

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY**

Meeting Date: March 11, 2008

Consent ☐Regular ☐Public Hearing ☒

Submitted By: Water Utilities Department

Submitted For: Water Utilities Department

**A. EXECUTIVE BRIEF**

**Motion and Title: Staff recommends motion to approve:** **A)** a downward Budget Amendment of \$3,562,000 in the Water Utilities Revenue Fund to decrease expected revenues; **B)** a downward Budget Amendment of \$2,000,000 in the Water Utilities Operating & Maintenance Fund to decrease the expected revenue from the Water Utilities Revenue Fund which will decrease equipment by \$500,000 and reserves by \$1,500,000; **C)** a downward Budget Amendment of \$6,185,300 in the Water Utilities Capital Improvements Fund to decrease the expected revenue from the Water Utilities Revenue Fund, decrease the balance from FY 2007, and increase revenues from other governments which will decrease several projects in the fund; **D)** a downward Budget Amendment of \$814,000 in the Water Utilities Connection Fee Fund to decrease expected connection fee revenues; and **E)** a downward Budget Amendment of \$2,317,000 in the Water Utilities Special Assessment Program Fund to decrease expected revenues from assessment collection and the balance from FY 2007 which will decrease the reserve by \$929,000 and the project account by \$2,000,000.

**Summary:** The requested amendments can be categorized as follows: **1)** Decrease of the Balance Brought Forward amount to reflect the differences between actual and estimated revenues and expenditures of FY 2007 and set various accounts to their audited balances; **2)** Decrease of Operating Revenue to better reflect current customer usage patterns; **3)** Decrease of Connection Fee Revenue to reflect decreased building activity; **4)** Decrease of Special Assessment Revenue due to decreased connection activity; and **5)** Decrease in various equipment, capital, and expense accounts to maintain a balanced budget.

These decreases are attributable to both the economic downturn and decreased water usage as a result of mandatory water restrictions. As a result, departmental revenues are far below the levels anticipated during budget preparation. To compensate for the decrease in revenue, it is necessary to reduce planned expenditures and delay several capital projects. Our 2009 proposed budget will better reflect present revenue realities. A separate agenda item will be presented to the Board in the near future with a recommended strategy to address the current revenue shortfall. Countywide (MJ)

**Background and Justification:** The requested budget amendments to the FY 2008 Budget are necessary to adjust the Balance Brought Forward from FY 2007 to match the audited balance. Additional adjustments are included which reflect the significant decrease in revenue projected in the current year which is far below the levels forecasted, and in turn, the resulting decreases in planned expenditures and delays of capital projects which are necessary in order to maintain a balanced budget.

**Attachments:**

1. Summary of Proposed Changes to Budget Year 2008
2. Budget Amendment (Fund 4000)
3. Budget Amendment (Fund 4001)
4. Budget Amendment (Fund 4011)
5. Budget Amendment (Fund 4012)
6. Budget Amendment (Fund 4013)

Recommended By: \_\_\_\_\_

Department Director

Date

Approved By: \_\_\_\_\_

Assistant County Administrator

Date

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2008	2009	2010	2011	2012
Operating Expenditures	<u>(\$14,531,600)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Revenues	<u>(\$14,878,300)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Reserves	<u>(\$346,700)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET FISCAL IMPACT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Budget Account No.:**      **Fund** Various **Dept** Various **Unit** Various **Object** Various

Is Item Included in Current Budget?    Yes    No    X    Reporting Category \_\_\_\_\_

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

Details of the necessary fund adjustments are presented on attached Summary of Proposed Changes to Budget Year 2008.

C. Department Fiscal Review: *Julia Moore*


### **III. REVIEW COMMENTS**

**A. OFMB Fiscal and/or Contract Development and Control Comments:**

Atwillite 3.4.08  
OFMB  
RM  
CN  
2/20/08

Dr. J. Lawley 3/5/08  
Contract and Development Control  
6/9/08 3/5/08

**B. Legal Sufficiency:**

 3/5/08  
Assistant County Attorney

**C. Other Department Review:**

Department Director

This summary is not to be used as a basis for payment.

**Palm Beach County Water Utilities Department  
Summary of Proposed Changes to Budget Year  
for the fiscal year ending September 30, 2008**

	Current Submittal	Revised	Increase (Decrease)
<b><u>Revenues &amp; Balances:</u></b>			
Operating revenue	112,072,000	109,188,000	(2,884,000)
Interest income	4,127,000	5,000,000	873,000
Connection fees	7,563,000	6,749,000	(814,000)
Guaranteed revenue	4,225,000	2,638,000	(1,587,000)
Borrowings	0	0	0
Engineering fees	300,000	300,000	0
Special assessments	1,980,000	1,000,000	(980,000)
Grants	4,000,000	12,000,000	8,000,000
Other	0	0	0
Interfund transfers	7,563,000	7,361,000	(202,000)
Bond transfers	119,659,000	116,097,000	(3,562,000)
Balance brought forward	73,502,300	59,780,000	(13,722,300)
<b>Total revenues &amp; balances</b>	<b>334,991,300</b>	<b>320,113,000</b>	<b>(14,878,300)</b>
<b><u>Expenditures &amp; Reserves:</u></b>			
Operating expenses	91,515,000	91,515,000	0
Interest expense	8,522,000	8,522,000	0
Loan repayments	14,059,000	14,059,000	0
Capital expenditures	87,795,000	76,834,000	(10,961,000)
Machinery and equipment	4,100,000	3,600,000	(500,000)
Paying agent fees	(178,100)	(178,100)	0
Interfund transfers	7,563,000	7,361,000	(202,000)
Bond transfers	119,659,000	116,097,000	(3,562,000)
Bond issue costs	0	0	0
Other	0	0	0
Reserves	1,956,400	2,303,100	346,700
<b>Total expenditures &amp; reserves</b>	<b>334,991,300</b>	<b>320,113,000</b>	<b>(14,878,300)</b>

BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA  
BUDGET AMENDMENT  
FUND 4000 Wud Revenue

Use this form to provide budget for items not anticipated in the budget.

ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 01/24/08	REMAINING BALANCE
<b>REVENUES (BGRV 720 012408*385)</b>								
4000-010-0100-6110	Interest Including Profit on Investments	3,062,000	3,062,000	873,000		3,935,000		
4000-720-4200-4360	Customer Account Charges	4,934,000	4,934,000		198,000	4,736,000		
4000-720-4200-4361	Water-Base Facility	20,580,000	20,580,000	891,000		21,471,000		
4000-720-4200-4362	Water-Commodity	32,187,000	32,187,000		4,089,000	28,098,000		
4000-720-4200-4363	Wastewater-Base Facility	27,218,000	27,218,000	586,000		27,804,000		
4000-720-4200-4364	Wastewater-Commodity	21,179,000	21,179,000		602,000	20,577,000		
4000-720-4200-4365	Wastewater - Contractual	772,000	772,000		147,000	625,000		
4000-720-4200-4368	Service Fees	448,000	448,000	671,000		1,119,000		
4000-720-4200-4369	Miscellaneous Operating Revenue	1,750,000	1,750,000	147,000		1,897,000		
4000-720-4200-4370	Reclaimed Water	671,000	671,000		134,000	537,000		
4000-720-4200-4371	Industrial Pretreatment	761,000	761,000		9,000	752,000		
4000-720-4200-6992	Capacity Reservation Fees	4,225,000	4,225,000		1,587,000	2,638,000		
4000-800-4200-8901	Balance Brought Forward	0	0	36,000		36,000		
<b>Total Receipts and Balances</b>		<b>117,787,000</b>	<b>117,787,000</b>	<b>3,204,000</b>	<b>6,766,000</b>	<b>114,225,000</b>		

BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA  
BUDGET AMENDMENT  
FUND 4000 Wud Revenue

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ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 01/24/08	REMAINING BALANCE
<b>EXPENDITURES (BGEX 720 012408*2121)</b>								
4000-820-9000-9209	Transfer to Fd 4001	97,115,000	97,115,000		3,132,000	93,983,000	32,371,667	61,611,333
4000-820-9000-9211	Transfer to Fd 4011	514,500	514,500		430,000	84,500	0	84,500
<b>Total Appropriations &amp; Expenditures</b>		<b>97,629,500</b>	<b>97,629,500</b>	<b>0</b>	<b>3,562,000</b>	<b>94,067,500</b>		

OFMB	Signatures	Date	By Board of County Commissioners
INITIATING DEPARTMENT/DIVISION	<i>Debra M West</i>		At Meeting of 04/10/07
Administration/Budget Department Approval			
OFMB Department - Posted			Deputy Clerk to the Board of County Commissioners

BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA  
BUDGET AMENDMENT  
FUND 4001 Operating & Maintenance

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Use this form to provide budget for items not anticipated in the budget.

ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 01/24/08	REMAINING BALANCE
<b>REVENUES (BGRV 720 012408*386)</b>								
4001-800-4200-8208	Transfer from Fund 4000	97,115,000	97,115,000		3,132,000	93,983,000		
4001-800-4200-8901	Balance Brought Forward	0	0	1,132,000		1,132,000		
<b>Total Receipts and Balances</b>		<b>97,115,000</b>	<b>97,115,000</b>	<b>1,132,000</b>	<b>3,132,000</b>	<b>95,115,000</b>		
<b>EXPENDITURES (BGEX 720 012408*2122)</b>								
4001-720-3339-6401	Machinery & equipment	2,886,000	2,886,000		250,000	2,636,000	2,241,708	394,292
4001-720-3339-6405	Data Processing Equipment	1,214,000	1,214,000		250,000	964,000	135,147	828,853
4001-720-7900-9901	Reserves Contingency	1,500,000	1,500,000		1,500,000	0	0	0
<b>Total Appropriations &amp; Expenditures</b>		<b>5,600,000</b>	<b>5,600,000</b>	<b>0</b>	<b>2,000,000</b>	<b>3,600,000</b>		

OFMB	Signatures	Date	By Board of County Commissioners
INITIATING DEPARTMENT/DIVISION	<i>Debra M. West</i>		At Meeting of 04/10/07
Administration/Budget Department Approval			
OFMB Department - Posted			Deputy Clerk to the Board of County Commissioners

BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA  
BUDGET AMENDMENT  
FUND 4011 Capital Improvements

Use this form to provide budget for items not anticipated in the budget.

ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/	REMAINING
							ENCUMBERED AS OF 01/24/08	BALANCE
<b>REVENUES (BGRV 720 012408-387)</b>								
4011-721-4211-6691	Contributions from Other Governments	4,000,000	4,000,000	8,000,000		12,000,000		
4011-800-4211-8208	Trandsfer from Fund 4000	514,500	514,500		430,000	84,500		
4011-800-4211-8212	Trandsfer from Fund 4012	7,563,000	7,563,000		814,000	6,749,000		
4011-800-4211-8213	Trandsfer from Fund 4013	0	0	612,000		612,000		
4011-800-4211-8901	Balance Brought Forward	70,165,300	70,165,300		13,553,300	56,612,000		
		<hr/>						
Total Receipts and Balances		82,242,800	82,242,800	8,612,000	14,797,300	76,057,500	<hr/> <hr/>	

BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA  
BUDGET AMENDMENT  
FUND 4011 Capital Improvements

Use this form to provide budget for items not anticipated in the budget.

ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 01/24/08	REMAINING BALANCE
<b>EXPENDITURES (BGEX 720 012408-2123)</b>								
4011-721-W001-6541	Water treatment plant	5,410,000	5,410,000		400,000	5,010,000	3,749,980	1,260,020
4011-721-W001-6545	Wastewater treatment plant	300,000	300,000	50,000		350,000	281,967	68,033
4011-721-W002-6541	Water treatment plant	550,000	550,000		550,000	0	0	0
4011-721-W003-6541	Water treatment plant	650,000	650,000	850,000		1,500,000	57,315	1,442,685
4011-721-W005-6541	Water treatment plant	450,000	450,000		150,000	300,000	0	300,000
4011-721-W006-6502	Buildings	11,800,000	11,300,000	300,000		11,600,000	2,528,153	9,071,847
4011-721-W006-6541	Water treatment plant	6,700,000	6,700,000	850,000		7,550,000	4,229,600	3,320,400
4011-721-W006-6543	Water transmission mains	6,225,000	6,225,000	3,139,000		9,364,000	5,878,028	3,485,972
4011-721-W006-6545	Wastewater treatment plant	900,000	900,000		700,000	200,000	195,498	4,502
4011-721-W006-6547	Wastewater force mains	2,700,000	1,200,000	700,000		1,900,000	666,332	1,233,668
4011-721-W010-6545	Wastewater treatment plant	13,060,000	13,060,000		7,550,000	5,510,000	5,013,209	496,791
4011-721-W026-6541	Water treatment plant	16,000,000	16,000,000		3,000,000	13,000,000	11,492,237	1,507,763
4011-721-W030-6545	Wastewater treatment plant	8,700,000	8,700,000	500,000		9,200,000	6,140,061	3,059,939
4011-720-9900-9909	Reserve for Improvement Program	447,800	447,800		224,300	223,500	0	223,500
<b>Total Appropriations &amp; Expenditures</b>		<b>73,892,800</b>	<b>71,892,800</b>	<b>6,389,000</b>	<b>12,574,300</b>	<b>65,707,500</b>		

