



PORT ORANGE CITY COUNCIL WORKSHOP

Lakeside Community Center

1999 City Center Circle

Tuesday, June 30, 2015 @ 6:30 PM

WORKSHOP AGENDA

Pursuant to Section 3.06 of the Charter of the City of Port Orange, the Mayor has called a **Workshop** of the City Council to be held for the following purposes:

OPENING

1. Pledge of Allegiance
2. Silent Invocation
3. Roll Call

DISCUSSION ITEMS

4. Riverwalk proposal from Developer
5. Riverwalk Park update
6. Lien Amnesty Program
7. Streamlining the Procurement Process
8. Change Order Process Improvement
9. Fund Balance Discussion

ADJOURNMENT

ANY PERSON WHO DECIDES TO APPEAL ANY DECISION MADE BY THE CITY COUNCIL WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE HE OR SHE MAY NEED TO ENSURE AT HIS OR HER OWN EXPENSE FOR THE TAKING AND PREPARATION OF A VERBATIM RECORD OF ALL TESTIMONY AND EVIDENCE OF THE PROCEEDINGS UPON WHICH THE APPEAL IS TO BE BASED.

NOTE: IF YOU ARE A PERSON WITH A DISABILITY WHO NEEDS ANY ACCOMMODATION IN ORDER TO PARTICIPATE IN THIS PROCEEDING, YOU ARE ENTITLED, AT NO COST TO YOU, TO THE PROVISION OF CERTAIN ASSISTANCE. PLEASE CONTACT THE CITY CLERK FOR THE CITY OF PORT ORANGE, 1000 CITY CENTER CIRCLE, PORT ORANGE, FLORIDA 32129, TELEPHONE NUMBER 386-506-5563, WITHIN 2 WORKING DAYS OF YOUR RECEIPT OF THIS NOTICE OR 5 DAYS PRIOR TO THE MEETING DATE; IF YOU ARE HEARING OR VOICE IMPAIRED, CONTACT THE RELAY OPERATOR AT 1-800-955-8771.



CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 06/30/2015

Consent item: No

SUBJECT: Riverwalk proposal from Developer

DEPARTMENT: Community Development

RECOMMENDED MOTION:

SUMMARY:

The development team for the central area of Riverwalk, including the point property, will make a presentation on their development proposal and would like to discuss the following primary items with Council:

1. Transfer of property
2. Appropriate zoning to accommodate the uses proposed on the concept plan

Project	Funding Account
No.:	No.:

ATTACHMENTS:

1.	Developer's Concept Plan	Developer's Concept Plan.pdf
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Fenwick, Robin
Clark, Wayne
Harden, David

Created/Initiated - 05/06/2015
Approved - 06/24/2015
Final Approval - 06/24/2015



CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 06/30/2015

Consent item: No

SUBJECT: Riverwalk Park update

DEPARTMENT: Parks & Recreation

RECOMMENDED MOTION:

SUMMARY: Margaret Momberger from Community Development will give a brief update on the progress of the Riverwalk Park project as a whole. Then our Parks and Recreation Director will report what she has learned about splash pads. Since some Council members had expressed reservations about the planned splash pad, I asked Susan Lovallo to research splash pads in other cities concerning maintenance and any problems they may have experienced.

Project	Funding Account
No.:	No.:

ATTACHMENTS:

Fenwick, Robin	Created/Initiated - 06/25/2015
Harden, David	Approved - 06/25/2015
Lovallo, Susan	Approved - 06/25/2015
Harden, David	Final Approval - 06/25/2015



CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 06/30/2015

Consent item: No

SUBJECT: Lien Amnesty Program

DEPARTMENT: Community Development

RECOMMENDED MOTION:

SUMMARY:

At the May 5 meeting, Council directed staff to prepare discussion materials for a possible Lien Reduction program. The focus of this program could be to offer reductions of liens to get homeowners back into vacant homes to reduce code issues on the properties and increase property values in the neighborhoods.

Staff has reviewed lien amnesty programs in other cities and summarized key components to facilitate the Council discussion.

