

DATE: May 8, 2024 *12B*

TO: Honorable Mayor and City Commissioners *1st Reading May 13*

VIA: T. Michael Stavres, City Manager
M.J. Carnevale, Deputy City Manager *2nd Reading May 28*

FROM: C.J. Scott, Chief Financial Officer

SUBJECT: Ordinance No. O-24-26 an Ordinance Amending Ordinance O-24-21 appropriating surplus funds for Construction Projects

BACKGROUND

On April 8, 2024 the City Commission approved Ordinance No. O-24-21 transferring \$5,386,019 of the General Fund’s FY2023 surplus to the 2021 Construction Fund with \$1,600,642 dedicated to fund the Lake Conine project and the remaining balance of \$3,785,377 to fund other capital projects to be determined at a later date.

The Winter Haven Recreation & Cultural Center (WHRCC) has been a priority project dating back to 2017. The original concept provided improvements to the fitness center and addressed ADA needs. However, in 2021, during the initial design and master plan efforts, the breadth of the project warranted a complete rebuild rather than a limited renovation. The proposed new building will feature a multi-use gymnasium, a zero-grade entry swimming pool, a splash pad, new playground, outdoor sport court, and all the amenities of an upgraded fitness center, community meeting space, library/technology area with WiFi, business support area, kitchen (caterer), offices, restrooms and additional storage.

The City continues to experience construction costs exceeding the appropriated funds allocated to the cost of a project. In the case of the WHRCC, the increase in cost can be attributed to three major categories; site work factors which were finalized towards the final plan development/bidding, continued inflation for the cost of materials and services, and certain finishes and specifications placed within the bid by the design team prior to the Guaranteed Maximum Price (GMP) development.

The City contracted with Collage Design and Construction Group (Collage) to provide Construction Manager at Risk Services (CMAR) for the WHRCC modernization and renovation project. Collage proposed a GMP of \$19,995,749. Taking into account the required interior costs such as furniture, fixture, equipment and contingencies, provides a total cost of \$21,342,303. Current appropriated funds for the WHRCC reflect a balance of \$18,072,033; providing a delta of \$3,270,270.

Staff recommends funding from the Library Impact Fee Fund in the amount of \$150,000 to support library services and funding transferred from the 2021 Construction Fund to the 2015 Construction Fund in the amount of \$3,120,270 to support the final costs.

Funding from the Library Impact Fee Fund will be reflected in the FY2025 budget.

The transfer of funds from the 2021 Construction Fund to the 2015 Construction Fund provides a remaining available surplus balance in the 2021 Construction Fund of \$1,962,703 for other projects, as needed, to include the potential acquisition of The Historic Ritz Theatre. This surplus balance includes the remaining surplus transferred from the General Fund (\$3,785,377-\$3,120,270) \$665,107 and the Fiscal Year 2023 year-end available balance of \$1,297,596.

RECOMMENDATION

Staff recommends the City Commission approve Ordinance NO. O-24-26 approving a transfer of \$3,120,270 from the 2021 Construction Fund balance to the 2015 Capital Projects Fund and authorizing the City Manager or his designee to take all other necessary actions related thereto.

ATTACHMENT

Ordinance No. O-24-26

ORDINANCE NO. O-24-26

AN ORDINANCE OF THE CITY OF WINTER HAVEN, FLORIDA, AMENDING ORDINANCE NO. O-24-21, REGARDING APPROPRIATION OF FUNDS FOR DEFRAYING EXPENSES OF THE MUNICIPAL GOVERNMENT OF THE CITY OF WINTER HAVEN FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2023; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on April 8, 2024, the City Commission passed Ordinance O-24-21 making appropriations of funds for defraying the expenses of the municipal government of the City of Winter Haven for Fiscal Year 2023-2024; and

WHEREAS, the City's fiscal policy prescribes any Unassigned Fund Balance in excess of 30% may be transferred to the Construction Fund to defray costs and cover contingencies as recommended by the City Manager and approved by the City Commission; and

WHEREAS, Ordinance O-24-21 provided a transfer of the General Fund's surplus available fund balance, in the amount of \$5,386,019, to the 2021 Construction Fund; and

WHEREAS, revenue and expenditure estimates are made prior to the beginning of each fiscal year, and

WHEREAS, events occur during each fiscal year which were not anticipated by the beginning estimates; and

WHEREAS, departmental budgets shall not exceed their appropriations; and

WHEREAS, the City Commission of the City of Winter Haven, does hereby find that it is in the best interest of the City and its citizens to amend Ordinance No. O-24-21, regarding appropriation of funds for defraying expenses of the municipal government of the City of Winter Haven for the fiscal year commencing October 1, 2023, as provided herein,

NOW THEREFORE, BE IT ENACTED BY THE PEOPLE OF THE CITY OF WINTER HAVEN, FLORIDA, AS FOLLOWS:

1. The following revenue line in the 2015 Construction Fund is hereby amended as follows:

Transfer from the 2021 Construction Fund Increase from \$0 to \$3,120,270
306-381000-305

2. The following expenditure line in the 2021 Construction Fund is hereby amended as follows:

Transfer to the 2015 Construction Fund Increase from \$0 to \$3,120,270
305-80-412-9196

3. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent necessary to give this Ordinance full force and effect.

4. If any word, sentence, clause, phrase or provision of this ordinance, for any reason, is held to be unconstitutional, void, or invalid, the validity of the remainder of this ordinance shall not be affected thereby.

5. That sections of this Ordinance may be renumbered or relettered and the correction of typographical and/or scrivener's errors which do not affect the intent may be authorized by the City Manager or his designee, without need of public hearing, by filing a corrected or recodified copy of same with the City Clerk.

6. This Ordinance shall take effect immediately upon its passage.

INTRODUCED on first reading this 13th day of May, 2024.

PASSED on second reading this 28th day of May, 2024.

CITY OF WINTER HAVEN, FLORIDA

MAYOR-COMMISSIONER
Nathanial J. Birdsong, Jr.

ATTEST:

CITY CLERK
Vanessa Castillo, MMC

Approved as to form:

CITY ATTORNEY
Frederick J. Murphy, Jr.

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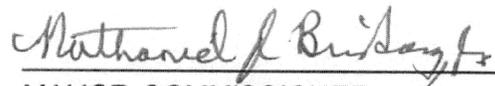
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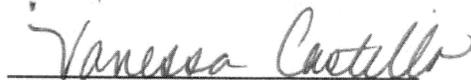
PASSED on second reading this 28th day of May, 2024.

CITY OF WINTER HAVEN, FLORIDA



MAYOR-COMMISSIONER

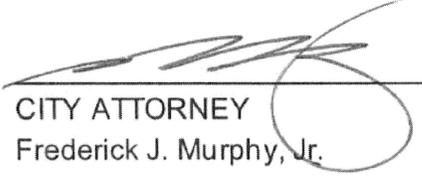
Nathaniel J. Birdsong, Jr.



CITY CLERK

Vanessa Castillo, MMC

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CITY ATTORNEY
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