<b>OFMB</b>	<b>Signatures</b>	<b>Date</b>	<b>By Board of County Commissioners</b>
<b>INITIATING DEPARTMENT/DIVISION</b>	<i>Debra M. West</i>		<b>At Meeting of 04/10/07</b>
<b>Administration/Budget Department Approval</b>			
<b>OFMB Department - Posted</b>			<b>Deputy Clerk to the Board of County Commissioners</b>



BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA  
BUDGET AMENDMENT  
FUND 4012 WUD Connection Fee Fund

Use this form to provide budget for items not anticipated in the budget.

ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 01/24/08	REMAINING BALANCE
<b>REVENUES (BGRV 720 012408-388)</b>								
4012-721-4213-6991	Connection fees	7,563,000	7,563,000		814,000	6,749,000		
Total Receipts and Balances		7,563,000	7,563,000	0	814,000	6,749,000		
<b>EXPENDITURES (BGEX 720 012408-2124)</b>								
4012-820-9000-9211	Transfer to Fund 4011	7,563,000	7,563,000		814,000	6,749,000	0	6,749,000
Total Appropriations & Expenditures		7,563,000	7,563,000	0	814,000	6,749,000		

OFMB	Signatures	Date	By Board of County Commissioners
INITIATING DEPARTMENT/DIVISION	<i>Julia M Vest</i>		At Meeting of 04/10/07
Administration/Budget Department Approval			
OFMB Department - Posted			Deputy Clerk to the Board of County Commissioners

**BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA  
BUDGET AMENDMENT**

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**FUND 4013 Special Assessment Program WUD**

Use this form to provide budget for items not anticipated in the budget.

ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 01/24/08	REMAINING BALANCE
<b><u>REVENUES (BGRV 720 012408-389)</u></b>								
4013-721-4200-6310	Assessment Collection Principal	1,980,000	1,980,000		980,000	1,000,000		
4013-800-4200-8901	Balance Brought Forward	2,337,000	2,337,000		1,337,000	1,000,000		
<b>Total Receipts and Balances</b>		<b>4,317,000</b>	<b>4,317,000</b>	<b>0</b>	<b>2,317,000</b>	<b>2,000,000</b>		
<b><u>EXPENDITURES (BGEX 720 012408-2125)</u></b>								
4013-721-W021-6543	Water Transmission Mains	3,000,000	3,000,000		2,000,000	1,000,000	70,060	929,940
4013-820-9000-9211	Transfer to Fund 4011	0	0	612,000		612,000	0	612,000
4013-721-9900-9909	Reserve for Improvement Program	1,929,000	1,929,000		929,000	1,000,000	0	1,000,000
<b>Total Appropriations &amp; Expenditures</b>		<b>4,929,000</b>	<b>4,929,000</b>	<b>612,000</b>	<b>2,929,000</b>	<b>2,612,000</b>		

<b>OFMB</b>	<b>Signatures</b>	<b>Date</b>	
_____ INITIATING DEPARTMENT/DIVISION	<i>Dulra M. West</i>	_____	By Board of County Commissioners At Meeting of _____
Administration/Budget Department Approval	_____	_____	Deputy Clerk to the Board of County Commissioners
OFMB Department - Posted	_____	_____	