Liens Eligible for Reduction:

City	Sanford	Largo	Ft. Lauderdale	Delray Beach
Code Penalty Fines	Yes	Yes	Yes	Yes
Abatement Costs	No	No	No	No
Utility Liens	No	No	No	No
Special Assessments	No	No	No	No

Amnesty Program Comparisons:

City	Sanford	Largo	Ft. Lauderdale	Delray Beach
Application Fee	\$100	\$25	\$100	\$100
Reduction Amount	90%	80%	85%	80%*
Minimum Payment	10%	\$250	15%	20%
Maximum Payment	\$2,000	20%	15% (or 5% of fair market value; whichever is less)	N/A
Program Length	12 months	6 months	6 months	Ongoing
Payment Schedule	30 days	90 days	End of program	30 days

City	Sanford	Largo	Ft. Lauderdale	Delray Beach
Eligible Property Types (commercial, residential, etc.)	All	All	All	All
Lien Reductions Approved by	Staff	Staff	Staff if under \$5,000; City Commission if over \$5,000	Code Board

* For properties in the affordable housing program the reduction may be greater.

Property Ownership:

Examples of eligibility requirements for participation in the program include:

- Current property owner resident
- New/prospective buyer resident
- Landlords
- Banks
- Current owner non-residential
- Current owner not responsible for violation that led to lien
- If the owner has multiple properties with liens, each lien has to have a separate application
- Donate property for affordable housing

City of Port Orange outstanding Code Enforcement lien data:

Staff reviewed Code Enforcement data in the City's HTE system over a period of the past twenty years (1995-2015) to get an idea of the magnitude of code enforcement fines/liens that might be eligible for an amnesty program. The data has been entered in HTE in a variety of ways over the years and therefore the search results are not definitive. There were 43 properties with existing fines/liens found in the HTE system using this search method. Most totals were under \$10,000 with a median amount of \$10,000. There were five properties with liens over \$100,000.

Amount of fine:	0 - \$10,000	\$10,001 - \$25,000	\$25,001 - \$100,000	Over \$100,000
Approx. number of properties with fines:	22	8	8	5
Average:	\$ 3,614	\$ 16,556	\$ 49,319	\$ 322,920
Median:	\$ 3,150	\$ 17,050	\$ 41,000	\$ 234,500

Total Average:	\$ 51,653
Total Median:	\$ 10,000

Estimate of total Code Enforcement fines/liens due as of May 2015 ≈ \$2.22 million

City of Port Orange outstanding Utility lien data:

Staff reviewed Utility data in the City's HTE system over a period of the past five years (2010-2015) to get an idea of the magnitude of utility fines/liens that might be eligible for an amnesty program. There were 203 properties with existing fines/liens found in the HTE system using this search method. Most totals were under \$500 with a median amount of \$160. There were eight properties with fines/liens over \$500.

Estimate of total Utility fines/liens due from January 2010 to May 2015 ≈ \$43,470

Project	Funding Account
No.:	No.:

ATTACHMENTS:

Fenwick, Robin	Created/Initiated - 05/21/2015
Clark, Wayne	New - Returned - 06/24/2015
Harden, David	



CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 06/30/2015

Consent item: No

SUBJECT: Streamlining the Procurement Process

DEPARTMENT: Finance

RECOMMENDED MOTION:

SUMMARY: As our Purchasing Division has continued to review our purchasing Code requirements and procedures, they have developed additional recommendations concerning the way the City does business. We currently have no provisions in the City Code regarding how we handle bid protests, or suspension and debarment of vendors. These issues need to be addressed in our Code.

In addition, we would like to clarify the handling of purchases by different departments from the same vendor when the total from all departments exceeds \$25,000. Recent examples include the following:

- The Fire Department has a blanket \$60,000 purchase order with Ten-8 Fire Equipment for purchase of bunker gear and other protective equipment. The Public Works Department needs to contract with Ten-8 for two fire truck repairs - one for \$3,178.98 and one for \$14,087.73.
- The Utilities Department has a \$25,000 contract with Florida Detroit Diesel for diesel generator maintenance. Public Works needed to contract with Florida Detroit Diesel, who provided the lowest of three quotes, to install a new fuel tank at Fire Station 73 for \$15,505.
- IT has a five year contract with SimplexGrinnell for maintenance of the City's security access control system. The Police Department needed to replace two cameras which were not functioning at a cost of \$2,958 which took total purchases over the \$25,000 threshold.

In every case the second department's purchase is based on seeking quotes as required by the Code, or is sole source as with SimplexGrinnell. Staff requests that such purchases by a different department not be treated as a subdivided purchase. The City gains no purchasing advantage by treating them as a divided purchase.

