

ATTACHMENT 1
BUDGET AMENDMENT NARRATIVE

Revenue Narrative

General Fund budgeted revenue has not changed. All reductions from expenses have been added to reserves. The General Fund overall expense allocation has change from \$14,207,397 to \$13,218,146, a reduction of \$989,251. The year-end reserves (unassigned and restricted) that are expected to be carried to the following year have increased from \$1,425,042 to \$2,404,293, an increase of \$989,251. The total expenses and reserves still total \$15,632,439.

Enterprise Funds budgeted revenue has not changed. All reductions from expenses have been added to reserves. The Enterprise Funds overall expense allocation has change from \$17,789,671 to \$16,724,321, a reduction of \$1,065,350. The year-end reserves that are expected to be carried to the following year has increased from \$3,755,386 to \$4,820,736, an increase of \$1,065,350. The total expenses and reserves still total \$21,545,057.

Special Revenue Funds budgeted revenue has not changed. All reductions from expenditure have been added to reserves. The Special Revenue Funds overall expense allocation has change from \$1,232,499 to \$1,042,251, a reduction of \$190,248. The year-end reserves (unassigned and restricted) that are expected to be carried to the following year has increased from \$1,263,502 to \$1,453,750, an increase of \$1,059,412. The total expenses and reserves still total \$2,496,001. It should be noted that any savings realized from reductions to these funds can only be used , whether currently or in the future, for specific purposes determined by the revenue source.

Capital Project Funds budgeted revenue has been reduced from \$1,121,000 to \$421,000, a change of \$700,000. This reduction is completely attributed to defunding construction on Historic City Hall. The Capital Project Fund overall expense allocation has change from \$1,121,000 to \$421,000, a reduction of \$700,000. It should be noted that Historic City Hall is grant funded on a reimbursement basis, and any reduction in expenses also reduces revenue accordingly.

Debt Service Fund has had no change to revenue or expense. Budgeted revenue and expense remain at \$3,591,682. Budgeted reserves remain at \$686,198.

Expenditure Narrative

On January 20, 2017, the City received a letter from the Office of the Governor with changes to the budget adopted by the City of Opa-locka Commission on December 20, 2016.

All other expenditures, except for Community Empowerment Team, were defunded or reduced by the Governor's Office.

Reduction in personnel expenses was left to the discretion of City Officials and Administration. To achieve the \$778,232.00 required by the Governor's Office, the city implemented the following:

- The 2%, 5%, and 10% salary reduction was adopted in the FY 2017 budget with 2% for employees making \$1.00 to \$50,000, 5% for employees making \$50,001 to \$69,999 and 10% for employees making \$70,000 and above. These ranges were adjusted to 2% for employees making \$1 to \$39,999, 5% for employees making \$40,000 to \$69,999 and 10% for employees making \$70,000 and up. This adjustment was made in order to maintain mission critical services to the residents of Opa-locka. This excludes Mayor and Commission

**SALARY REDUCTIONS AND 2, 5, 10 RANGE ADJUSTMENT
SAVINGS
INCREASE 5% RANGE - \$40,000 TO \$69,999**

COMMISSION

Mayor & Commissioner (2% Reduction)	-
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CLERK

Asst. Clerk	2,257.33
Adm. Assistant	2,257.33
TOTAL CLERK	4,514.66

HUMAN RESOURCES

HR Administrator	1,580.98
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FINANCE DEPT.

Adm. Assistant	1,658.45
Utility Billing Specialist	1,486.00
TOTAL FINANCE	3,144.45

BUILDING & LICENSE

Building Clerk (licensing)	1,520.24
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PARKS & RECREATION

Senior Coordinator	1,603.51
Executive Secretary	1,590.22
Senior Coordinator	1,672.16
TOTAL PARKS & RECREATION	4,865.89

POLICE DEPARTMENT

Executive Secretary	1,601.09
Crime Analyst	1,442.54
Grant Writer	1,727.55
Patrol (15 Individuals)	25,853.51
Code Enf. Mgr.	1,623.90
Code Enforcement Ofc.	1,424.39
Code Enforcement Ofc.	1,424.39
TOTAL POLICE DEPT.	35,097.37

PUBLIC WORKS

Roads & Street	1,437.32
Auto Mechanic	-
Auto Mechanic	-
Supervisor - Sewer	-
Maintenance Supervisor	1,693.00
TOTAL PUBLIC WORKS	3,130.32

GRAND TOTAL	\$ 53,853.91
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*35 Employees affected by range change

- The City defunded several vacant positions in all departments with the exception of the police department, Assistant City Manager, and Budget Administrator. The need for defunded vacant positions will be assessed on an ongoing basis.

