To: **Mayor and Council**

From: **Cindy King, Director of Finance and Administration**

Subject: **Amendment 1 to 2016 Budget**

Date: **March 7, 2016**

BUDGET UPDATE

Preliminary numbers show as of the end of February 2016 cumulative expenditures are $4,039,156 - down 13% from 2015; Revenues are $6,736,853 - up 4% from 2015. Revenues and encumbrances are $2,387,032 greater than expenditures.

General Fund Reserves – The Fiscal Year 2016 budget includes a 5% increase to 60% General Fund reserve target of $20,559,138 which was met during January due to 2015 operating within budget.

Amendment one for 2016 was reviewed at the February Finance Committee and proposes the following:

GENERAL FUND

- Parking Fees Revenues reduced by $418,989 and Beach expenditures reduced $445,989 due to the additional parking meters/locations not approved by Council. Expense of $85,000 remained in the Parking Beach Improvements expense line for 8 replacement and 2 new parking meters. Recreation Beach expenses were increased $40,000 for expenses related to the parking meters.
- Transfer From 2% Lodging Tax increased by $200,000 to $1.9 million to offset 2015 Beach expenses of $2.045 million.
- Proceeds from the 2012-A GO Warrant borrowed funds were increased $187,500 for Engineering/Design service expenses for Gulf Place.
- Police contract labor expenses were increased $60,000 for use of Sheriff Deputies during spring break expense.

BEACH RESTORATION & PROJECTS FUND (added after Finance Committee review)

- Revenue and expense increased $83,976 for total FY 2016 budget of $197,278 reflecting ADEM Grant of $226,602 awarded in the fall of 2015. ADEM 2015 Grant expenses were $29,625.

Capital Projects – Infrastructure projects and major capital equipment purchases with use expected in excess of 15 years planned for in 2015 from Capital Improvement funds are proposed to increase $558,943 from the 2014 Warrant Fund funds budgeted for the following: additional $308,943 for final phase of Branding/Wayfinding signage; $15K for Adult Activity Center tables not originally budgeted and $20K for a City Store Pergola in the Bodenhamer Center offset by reduction of $35K for Sims Kid Park Pavilion Roof Repair. ALDOT Match funds and expenses are redistributed for the 3 ALDOT projects. ALDOT funded Environmental Corridor Study for $250K is added. Sidewalks projects landscaping expense is increased by $250K for lighting, street furniture and landscaping.

Please let me know if any additional information is needed. Thank you.

Attachments (2)

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