

STAFF REPORT REGULAR MEETING

AGENDA DATE: March 5, 2024

DEPARTMENT: Financial Services

TITLE:

Resolution No.08-2024-Fiscal Year 2024 Budget Amendment.

SUMMARY:

Resolution No. 08-2024 authorizes a Budget Amendment for Fiscal Year 2024 Operating and Capital Budget.

BACKGROUND AND JUSTIFICATION:

Item 1- The State of Florida, Division of Emergency Management has made general revenue available to local jurisdictions in South Florida in response to the Sargassum emergency. The Sargassum Grant Agreement sets forth the terms and conditions for the reimbursement of \$4,650 the City incurred for the removal of sargassum from the municipal beach. FDEM approved an award in the amount of \$4,650 based on the City's application for these past expenses. The item was approved by the City Commission on November 7, 2023.

Item 2- On March 4, 2014, the city signed a lease agreement with Mobile Modular Management Corporation for two trailers to be used by the Water Utilities Department. The lease has been extended through April 20, 2022, by the First, Second and Third Amendments. The Fourth Amendment adds three more years to the agreement, extending it to April 20, 2025. The new monthly rate is \$1312.90 per trailer and can increase up to a maximum of 13% each April 1st the Water Utility decided to purchase two Mobile Modular office spaces instead of leasing them for an extended period. In June 2023, the utility secured \$450,000 for the purchase of the two units. However, due to concerns about space for their staff, the utility decided to redesign the layout, which led to the need for updated quotes. The new quote for the two modular mobile spaces is \$650,000.00, which is \$200,000 higher than the original price. As a result, Water Utility will need to make a budget amendment of \$200,000 to cover the difference and any small incidental expenses that may occur during the move. Item to be approved at the March 5,2024 Commission meeting.

Item 3- The request for additional funding is for our Solid Waste division and would be used to retrofit two of our existing trucks with new steel containers. The current aluminum containers have not met our expectations regarding their durability, and the replacement would greatly increase the reliability and reduce the repair expenses incurred to the city. The total funding requested is \$50,000.00.

Item 4- This item is to transfer \$500,000 to the Electric Utility Storm Fund for Fiscal Year 2024. The City of Lake Worth Beach recognizes the vulnerability of the electric utility infrastructure to storms, posing significant challenges in terms of repair costs and service interruptions. The Electric Utility Storm Fund will enhance the City's Emergency Preparedness for swift and effective repairs to storm related damages. At the directive of the Commission an Electric Utility Storm Fund is to be developed to build reserves for emergency management. This item was approved by the City Commission on November 28, 2023, via Resolution No. 52-2023.

Item 5- Resolution No. 31-2023 establishes a new Special Revenue Fund titled "Electric Utility Rate Stabilization Fund" for the purpose of maintaining rate competitiveness and rate stability by mitigating cost increases that would otherwise be passed along to the customers of the Electric Utility. This item is to transfer \$1,000,000 to the Electric Utility Special Revenue Fund for Fiscal Year 2024. This was approved by the City Commission on September 26, 2023.

Item 6-The Beach Fund needs to request an additional \$200,000 for the Beach Property-Ocean Rescue and Beach Property Maintenance Staff Offices CIP Project. The additional funds are for the WGI geotechnical and engineering services to prepare the beach property for the installation of the new modular building. This will cover sitework, ground clearing and leveling, utilities connections and concrete work. Pending approval of WGI task order on the current March 5, 2024, Commission meeting.

Item 7-Request to change the Part Time Clerical position from Part Time to Full time. The City Clerk's office historically had four (4) full-time and one (1) part-time staff members. With the Executive Assistant position adding additional responsibilities to include the City Commission it is necessary to change the position to a full-time position. The part time Clerical Assistant position will be updated to full time Administrative Assistant and eliminate the Clerical Assistant position. This will enable the City Clerk's office to continue to fulfill the current and added responsibilities with a full staff to support these responsibilities. Currently, there are sufficient funds based on a cost saving from the City Manager's office and the City Clerk's office. The total request for this position is \$24,675.

Item 8-The request for additional funds is to cover the increase in contractual services with Davey Tree for a total of \$32,700. This is based on increased costs after the Fiscal Year 2024 budget was adopted and will be covered with a fund balance from Water in the amount of \$15,700 and Local Sewer in the amount of \$17,000.

Item 9- The request for additional funding is to transfer funds from Refuse to Electric. The correct transfer amount was missed in the budget process. This request will be provided via Refuse Fund balance in the amount of \$162,415.

Item 10- The Water Utilities Department will partner with Kimley-Horn to create a comprehensive SCADA and Telemetry Master Plan for the water and sewer utilities The Water Utilities Department is responsible for managing and maintaining various assets both within and outside the water plant area. These assets are controlled and monitored using process logic controllers, fiber optic networks, computers, and telemetry radio signals, all of which are managed through a Human Machine Interface (HMI). To ensure the safety of the system, the Environmental Protection Agency (EPA) and the DHS Cybersecurity and Infrastructure Security Agency (CISA) have established guidelines for utilities to follow. These guidelines help identify areas of concern and eliminate vulnerabilities that cyber-attacks could exploit. By conducting regular assessments, we can determine our current position and identify areas that require improvement for the future. The cost of \$111,850 for these services will be shared equally between the water and sewer funds using fund balance. This item will be presented to the Commission at the Utility meeting on February 27, 2024.

Item 11-Interlocal Agreement with the CRA for funding of road improvements between Lake and Lucerne Avenues from B to H Streets. The CRA's Fiscal Year 2024 budget includes \$600,000 for this paving effort that shall transfer to the City for the funding of this infrastructure project within the CRA District. These improvements include roadway resurfacing, curb and sidewalk repair / construction, and stripping. This item is to transfer \$600,000 to the CRA based on Approval at the February 20, 2024, Commission meeting.

Item 12-This item is to request an increase in the use of ARPA funds for the replacement of the lifeguard towers included in the FY 2024 Capital Improvement Program. The first quote was for a total of \$214,025.00, the finalized quote is for a total of \$230,795.00. The Beach Fund is requesting an additional \$16,770 use of ARPA funds based on a quote which accounts for market changes.

MOTION:

Move to approve/disapprove Resolution No. 08-2024 authorizing a budget amendment to appropriate \$2,791,210.00 for FY 2024 Operating and Capital Budget as identified in Exhibit A..

ATTACHMENT(S):

Fiscal Impact Analysis – See Exhibit A
Resolution 08-2024