Project Funding Account
No.: No.:

ATTACHMENTS:

1.	Purchasing PowerPoint	Streamlining the Procurement Process-wiaver of bidding.pptx
2.	Suspension and	Suspension_and_debarment..docx

	debarment	
3.	Bid protests	BIDPROTEST.docx
4.	Section 2-262	Sec. 2 262. Purchase procedures. (draft).docx

Fenwick, Robin	Created/Initiated - 05/21/2015
Gomez, Joseph	Approved - 06/17/2015
Riehm, Tracey	Approved - 06/17/2015
Rosen, Alan	Approved - 06/17/2015
Harden, David	Final Approval - 06/24/2015

Streamlining the Procurement Process

City of Port Orange
Purchasing Division
June 30, 2015

Overview

- The Purchasing Division has continued reviewing the City's current procurement practices, including the procedures manual and current code requirements, to determine whether more opportunities for improvement exist or whether further clarification was required. Staff has determined a need for the implementation of a suspension and debarment ordinance as well as one for bid protests. Finally, the issue of spending authority is addressed by adding additional language to City Code Sec 2-262 Purchase and sales procedures.

Proposed changes to code

- Section 2-262 – Purchase and sales procedures
 - Revising the language to clarify the spending authority granted by Council to the City Manager for purchases by multiple departments from same vendor. The proposed language reads as follows:
 - No contract or purchase shall be subdivided to avoid the requirements of this article. Separate purchases from the same vendor by different departments at different times for different purposes shall not be considered subdivided purchases.

Proposed ordinances

- Section 2-276 Suspension and debarment
 - Delineates the process for suspension and debarment of vendors, including the term of suspension as well as factors that would be utilized to reach such determination.
 - Suspension or debarment may be waived by City Council.

Proposed ordinance

- Section 2-277 Bid protests
 - Stipulates the process for filing protests of bid specifications or award, which is consistent with methodology used by the majority of governmental entities throughout the State of Florida.
 - Provides a process for resolution of protests through informal meetings with the protesting party.

Sec. 2-2.76. - Suspension and debarment.

- (a) Authority. The City Manager may suspend or debar for cause the right of a vendor to be included on a vendor list and any bid or response from that vendor rejected; provided, however, the City council shall have the power to waive or lift such suspension or debarment.
- (b) Suspension. A vendor may be suspended for a period not to exceed two (2) years as determined by the City Manager upon the following:
 - (1) Vendor defaults or fails to fully comply with the conditions, specifications or terms of a bid, quotation, proposal or contract with the City; or
 - (2) Vendor commits any fraud or misrepresentation in connection with a bid, quotation, proposal or contract with the city; or
 - (3) Vendor is charged by a court of competent jurisdiction with the commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract or in the performance of such contract or subcontract; or
 - (4) Vendor is charged by a court of competent jurisdiction with the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously and directly affects responsibility as a city government contractor.

If charges are dismissed or the vendor found not guilty, the suspension shall be lifted automatically upon written notification and proof of final court disposition provided by the vendor to the city; or
 - (5) Vendor becomes insolvent, has proceedings in bankruptcy instituted against it, or compounds its debts or assigns over its estate or effects for payment thereof, or has a receiver or trustee appointed over its property; or
 - (6) Vendor commission of any act or omission to perform any act which is grounds for debarment; or
 - (7) Vendor violates the ethical standards set forth in local, state or federal law; or
 - (8) Suspension by another government entity; or
 - (9) Any other cause the City Manager determines on a commercial basis to be so serious and compelling as to materially and adversely affect the capability of a business to function as a city contractor.
- (c) Debarment. A vendor may be permanently debarred for the following:
 - (1) Default or failure to fully comply with the conditions, specifications, drawings or terms of a bid, proposal or contract with the city twice in any three-year period.
 - (2) Conviction by or judgment obtained in a court of competent jurisdiction for commission of those offenses in connection with the vendor's commercial enterprise stated in subsections (b)(3) and (b)(4). If the conviction or judgment is reversed through the appellate process, the debarment shall be removed immediately upon written notification and proof of final court disposition from the vendor to the city.
- (d) Decision. After the City Manager has determined to suspend or debar a vendor, the Purchasing Manger shall notify the vendor in writing of the debarment or the period of suspension and the reasons for the action taken. The City Manager, prior to issuance of written notification, may schedule an informational hearing with the vendor to determine if suspension or debarment is warranted.
- (e) Public entity crime. Any vendor who has been convicted of a public entity crime as defined by F.S. § 287.133 shall not be able to transact business with the city to the extent as specified in F.S. § 287.133(3)(a).

