

TAB 12

POINT PAPER

RESOLUTION 08-07 REVENUE BUDGET REDUCTIONS

Problem: The Florida Department of Revenue's Office of Research (LCIR) has issued new revenue estimates for the city lower than the original estimate.

Background: The city bases the budget for revenue received from the state on estimates obtained from LCIR. These estimates were issued in July, 2007 and included in the FY08 budget at 95% of the estimated amount. These estimates have been re-evaluated by the LCIR and new estimates have been issued for the Municipal Revenue Sharing Program and the Local Government Half-Cent Sales Tax. The Half-Cent Sales Tax and 73% of the Municipal Revenue Sharing Program revenues are recorded in the General Fund. The remaining 17% of the Revenue Sharing funds is recorded in the Road and Bridge fund. These estimates are available online at http://www.floridalcir.gov/revenue_estimates.cfm.

These new estimates negatively affect the FY08 revenue budget by a total of \$47,881. This is made up of \$43,955 from the General Fund and \$3,926 from the Road and Bridge fund. The accounts and the effect are outlined on Exhibit A.

Staff has identified expense budgets that can be reduced in an effort to maintain a balanced budget for FY08 and are detailed in Exhibit A. In the General Fund, two positions (IT: IT Specialist; Engineering: Project Manager) have been vacant for a period of time. These vacancies have contributed to approximately \$26,000 in savings in the personnel budgets. These savings will not be reduced in the budget and will not be available to move to the operating expense accounts. In addition, reductions in Code Enforcement, Human Resources, Fleet and Police Department have been identified. The total savings and reductions in expenses total \$36,170 for the General Fund.

During the budget process, the Road and Bridge fund was projected to have a \$100,767 surplus. Therefore, it is unnecessary to reduce the expense budget in that fund since reducing the revenue budget will not create a deficit position.

Alternatives:

1. Do nothing.
2. Approve Resolution #08-07 approving the budget reduction totaling \$47,881.

Recommendation: Staff recommends alternative #2, Approve Resolution #08-07

Budget Impact: Revenue for General Fund will be reduced by \$43,955 and Road and Bridge by \$3,926. General Fund expenses will be reduced by \$10,170 with the personnel budgets remaining intact. Road and Bridge revenue will be reduced by \$3,926 while the expenses do not require a reduction due to a projected surplus.

RESOLUTION NO. 08-07

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PALMETTO, FLORIDA, AMENDING RESOLUTION NO. 07-39, WHICH RESOLUTION ADOPTED THE BUDGET FOR FISCAL YEAR 2007-2008, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, from time to time it is necessary to increase or decrease revenues and expenditures in certain accounts, and;

WHEREAS, it is necessary to provide budgetary authorization for the expenditure of these funds;

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COMMISSION OF THE CITY OF PALMETTO, FLORIDA:

Section 1: That Revenue and Expense Accounts, for the fiscal year ending September 30, 2008 is decreased as exhibited below for the reductions in State Revenue Sharing and Half-Cent Sales Tax estimates.

Revenue Accounts	Reduction
001 335 8000 State Revenue Half-Cent Sales Tax	33,138
001 335 2100 State Revenue Sharing Proceeds	10,817
General Fund Revenue Total	<u>43,955</u>
307 335 2200 .08 Mtr. Fuel Tax - St Revenue	3,926
Road and Bridge Fund Revenue Total	<u>3,926</u>
Expense Accounts	
001 523 4111 Code Enforcement - Communications	250
001 516 4891 HR Promotional Advertising	2,000
001 516 5223 HR Operating Expenses	920
001 549 4051 Fleet Travel and Per Diem	500
001 549 5413 Fleet Technical and Training	1,500
001 521 4634 PD Repair and Maintenance	2,000
001 521 4111 PD Communications (Miscellaneous)	1,000
001 521 5251 PD Uniform Purchases and Cleaning	2,000
General Fund Expense Total	<u>10,170</u>

Section 2: This Resolution shall become effective immediately upon its passage.

Section 3: All Resolutions and parts of Resolutions in conflict herewith are repealed.

Passed by the City Commission of the City of Palmetto, Florida in regular session with a quorum present and voting this 3rd day of March, 2008.

BY: _____
Lawrence E. Bustle, Jr., Mayor

ATTEST:

James R. Freeman, City Clerk

EXHIBIT A
Budget Amendment 08-07

<u>Account Number</u>	<u>Account Description</u>	<u>Original Estimate</u>	<u>New Estimate</u>	<u>Reduction</u>
001 335 8000	State Revenue Half-Cent Sales Tax	977,118	943,980	33,138
001 335 2100	State Revenue Sharing Proceeds	318,416	307,599	10,817
307 335 2200	.08 Mtr. Fuel Tax - St Revenue	115,571	111,645	3,926
	Total Municipal Revenue Sharing Program	433,987	419,244	14,743
	TOTAL REVENUE BUDGETS	1,411,105	1,363,224	47,881

General Fund Reduction	43,955
Road and Bridge Fund Reduction	3,926
Total Reduced Revenue	47,881

General Fund Reductions

Total General Fund Revenue Reduction	43,955
FY08 Projected Surplus	(7,785)
Total Expenses needed to offset Revenue Reduction	36,170

General Fund Expenses to offset Revenue Reduction

513 Cost Ctr	Vacant Position - IT Specialist	(12,000)
001 523 4111	Code Enforcement - Communications	(250)
001 516 4891	HR Promotional Advertising	(2,000)
001 516 5223	HR Operating Expenses	(920)
	City Hall Reductions	(15,170)
542 Cost Ctr	Vacant Position - Engineering Project Manager	(14,000)
001 549 4051	Fleet Travel and Per Diem	(500)
001 549 5413	Fleet Technical and Training	(1,500)
	Public Works Reductions	(16,000)
001 521 4634	PD Repair and Maintenance	(2,000)
001 521 4111	PD Communications (Miscellaneous)	(1,000)
001 521 5251	PD Uniform Purchases and Cleaning	(2,000)
	Police Department Reductions	(5,000)
	Total General Fund Expense Reductions	(36,170)

Road and Bridge Reductions

Total Road and Bridge Revenue Reduction	3,926
FY08 Projected Surplus	(100,767)
New FY08 Projected Surplus for Road and Bridge Fund	(96,841)