SAVINGS FROM DEFUNDED VACANT POSITIONS

CITY MANAGER
Asst. City Mgr, _____
_____ - _____

HUMAN RESOURCES
Risk Manager _____
_____ **41,229.72**

COMMUNITY DEVELOPMENT
Planner _____
_____ **39,497.81**

FINANCE DEPT.
Assistant Director 69,439.37
Budget -
Senior Accountant 31,469.27
Accounts Payable Clerk 22,855.83
TOTAL FINANCE _____
_____ **123,764.47**

PUBLIC WORKS
Auto Mechanic 37,418.67
Sewer Supervisor 48,168.83
Utility Maintenance 31,088.76
Utility Maintenance 31,088.76
TOTAL PUBLIC WORKS _____
_____ **147,765.02**

PARKS & RECREATION
Asst. Director 45,537.40
Recreation Leader 30,094.92
TOTAL PARKS & RECREATION _____
_____ **75,632.32**

GRAND TOTAL _____
_____ **\$ 427,889.34**

*11 Vacant positions defunded
These savings represent salary, FRS, FICA, Health & Life Insurance.

- All overtime allocations were defunded for all departments and reduced for the Police department.

SAVINGS FROM OVERTIME	
CLERK	2,769.34
PARKS & RECREATION	7,375.81
POLICE DEPT. (PATROL)	35,216.49
PUBLIC WORKS	
Water services	5,000.00
Sewer services	10,000.00
Stormwater	5,000.00
TOTAL PUBLIC WORKS	<u>20,000.00</u>
GRAND TOTAL	<u>\$ 65,361.64</u>

- The employer paid portion of Florida Retirement Services (FRS) for all directors was reduced to the FY 2016 level of 7.52%. Although based on the stipulations of FRS documentation, employer paid portion for management should be funded at 21.77%.

SAVINGS FROM FRS RETURNED TO FY2016 RATES	
<u>HUMAN RESOURCES</u>	
HR Director	<u><u>11,551.54</u></u>
<u>FINANCE DEPT.</u>	
Finance Director	<u><u>17,252.30</u></u>
<u>COMMUNITY DEVELOPMENT</u>	
Community Development Director	<u><u>12,826.71</u></u>
<u>PUBLIC WORKS</u>	
Public Works Director	11,251.50
Assistant Director	9,751.30
Assistant Director for B&L/City Engineer	5,771.25
	<u><u>26,774.05</u></u>
<u>PARKS & RECREATION</u>	
Director	8,079.75
Asst. Director	2,499.23
	<u><u>10,578.98</u></u>
<u>CIP</u>	
CIP Director	<u><u>5,250.70</u></u>
<u>BUILDING & LICENSE</u>	
Director	11,542.50
Assistant Director/City Engineer	5,771.25
	<u><u>17,313.75</u></u>
<u>INFORMATION TECHNOLOGY</u>	
Director	<u><u>10,901.25</u></u>
GRAND TOTAL	<u><u>\$ 112,449.28</u></u>

*10 Employees affected by FRS reduction

*From 21.77% back to 7.52%

*CIP and the Public Work Director are the same person.

*Asst Director of B&L and City Engineer's salary is split with Public Works.

