegetation, insects, and proper flow of the stormwater system. The other concern is the safety of the workers using the machine to get close to the edge to properly maintain the area, as it has the ability to tip easily causing severe injury or death. The unit was a special order from the dealer through the manufacturer in Texas and since it was ordered on contract, delivered as described, installed, and now has been used we are not able to return the arm. The dealership is willing to give us the best trade available on the arm and tractor as they have been a long time supplier for the city and have sympathy for our situation. They have offered a fair value on the tractor, and the best they can on the arm since it is now used.

We now need to purchase a new slope mower that is safe to operate, longer reach and lower center of gravity to meet the stormwater maintenance needs. The cost of the new unit is \$132,542. The dealership is willing to offer an estimated \$37,000 of trade-in for the current used tractor with slope arm. This trade-in value along with the remaining FY19 appropriated funds from the cost savings of the retrofitted arm leave an appropriation deficit of \$50,542.

On July 31, 2019, a meeting was held with Linda Senne, Finance Director, Joe Welch, Controller, Travis Hout, Fleet Manager, Ricky Simpson, Asst. Public Works Director, Peter Boers, Procurement Manager and Kathleen Weeden, City Engineer, to determine the best option at this time. Based on this discussion, we are recommending an emergency purchase of an available unit that can be delivered immediately. During the growing season, it is very difficult to locate this type of equipment on demand especially with the option of allowing the trade-in value the City will receive for this type of custom ordered machine with limited use options. City Council would be notified at the August 27, 2019, City Council meeting of the emergency purchase that will require a future budget amendment.

Since the immediate threat to safety of our workers has been identified, the machine has been taken out of service and red tagged. Given the high vegetation growth rate at this time of year, the stormwater areas are quickly becoming overgrown which inhibits proper flow of the stormwater system creating health issues of standing water and breeding of insects. Overgrowth of swales often leads to dumping and other undesirable uses of the area. Options of renting a slope mower would cost \$7,200 per month and would further reduce the Stormwater Enterprise's limited funds.

The conditions of an emergency approval are first and foremost the safety to the operators, proper flow of the stormwater system(s), reduce over grown vegetation creating health issues of standing water that increases breeding of insects.

Requested Action: We respectfully request approval of an emergency purchase of a slope mower for a total cost of \$132,542 less trade-in value of \$37,000 for a net purchase price of \$95,542. City Council will be updated on the emergency purchase, existing FY19 appropriation of \$45,002, and the net appropriation deficit in the amount of \$50,542 at the August 27, 2019, regular meeting with a budget amendment to follow.

City Attorney Review/Approved: N/A

Risk Management Review: N/A

Finance Department Review/Approved: Yes

Funds Availability (account number): Fleet Fund with future budget amendment – emergency purchase

ORIGINAL(S) ATTACHED: n/a

Cc: Linda Senne, Joe Welch, Peter Boers, Ricky Simpson, Alan Bullock

FLORIDA SHERIFFS CONTRACT
FSA18-VEH16.0

ALAMO® INDUSTRIAL
1502 East Walnut St.

Seguin, TX. 78155

(800) 882-5762

FAX: (830) 379-0864

Quote <u>x</u>	Sale <u> </u>	Date <u>10/5/2018</u>	By <u>Mark Gullick/Mike Pereny</u>	Order # <u> </u>
Cust. Acct # <u> </u>				Assembly Code <u> </u>
PO # <u> </u>				Mower Model <u> </u>
FRT <u> </u>	PPD Add \$ <u> </u>	PPD Allow \$ <u> </u>	Collect \$ <u> </u>	Tractor Model <u> </u>

Phone: _____	TRACTOR DATA			
Ship Via: _____	Rear Tire Size: _____		Front Tire Size: _____	
Ship From: TX _____ GC _____ KS _____ FX _____	CAB _____		ROPS _____	
	2WD _____		4WD _____	

Sold To	Delivering Dealer
City of Venice	EFE Inc
Travis Hout	Contact - Mark Gulick
	813-478-2145

END USER - Required for Order Acceptance

Contact: _____ Agency: _____
Address: _____ City: _____ State: _____
Phone: _____ Zip: _____
Fax: _____ E-Mail: _____

Check Appropriate Box <input type="checkbox"/> Dealer/State Commission Due		If dealer/state commission due, Amount/Percentage		<input type="checkbox"/> No Dealer/State Commission Due	
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Quote Valid for _____ days ONLY. (90 days if left blank)	Discount/Terms
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- 1) This Sales & Order form is not firm until credit is approved and purchase order is accepted by Alamo Industrial in Seguin, TX.
- 2) No purchase order will be accepted for a machine with less than full standard or optional safety equipment.
- 3) Approximate shipping and/or delivery dates can be confirmed only by Alamo Industrial in Seguin, TX and delivery is sometimes subject to variance due to conditions beyond the control of Alamo Industrial.

NOTES: _____

Dealer Signature: _____

Date: