

ORDINANCE NO. 09-20

**AN ORDINANCE OF THE CITY OF KEY WEST, FLORIDA,  
ADOPTING AMENDMENTS TO THE ANNUAL BUDGET FOR THE  
CITY OF KEY WEST, FLORIDA, FOR THE YEAR  
BEGINNING OCTOBER 1, 2008, AND ENDING SEPTEMBER  
30, 2009; PROVIDING FOR SEVERABILITY; PROVIDING  
FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING  
FOR AN EFFECTIVE DATE**

WHEREAS, the City Commission of the City of Key West adopted the fiscal year 2008-2009 annual budget on September 17<sup>th</sup>, 2008, effective October 1, 2008; and

WHEREAS, the City Commission desires to amend the 2008-2009 budget to make provisions for the revenues and expenses listed on the attached executive summary dated August 24, 2009;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF KEY WEST, FLORIDA:

Section 1: That a budget amendment for FY 2008-2009 is hereby approved, as delineated on the attached summary.

Section 2: That there are hereby appropriated for the period beginning October 1, 2008, and ending September 30, 2009, the several amounts for the various purposes and accounts as set forth in the amendment to budget for the period referred to in Section 1 of this Ordinance and therein made a part of the Ordinance.

Section 3: If any section, provision, clause, phrase, or

application of this Ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, the remaining provisions of this Ordinance shall be deemed severable therefrom and shall be construed as reasonable and necessary to achieve the lawful purposes of this Ordinance.

Section 4: All Ordinances or parts of Ordinances of said City in conflict with the provisions of this Ordinance are hereby superseded to the extent of such conflict.

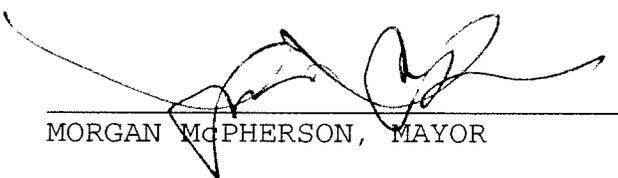
Section 5. This Ordinance shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Read and passed on first reading at a regular meeting held this 1st day of September, 2009.

Read and passed on final reading at a regular meeting held this 15th day of September, 2009.

Authenticated by the presiding officer and Clerk of the Commission on 16th day of September, 2009.

Filed with the Clerk September 16th, 2009.

  
MORGAN McPHERSON, MAYOR

ATTEST:  
  
CHERYL SMITH, CITY CLERK

# EXECUTIVE SUMMARY



**TO:** Mark Finigan, Assistant City Manager  
**FROM:** Trish Whitacre, Budget Analyst  
**DATE:** September 4, 2009  
**SUBJECT:** Budget Amendment Ordinance (Revised)

## **Action statement:**

Approval is requested to Amend the FY 08/09 Budget by Ordinance for the following Funds and amounts: General Fund \$9,493,341; Internal Improvements Fund \$3,518,337; Capital Projects Fund Net \$0; Sewer Fund \$3,554,823; Stormwater Utility Fund \$6,474,450; Solid Waste Fund \$2,126,593; Key West Bight Fund \$190,195; Transit System Fund (\$300,000); Insurance Fund \$300,000; and Bahama Village/Caroline Street Tax Increment Fund \$123,526. Total change to FY 08/09 Budget is \$25,481,265.

## **Background:**

Attached is the breakdown of each individual budget amendment request with a brief explanation for each. Many of these changes are due to grants received by the City which increase the bottom line of a Fund, thereby requiring approval by Ordinance, since the original FY 08/09 Budget was adopted by Ordinance. The Commission has accepted the grants by Resolution and now we need proper documentation to amend the budgets. There are also items other than grants which have been previously approved by Resolution which require approval by Ordinance, such as transfers between Funds. At this time, we have included any other item which should have or will need to come before the Commission prior to year end in order to amend the budget and make final adjustments to comply with the annual audit, such as use of Fund Balance to pay costs of lawsuits and attorney fees, or to offset carry forward of projects from the prior year, and approval of internal transfers which exceeded the City Manager's authority and could have been approved by Resolution but have been included in the Ordinance to consolidate paperwork.

## **Financial Impact:**

The net increase/decrease to each Fund is listed on the attached Budget Amendment, along with any impact to each Fund's Reserves or Fund Balance. A total of \$13.4 million is due to increased revenue.

## **Recommendation:**

Authorize amendment by Ordinance to the FY 08/09 Budget as per the attached budget amendment.

**General Fund 001 (revised 9/3/09)**

**Revenues**

**Expenditures**

Police Department: Commission approved Resolution 09-162 to accept a Byrne Grant in the amount of \$76,517. Request to increase grant revenue and expenditure budget for purchase of computers, software and peripherals for road patrol.

76,517

76,517

Commission approved Resolution 09-009 accepting a Technology Grant from the Department of Justice in the amount of \$246,807 for the purchase of additional software including Computer Aided Dispatch, mapping, ticketing, and GIS data, with accompanying hardware. Request to increase the grant revenue and expenditure budget accordingly.

246,807

246,807

Non-Departmental: Request to increase Settlement Costs to cover the Duck Tours payout of \$8 million approved by the Commission on March 20, 2009, cost of their attorney fees of \$300,000 and cumulative cost of the City's outside attorneys of \$462,392. Funds are available from operating Fund balance.

8,762,392

Request to increase Settlement Costs \$32,800 to cover the Labor Attorney fees paid throughout the year. Funds are available from operating Fund balance.

32,800

Request to increase Settlement Costs \$12,925 to cover other settlements, attorney fees, and arbitrator costs under \$4,000 each, paid throughout the year. Funds are available from operating Fund balance.

12,925

At the March 10, 2009 Commission Meeting, the presentation on the Revenue Shortfall Recovery Plan included a request to transfer \$300,000 from operating Fund balance to build up the Insurance Fund Reserves to a 75% probability level. This transfer between Funds requires approval by Ordinance.

300,000

Hurricane Expenses: Request to recognize FEMA revenue to cover expenditures related to Hurricane Ike. \$61,900 was used to screen sand of debris at Rest and Smathers beaches in October/November 2008.

61,900

61,900

Mallory Square: Request approval of transfer of \$57,415 from salary and benefit accounts to a capital account to purchase Exit Pay Station at Mallory Square. Savings were anticipated through reduced need for parking staff in FY 08/09. Net change is zero.

0

Operating Fund Balance: Recognize available unbudgeted General Fund Balance to offset expenditures as noted above.

9,108,117

**Total Increase/(Decrease) to General Fund**

**9,493,341**

**9,493,341**

**Internal Improvements (Gas Tax) Fund 102**

Request to decrease the transfer out to the Transit System Fund by \$300,000 to help offset decreased revenue from State Local Option Fuel Tax. The price of fuel was much lower this year than budgeted, which provided a savings in Transit's fuel costs. Recognize savings into Reserves. Net change is zero.

0

**Internal Improvements (Gas Tax) Fund 102 (cont.)**

**Revenues**

**Expenditures**

Resolution 09-090 provided for the acceptance of a LAP agreement with FDOT for Sidewalk and ADA Improvements throughout the City. Request to recognize the grant revenue and increase the Sidewalk expenditure budget for these projects.

1,874,875

1,874,875

The City received an extension of an FDOT LAP agreement approved by Commission in 2004 for the design of a reconstruction project on South Roosevelt Blvd. The project has been extended to June 1, 2011, and, in addition to the original \$500,000 grant, additional project funds have been awarded in the amount of \$96,940. Prior to the expiration of the original award, the City had spent and been reimbursed for \$424,950. Request to recognize the remaining unspent funds, including the additional amount, to continue this project and provide funds for task order approved by Resolution 09-077.