- (f) Finality of decision. The suspension or debarment shall be final and conclusive, unless the suspended or debarred vendor initiates protest proceedings pursuant to Florida Statute 120.57

Sec. 2-2.77 BID PROTEST

Any person who is adversely affected by the City's decision or intended decision shall file with the City a notice of protest in writing within 72 hours after the posting of the notice of decision or intended decision. With respect to a protest of the terms, conditions, and specifications contained in a solicitation, including any provisions governing the methods for ranking bids, Bids, or replies, awarding contracts, reserving rights of further negotiation, or modifying or amending any contract, the notice of protest shall be filed in writing within 72 hours after the posting of the solicitation. The formal written protest shall be filed in writing within 10 days after the date the notice of protest is filed. Failure to file a notice of protest or failure to file a formal written protest shall constitute a waiver of proceedings. The formal written protest shall state with particularity the facts and law upon which the protest is based. Saturdays, Sundays, and state holidays shall be excluded in the computation of the 72-hour time period established herein. Upon receipt of the formal written protest that has been timely filed, the City shall stop the solicitation or contract award process until the subject of the protest is resolved by final City action, unless the City head sets forth in writing particular facts and circumstances which require the continuance of the solicitation or contract award process without delay in order to avoid an immediate and serious danger to the public health, safety, or welfare. The City shall provide an opportunity to resolve the protest by mutual agreement between the parties. The policy this City has established is as follows:

1. As soon as possible after receipt, the Purchasing Manager provides written bid protest to City Manager, City Attorney, Department Head involved and Supervisor directly involved in acquisition.
2. Purchasing Manager schedules an informal meeting with an appeals committee consisting of the above mentioned individuals and protestor. The intent of the meeting is to provide a review and/or solution prior to going before Council. After reviewing all relevant information, the City Manager renders a decision.
3. If the protestor disagrees, he may appeal to the City Council at a formal council meeting. After reviewing the evidence, the City Council issues their decision. For the most part, the City Council's decision is final. The protestor can appeal the decision by taking court action only on very narrow defined grounds. Decisions at all levels must be in writing to the protestor.

Sec. 2-262. - Purchase and sales procedures.

- (a) All supplies, equipment and contractual services, except as otherwise provided herein, when the estimated purchase price thereof shall exceed \$25,000.00, shall be purchased from the bidder determined by the city council to be the lowest and best responsible bidder pursuant to the formal bidding procedure.
- (b) No contract or purchase shall be subdivided to avoid the requirements of this article. Separate purchases from the same vendor by different departments for different purposes shall not be considered subdivided purchases.
- (c) Items with a purchase price of more than \$2,500.00 but less than \$5,000.00 shall be made using verbal quotations. Items with a purchase price of more than \$5,000.00 but less than \$25,000.00 shall be made with three quotations confirmed in writing.
- (d) All sales of personal property (except trade-in personal property) which has become obsolete or unusable or the sale of which is otherwise determined to be in the best interest of the city, when the estimated value exceeds \$25,000.00, shall be made to the highest responsible bidder pursuant to the formal bidding procedure of this article. Acceptance or rejection of bids for such sales shall be made by the city council. The city council may, by appropriate resolution, authorize the city manager or other city official to execute any and all title transfers, bills of sale or other documents necessary to convey and transfer such property to the successful bidder. In the absence of such authorization by resolution, the mayor and city clerk may execute such instruments.
- (e) All sales of personal property (except trade-in personal property) which has become obsolete or unusable or the sale of which is otherwise determined to be in the best interest of the city, when the estimated value is \$25,000.00 or less, may be sold upon the written approval of the city manager. Notice of such sale shall be posted in city hall and, insofar as is practicable and reasonable, written and sealed bids should be solicited. Notwithstanding the foregoing, such property may be sold by negotiated sale, auction or other procedure approved by the city manager. Formal advertising or compliance with the formal bidding procedure shall not be required. The city manager, or such person as he shall designate in writing, is authorized to execute any and all title transfers, bills of sale or other documents necessary to convey and transfer such property to the purchaser thereof.
- (f) Junk Non-real Property. The City Manager may declare that any non-real property that is determined by the City Manager to have reached the end of its useful life and/or may expose the City to potential liability from its continued use or sale and/or whose disposition cost exceeds its value, is junk. Non-real property declared by the City Manager to be junk shall be disposed of without receipt of consideration (or, if necessary, at a cost to the City) and shall be rendered useless and not be donated.



CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 06/30/2015

Consent item: No

SUBJECT: Change Order Process Improvement

DEPARTMENT: Public Utilities

RECOMMENDED MOTION:

SUMMARY:

As a result of examining the Dunlawton Drainage Project combined with staff experience with other organizations and input from Department Directors/Project Managers citywide, the current change order process was reviewed and improvements identified. Current policy leaves a number of issues to be addressed, and is ambiguous and inflexible. Revised Policy Recommendations include:

- Provision for an Unforeseen Conditions Allowance.
- Approval of changes within this allowance by staff.
- If the allowance is exceeded, cost increases to be brought to Council.
- Scope changes to be brought to Council
- Time changes to be brought to Council.

The City Manager is empowered to approve changes resulting from emergency events. Changes exceeding their normal authority will be brought to Council at the next meeting.

The purpose of these recommended policy modifications is to simplify the process, allow for unforeseen conditions and emergencies and improve accountability.

Project Funding Account
No.: No.:

ATTACHMENTS:

1.	Presentation	Change Order Proposed Changes (rev3).pptx
2.	Proposed Code Change (City Code Sec 2-272)	Sec. 2_272. ___Alterations_or_modifications_of_contracts.-revisedmargaret (rev1).docx
3.	Change Order Form	Change Order-2.docx

Fenwick, Robin	Created/Initiated - 06/18/2015
Wilson, Rick	Approved - 06/18/2015
Neff, Andrew	Approved - 06/18/2015
Gomez, Joseph	Approved - 06/25/2015
Harden, David	Final Approval - 06/25/2015

City of Port Orange Change Order Process Improvement

City of Port Orange
Public Utilities Department
June 30, 2015

Background

- City Manager Desired Process Review
- Improvements Needed as a Result of Inquiry Into Dunlawton Drainage Project
- Policy Recommendations Based on Inquiry Results, Experience with Other Organizations and Departmental Input Citywide

Existing Policy

Sec. 2-272. - Alterations or modifications of contracts.

- Where in the opinion of the department head it becomes necessary for the prosecution of any work or improvement under contract to make alterations or modifications in such contract, such alterations or modifications may only be effected as follows:

Any modification to any contract which changes the original contract price by more than \$25,000.00 must be authorized by the city council. Modifications to any contract which changes the original contract price by less than \$5,000.00 may be authorized by the respective department head. Modifications to any contract which changes the original contract price by more than \$5,000.00 but less than \$25,000.00 must have prior authorization by the city manager.

Issues

- Are these Amounts cumulative?
- Are Amounts Above Contract Award Only?
- How are Deductive Change Orders Handled?
- How are Unplanned Events/Emergencies Addressed?

Proposed Policy

- Provide Unforeseen Conditions allowance at project award/approval
- Unforeseen Conditions change orders (within scope) may be approved by Staff within allowance
- Changes with costs above unforeseen conditions allowance go to Council

Proposed Policy

- Scope changes go to City Council
 - Scope defined as original intent of project
 - Scope change is defined as changes that materially alter or expand the original intent of the project.
- Emergency event:
 - May be authorized by the Manager to avoid delays
 - If above Managers authority, will go to council at next council meeting

Proposed Change

Sec. 2-272. - Alterations or modifications of contracts.

- Where in the opinion of the department head it becomes necessary for the prosecution of any work or improvement under contract to make alterations or modifications in such contract, such alterations or modifications may only be effected as follows:
- The City Manager or designee shall have the authority to approve and execute all change orders and amendments within the allowance for unforeseen conditions previously approved by Council at the time of contract award. The changes must be in accordance with the terms and conditions of the particular contract. Change Orders above the unforeseen conditions allowance must be approved by City Council, unless an emergency event in the performance of the contract is encountered which requires immediate resolution and for which failure to act could result in additional costs or delays to the City or endanger the public. Changes in project scope, defined as changes that materially alter or expand the original intent of the project as advertised and approved by Council, must be approved by City Council. Changes in project time must also be approved by City Council.
- The change order due to any emergency event shall be brought to City Council for approval at the next available meeting if the approval authority of the City Manager has been exceeded.
- ~~Any modification to any contract which changes the original contract price by more than \$25,000.00 must be authorized by the city council. Modifications to any contract which changes the original contract price by less than \$5,000.00 may be authorized by the respective department head. Modifications to any contract which changes the original contract price by more than \$5,000.00 but less than \$25,000.00 must have prior authorization by the city manager.~~

