



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. Expense of \$811,678 added for 2 fire trucks prepaid in 2015 but not received until March 11, 2016. Please let me know if any additional information is needed.