

CITY OF LAUDERHILL

Office of Management and Budget
Lauderhill, Florida

MEMORANDUM

TO: Mayor and City Commission

FROM: Finance Director/ Office of Management and Budget

DATE: April 30, 2026

SUBJECT: Six-Month Budget Adjustment and Supplemental Appropriation – FY 2026

The six-month review Budget Adjustment is primarily an adjustment of existing revenues and expenses rather than a Supplemental Appropriation. The total increases in fund appropriations of \$5,056,394 include:

- 1) The recognition of an existing Letter of Credit for vehicles in the amount of \$2,746,596 in the Capital Projects Fund. These funds will be allocated for rescue vehicles and police patrol cars already approved and ordered
- 2) Recognition of three previously approved grants for the Police Department and setting up budget details
- 3) An additional transfer of \$200,000 from the General to the Utility Fund to supplement a previous \$200,000 transfer to pay senior citizen rebates for utility bills
- 4) An increase in Administrative Fee transfers of \$425,224 in the General Fund related to a reclassification of telephone and insurance expenses discussed later in this memo

None of these adjustments represent an increase in overall spending beyond what was envisioned in the original budget as #1 and #2 recognize existing revenue sources for previously approved projects and #3 and #4 are fund transfers but all four do increase the total amount of budget in specific funds so are therefore classified as supplemental appropriations.

General Fund revenues are amended to reflect best estimates based on trends and collections to date. The net reduction of \$661,000 is primarily due to the refund of building permit fees to the Le Parc apartment project. The decrease in revenues are offset by a reduction of reserve expenses in the Insurance Division.

General Fund expenditures are amended primarily to reflect changes in salary accounts related to staff reorganizations. There is a corresponding intra-department budget adjustment, which is approved by the City Manager, attached to the backup that, when considered with this supplemental adjustment, demonstrates that there is no significant change in salaries other than overtime expense (note that full time Police operations salaries are increased in the supplemental but full time Police support salaries are decreased in the intra-department adjustment).

The major increases to expenditures in the General Fund are for Police and Rescue overtime, an additional transfer to the Utility Fund for senior rebate on water bills, contract services for City Attorney primarily for human resources related legal fees and electric and water bills in Public Works for various city buildings and facilities.

The Water and Sewer utility fund has a number of adjustments related to capital projects but no additional net funding or expense other than the additional senior rebate. The mismatch in funding for some of the projects is related to the setup of accounts during the Tyler conversion whereby budgeted funds were posted to similar or duplicate accounts other than the one intended so that these adjustments are technical but require Commission approval because they involve capital accounts.

There are, however, some functional adjustments. These include an additional \$595,000 for unforeseen work required at the Water Treatment Plant as part of the chlorination improvements and an increase in the funding for Lift Station rehabilitations. Funding is available because the cost of sewer treatment by Broward County is running below budget expectations.

In the Stormwater Fund, funding is removed from Contingency, Sidewalk repairs and Speed humps to allow for the purchase of a new Street Sweeper and a new boat with attachments to remove vegetation from canals. The City currently has two Street Sweepers which are over ten years old, require frequent repairs and are therefore not in service. The aquatics boat has upgraded equipment and attachments that will be more efficient in keeping canals clear of vegetation.

The adjustment also includes a reorganization of the way telephone and insurance costs are expensed and allocated. The budget has inconsistently allocated expense for these items to some large users while expensing the majority of telephone in MIS and insurance in the Insurance division. This adjustment would move all expenses to those two divisions and then allocate a percentage to the Enterprise Funds using the existing allocation formulas for all Administrative functions.