(Code 1981, § 8-37; Ord. No. 1997-22, § 8, 5-6-97; Ord. No. 2004-15, § 7, 7-20-04)

Change Order Document

CHANGE ORDER NO. _____
To _____ dated _____
_____, Contractor

Project: _____

The following changes are hereby made to the Contract Documents:

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price:	Original Contract Times
\$ _____	Substantial Completion: _____ days
	Final Completion _____ days
Net changes from previous Change Order:	Changes in contract time from previous Change Orders:
No. ____ \$ _____	No. ____ days _____ days
\$ _____	
Contract Price prior to this Change Order:	Contract Completion Date prior to this Change Order:
\$ _____	Final Completion: _____ date
Net Increase (decrease) of this Change Order No. ____:	Changes in contract time requested this Change Order No. ____: (Requires Council Approval)
\$ _____	_____ days
Contract Price with all approved Change Orders:	Contract Times with all approved Change Orders:
\$ _____	Final Completion: _____ date

CHANGES ORDERED:

- I. GENERAL: This Change Order is necessary to cover changes in the work to be performed under the _____ entered into by and between the parties on _____.
- II. REQUIRED CHANGES: To provide for _____. No goods shall be delivered nor services commenced hereunder until this Change Order has been fully executed by all parties.
- III. JUSTIFICATION: Changes in scope require Council approval. Is this a scope change?
- IV. PAYMENT: Payment for this Change Order shall be made in accordance with the terms of the _____ subject to a limit up to but not to exceed \$ _____. All payments shall be governed by the Local Government Prompt Payment Act as set forth in Florida Statutes Section 218.70 through 218.79, as amended.

Change Order Document

Acknowledgments: The aforementioned change, and work affected thereby, is subject to all provisions of the original contract not specifically changed by this Change Order; It is expressly understood and agreed that the approval of the Change Order shall have no effect on the original contract other than matters expressly provided herein; The prices quoted are fair and reasonable and in proper ratio to the cost of the original work contracted for under competitive bidding; and, The change in price and/or delivery date described is considered to be fair and reasonable and has been mutually agreed upon in full agreement and final settlement of all claims arising out of this modification including all claims for delays and disruptions resulting from, caused by, or incident to such modifications and change orders. <table border="0"><tr><td>RECOMMENDED BY: Department Project Manager</td><td>ACCEPTED BY: Contractor</td></tr></table> <table border="0"><tr><td>By _____ Printed Name _____ Title _____ Date Signed _____</td><td>By _____ Printed Name _____ Title _____ Date Signed _____</td></tr></table> <table border="0"><tr><td>RECOMMENDED BY: City's Representative</td><td>RECOMMENDED BY: Engineer of Record</td></tr></table> <table border="0"><tr><td>By _____ Printed Name _____ Title _____ Date Signed _____</td><td>By _____ Printed Name _____ Title _____ Date Signed _____</td></tr></table> CITY OF PORT ORANGE - CHANGE ORDER Page 3 of 4	RECOMMENDED BY: Department Project Manager	ACCEPTED BY: Contractor	By _____ Printed Name _____ Title _____ Date Signed _____	By _____ Printed Name _____ Title _____ Date Signed _____	RECOMMENDED BY: City's Representative	RECOMMENDED BY: Engineer of Record	By _____ Printed Name _____ Title _____ Date Signed _____	By _____ Printed Name _____ Title _____ Date Signed _____	APPROVED BY: City of Port Orange Department Head By _____ Printed Name _____ Title _____ Date Signed _____ City Manager By _____ Printed Name _____ Title _____ Date Signed _____ <table border="0"><tr><td>If Council approval is required:</td><td>Affirmed:</td></tr></table> <table border="0"><tr><td>By _____ Printed Name: Allen Green Title: Mayor Date Signed _____</td><td>By _____ Printed Name: Robin L. Fenwick, CMC, City Clerk Title: _____ Date Signed _____</td></tr></table> CITY OF PORT ORANGE - CHANGE ORDER Page 4 of 4	If Council approval is required:	Affirmed:	By _____ Printed Name: Allen Green Title: Mayor Date Signed _____	By _____ Printed Name: Robin L. Fenwick, CMC, City Clerk Title: _____ Date Signed _____
RECOMMENDED BY: Department Project Manager	ACCEPTED BY: Contractor												
By _____ Printed Name _____ Title _____ Date Signed _____	By _____ Printed Name _____ Title _____ Date Signed _____												
RECOMMENDED BY: City's Representative	RECOMMENDED BY: Engineer of Record												
By _____ Printed Name _____ Title _____ Date Signed _____	By _____ Printed Name _____ Title _____ Date Signed _____												
If Council approval is required:	Affirmed:												
By _____ Printed Name: Allen Green Title: Mayor Date Signed _____	By _____ Printed Name: Robin L. Fenwick, CMC, City Clerk Title: _____ Date Signed _____												