171,990

171,990

Resolution 08-163 approved a grant from FDOT for Duval Street/Truman Annex improvements. The original grant was for \$491,964 for project construction. The project has been modified for the entire amount to be spent on design costs. Resolution 09-196 approved this change and approved amending the budget. However, this request is included here as it requires approval by Ordinance.

491,964

491,964

Resolution No. 08-191 approved an FDOT LAP agreement for Atlantic Boulevard Improvements in the amount of \$563,862. Resolution No. 09-196 approved an additional \$85,000 for design of the project. An additional \$6,215 has been approved by FDOT for construction, bringing the total revised project cost to \$655,077. Request to amend the grant revenue and expenditure budget for this project.

655,077

655,077

Resolution Nos. 08-102 and 09-196 approved an FDOT LAP agreement for College Road Improvements totaling \$324,431. Request to amend the budget for grant revenues and expenditures for this project.

324,431

324,431

**Total Increase/(Decrease) to Internal Improvements Fund**

3,518,337

3,518,337

**Capital Projects Fund 303**

Resolutions 08-253 and 09-133 provided for an agreement and task orders with mbi/k2m Architecture, Inc. for consulting, design work, and related design expenses for the New City Hall project. Request to transfer \$1,002,910 from the Capital Project Fund Reserves to offset these expenses. Net change is zero.

0

**Total Increase/(Decrease) to Capital Projects Fund**

0

0

**Sewer Fund 401**

An agreement was approved by Commission under Resolution No. 08-033 for Army Corp of Engineers funding up to \$10.3 million for stormwater improvement projects. As of May 1, 2009,

**Sewer Fund 401 (cont.)**

**Revenues**

**Expenditures**

\$9,947,000 has been released for use by Key West. Of that amount, the balance left to recognize is \$9,504,100. There is currently an amendment to the agreement in process to allow a deviation from the original stormwater projects to include a sewer project for the Diffused Aeration Retrofit. Due to the timing of this budget amendment, request to include budget amounts pending final approval of the Army Corp of Engineers in writing.

3,554,823

3,554,823

**Total Increase/(Decrease) to Sewer Fund**

3,554,823

3,554,823

**Stormwater Utility Fund 402**

Request to recognize carry forward of available fund balance from prior year to continue the Gravity Well III and Flow Improvement capital projects.

529,570

529,570

An agreement was approved by Commission under Resolution No. 08-033 for Army Corp of Engineers funding up to \$10.3 million for stormwater improvement projects. As of May 1, 2009, \$9,947,000 has been released for use by Key West. Of that amount, the balance left to recognize is \$9,504,100. The stormwater projects currently underway or ready to start with their share of this funding are as follow:

5,949,277

Gravity Wells IV

981,634

Gravity Wells V

1,625,000

Gravity Wells VI

1,067,643

White Street Pump Station

2,275,000

Request to amend the budget accordingly.

Resolution No. 08-102 approved the FDOT LAP agreement to Reslope the road along Northside Drive. FDOT would pay \$386,603 of the \$425,002 project. The FY 08/09 Adopted Budget estimated this project to be \$391,000 at 100% State funding. Request to amend the budget to show reduced state funding and increased project amount, with difference of \$38,399 to be taken from Stormwater Reserves.

(4,397)

34,002

Total use of Stormwater Reserves as noted above.

(38,399)

**Total Increase/(Decrease) to Stormwater Utility Fund**

6,474,450

6,474,450

**Solid Waste Fund 403**

Request to recognize carry forward of available fund balance from prior year to continue the Transfer Station capital project.

2,126,593

2,126,593

**Total Increase/(Decrease) to Solid Waste Fund**

2,126,593

2,126,593

**Key West Bight Fund 405**

Resolution No. 09-176 directed the City Manager to bring forward the appropriate budget ordinance to affect the transfer of

