



## Legislation Text

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**File #:** 18-762, **Version:** 1

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**TO:** Honorable Mayor & Members of the North Port Commission

**FROM:** Peter D. Lear, CPA, CGMA, City Manager

**TITLE:** Ordinance No. 2018-51, first reading, amending the Fiscal Year 2017-2018 Non-District Budget.

### **Recommended Action**

Continue Ordinance No. 2018-51, amending the Fiscal Year 2017-2018 Non-District Budget.

### **Background Information**

An amendment to the FY 2018 Non-District budget for additional funding in the amount of \$690,880 is being requested. Fleet Management is requesting \$420,000 for additional services provided to departments for repair parts, outsourced services, and fuel. The amendment utilizes excess revenues to provide the needed funding. The amendment requests \$270,880 from the Self-Insurance Risk Fund to cover estimated year-end claims liability. Funding will come from available reserves in the Self-Insurance Fund.

Each fiscal year, Fleet and Finance staff work together to provide estimated budgetary costs to departments for the ensuing year. These estimates are based upon historical data, industry cost trends, and anticipated aging of the City's rolling stock. An endless number of variables influence these costs, so a year-end budget amendment is necessary to provide the required budget for services already rendered and billed to the departments. The requested budget amendment of \$420,000 will balance the Fleet Management budget by utilizing excess revenues.

The City's Self-Insurance Risk Fund budgets for known costs such as excess re-insurance and Third-Party Administrator fees. In addition, the Self-Insurance fund budgets estimated amounts for claims. At the end of each fiscal year, there are outstanding claims amounts for those claims occurring in the fiscal year but have remaining outstanding estimated costs. To allow for those costs, the City prepares a year-end claims liability estimate that must be booked to meet financial best practices for self-insurance funds. The requested budget amendment of \$270,880 provides the additional funding to meet anticipated claims liability related to fiscal year 2018.

Following are the increases to the Non-District Funds:

Fleet Management Fund - \$420,000  
Self-Insurance Risk Fund - \$270,880

The total cost to the Non-District Budget is \$690,880.

### **Strategic Plan**

Financially Responsible City Providing Quality Municipal Services

### **Financial Impact**

The Non-District Funds budget for fiscal year 2018 will increase by \$690,880 with funding coming from excess revenues in Fleet Management Fund and undesignated fund balance reserves in the Self-Insurance Risk Fund

Updated Fund Balance Reports are included with this agenda item as attachment three (3).

**Procurement**

N/A

**Attachments:**

1. Ordinance No. 2018-51
2. Ordinance No. 2018-51 Exhibit A
3. Fund Balance Reports

**Prepared by:** Charlina L. Lowrie, CGFO, Finance Director

**Department Director:** Charlina L. Lowrie, CGFO, Finance Director