- Two filled positions will also be defunded. The Grant Writer from Finance, and a Senior Citizen Coordinator from Parks and Recreation

SAVINGS FROM DEFUNDED FILLED POSITIONS

<u>FINANCE DEPT.</u>	
Grant Writer	<u>35,486.07</u>
<u>CODE ENFORCEMENT</u>	
Customer Service Representative	<u>-</u>
<u>PARKS & RECREATION</u>	
Senior Citizens Coordinator	<u>28,040.94</u>
GRAND TOTAL	<u>\$ 63,527.01</u>

*3 Filled positions defunded
 These savings represent salary, FRS, FICA, Health & Life Insurance.

- Employees will cover 6 months of GAP insurance

SAVINGS FROM GAP INSURANCE

Entire City Reduction	<u>\$ 34,350.82</u>
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*Employees will contribute to the plan for 6 months.

- Community Empowerment has been defunded

Savings from Defunding Community Empowerment

Operating Expense	<u>\$ 20,800.00</u>
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The amended budget includes the following changes:

1. City Commission

Total budget allocated to the city commission was reduced from \$144,699 to \$112,995 (a change of \$31,704). All expenditures were defunded with the exception of the \$1,000 for the State of the City and \$750.00 for office supplies.

2. City Manager

Total budget allocated to the city manager's office was reduced from \$4,008,002 to \$3,745,341 (a change of \$262,661.00).

- (a) The Assistant City Manager position is 100% funded under the city manager's office. Personnel expenses have decreased by \$18,223 by changing estimates of new hire acquisition timing, as well as total reduction of car allowance. Operating Expenses decreased by \$8,000 with reductions to travel, general expenses, and office supplies.
- (b) The personnel expenses under general government were reduced by \$9,975.00 and operating expenses were reduced by \$24,500.00. Total reduction in the general government budget is \$34,475.00.
- (c) The budgeted amount for the city manager reserves was reduced by \$200,000.00. This reduced the amount available for sick/annual leave from \$265,000.00 to \$65,000.00 as required by fiscal integrity ordinance 03-05 Section 2-651. The \$200,000.00 will be added to the Encumbrance Reserve which is the budgeted set aside to pay the city's accounts payable (prior year outstanding debt).
- (d) Town Center budget was reduced from \$429,073 to \$425,073 (a change of \$4,000.00). There was no change in personnel cost. The capital outlay was defunded by the \$4,000.00.

3. City Clerk

Total budget allocated to the city clerk's office was reduced from \$317,913 to \$302,217 (a change of \$15,226.00). Personnel cost was reduced by \$14,484.00 which include eliminating overtime allocation of \$2,500.00, defunding the car allowance of \$7,200.00, adjusting the staff salary by \$4,514.66, and defunding or reducing line items in the operating cost by \$3,300.00.

4. City Attorney

There was no change in the city attorney's budget.

5. Human Resources

Total budget allocated to HR, which also includes risk management, was reduced from \$940,625 to \$875,941 (a change of \$64,684.00).

- (a) In addition to the FRS reduction, personnel expenses were reduced by \$50,337.00 because 50% of the HR administrator salary and benefits was reallocated to the risk management division, and operating expense was reduced by \$500.00.
- (b) The vacant risk manager position was defunded. However, 50% of the HR administrator salary and benefits was reallocated to this division for total personnel expenses of \$24,900.00 (a change of \$16,331.00).

6. Finance Department

Total budget allocated to finance was reduced from \$6,199,259 to \$5,970,209 (a change of \$229,050.00).

- (a) In addition to the FRS reduction, all vacant positions, with the exception of the Budget Administrator, were defunded and the Grant Writer, a filled position, was also defunded.

The resulting effect is a reduction in personnel costs by \$181,680.00 and operating costs were defunded or reduced by \$27,525.00 for total division reduction of \$209,205.00.

(b) The utility division personnel cost was reduced by \$1,486 and operating cost was reduced by \$750.00 for total division reduction of \$2,236.00.

(c) Grant writer has been defunded

7. Information Technology (IT)

Total budget allocated to IT was reduced from \$316,637 to \$305,217 (a change of \$11,420.00). In addition to the FRS reduction, personnel cost was reduced by \$10,901 and operating expenses by \$75.00.

8. Community Development

Total budget allocated to community development was reduced from \$285,390 to \$221,414 (a change of \$64,719.00). In addition to the FRS reduction, the vacant position was defunded thus reducing personnel cost by \$50,463.00 and operating expenses were defunded or reduced by \$13,513.00.

9. Building Department

Total budget allocated to building department was reduced from \$376,800 to \$302,955 (a change of \$73,845). In addition to the FRS reduction, the number of hours for part-time staff was reduced. Personnel expenses were reduced by \$59,271 and operating expenses were defunded or reduced by \$8,075.00.

10. Parks and Recreation

Total budget allocated to the parks department was reduced from \$637,627 to \$512,617 (a change of \$125,010). In addition to the FRS reduction, personnel expenses were reduced by \$125,369.00 as all vacant positions, a senior citizens coordinator position, and overtime amount were defunded. Operating expenses were reduced by \$875.00.

(a) Senior Coordinator (1) has been defunded

11. Police Department

Total budget allocation to police department was reduced from \$5,086,666 to \$4,970,956 (a change of \$105,710.00).

(a) CID staff making \$40,000.00 to \$50,000.00 was impacted by the 5% thus the personnel expenses were reduced by \$1,444.00.

(b) Administrative staff making \$40,000.00 to \$50,000.00 was impacted by Total budget allocation to public works has been reduced from \$7,821,210 to \$7,107,715 (a change of \$713,459), thus the personnel expenses were reduced by \$1,728.00.

(c) Patrol staff making \$40,000.00 to \$50,000.00 was impacted by the 5% thus the personnel expenses were reduced by \$61,070.00.

(d) Code enforcement staff making \$40,000.00 to \$50,000.00 was impacted by the 5% thus the personnel expenses were reduced by \$4,472.00.

- (e) Chief division staff making \$40,000.00 to \$50,000.00 was impacted by the 5% thus the personnel expenses were reduced by \$1,601.00.
- (f) In addition, the community empowerment team division was completely defunded by \$20,800.00 and police overtime was also reduced by \$35,216.00.

12. Community Redevelopment Agency (CRA)

Total budget allocation to CRA has been reduced from \$87,409.00 to \$52,178.00 (a change of \$35,231.00). In addition to the FRS reduction, personnel expenses were reduced by \$5,231.00 and operating expenses were reduced by \$30,000.00.

13. Public Works

Total budget allocation to public works has been reduced from \$7,821,210 to \$7,100,329 (a change of \$720,881.00). In addition to the FRS reduction, all vacant positions were defunded and some positions were consolidated.

- (a) Roads and Street staff was impacted by the 5% adjustment thus personnel expenses was reduced by \$1,437.00.
- (b) The vacant position in the vehicle maintenance division was defunded thus personnel expenses was reduced by \$40,565 and operating expenses was defunded or reduced in the amount of \$175,000.00.
- (c) Transportation operating expenses was reduced by \$38,870.00 and the capital outlay was reduced by \$110,282.00 for a total reduction of \$149,152.00.
- (d) Water services division personnel expenses were reduced by \$5,000.00 because the overtime allocation was defunded and operating expenses were reduced by \$1,000.00 for a total budget reduction of \$6,000.00.
- (e) Sewer services personnel expenses were reduced by \$33,710.00 and the operating expenses were reduced by \$1,000.00 for total budget reduction of \$34,710.00.
- (f) Storm water management had an increase in personnel expenses of \$37,845.00 because of the need for the additional staff and reduction of \$1,500.00 in operating expenses.

14. Capital Projects (CIP)

Total budget allocation to capital projects has been reduced from \$7,381,438 to \$6,390,521 (a change of \$990,917).

- (a) Historic City Hall has been defunded. Historic City Hall is being funded by a reimbursable grant, thus the proposed revenue for Capital Projects (Safe Neighborhood) has been reduced from \$1,121,000 to \$421,000 (a change of \$700,000).
- (b) In addition to the FRS reduction, personnel expenses in CIP were reduced by \$9,271.00, operating expenses by \$36,275.00 and capital outlay by \$2,100.00.
- (c) Storm water operating expenses were reduced by \$242,775.00

Personnel Percentage Cost by Department