Discussion

Sec. 2-272. - Alterations or modifications of contracts.

Where in the opinion of the department head it becomes necessary for the prosecution of any work or improvement under contract to make alterations or modifications in such contract, such alterations or modifications may only be effected as follows:

The City Manager or designee shall have the authority to approve and execute all change orders and amendments within the allowance for unforeseen conditions previously approved by Council at the time of contract award. The changes must be in accordance with the terms and conditions of the particular contract. Change Orders above the unforeseen conditions allowance must be approved by City Council, unless an emergency event in the performance of the contract is encountered which requires immediate resolution and for which failure to act could result in additional costs or delays to the City or endanger the public. Changes in project scope, defined as changes that materially alter or expand the original intent of the project as advertised and approved by Council, must be approved by City Council. Changes in project time must also be approved by City Council.

The change order due to any emergency event shall be brought to City Council for approval at the next available meeting if the approval authority of the City Manager has been exceeded.

~~Any modification to any contract which changes the original contract price by more than \$25,000.00 must be authorized by the city council. Modifications to any contract which changes the original contract price by less than \$5,000.00 may be authorized by the respective department head. Modifications to any contract which changes the original contract price by more than \$5,000.00 but less than \$25,000.00 must have prior authorization by the city manager.~~

(Code 1981, § 8-37; Ord. No. 1997-22, § 8, 5-6-97; Ord. No. 2004-15, § 7, 7-20-04)

CHANGE ORDER NO. _
 To _____ dated _____
 _____, Contractor

Project: _____

The following changes are hereby made to the Contract Documents:

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: \$	Original Contract Times Substantial Completion: ____ days Final Completion ____ days
Net changes from previous Change Order: No. _: \$ \$	Changes in contract time from previous Change Orders: No. _: ____ days ____ days
Contract Price prior to this Change Order: \$	Contract Completion Date prior to this Change Order: Final Completion: ____ date
Net Increase (decrease) of this Change Order No. ____: \$	Changes in contract time requested this Change Order No. ____: (Requires Council Approval) ____ days
Contract Price with all approved Change Orders: \$	Contract Times with all approved Change Orders: Final Completion: ____ date

CHANGES ORDERED:

- I. GENERAL: This Change Order is necessary to cover changes in the work to be performed under the _____ entered into by and between the parties on _____.
- II. REQUIRED CHANGES: To provide for _____. No goods shall be delivered nor services commenced hereunder until this Change Order has been fully executed by all parties.
- III. JUSTIFICATION:
Changes in scope require Council approval. Is this a scope change?
- IV. PAYMENT: Payment for this Change Order shall be made in accordance with the terms of the _____ subject to a limit up to but not to exceed \$_____. All payments shall be governed by the Local Government Prompt Payment Act as set forth in Florida Statutes Section 218.70 through 218.79, as amended.

Acknowledgments:

The aforementioned change, and work affected thereby, is subject to all provisions of the original contract not specifically changed by this Change Order;

It is expressly understood and agreed that the approval of the Change Order shall have no effect on the original contract other than matters expressly provided herein;

The prices quoted are fair and reasonable and in proper ratio to the cost of the original work contracted for under competitive bidding; and,

The change in price and/or delivery date described is considered to be fair and reasonable and has been mutually agreed upon in full agreement and final settlement of all claims arising out of this modification including all claims for delays and disruptions resulting from, caused by, or incident to such modifications and change orders.

RECOMMENDED BY:

Department Project Manager

ACCEPTED BY:

Contractor

By: _____
Printed Name: _____
Title: _____

Date Signed: _____

By: _____
Printed Name: _____
Title: _____

Date Signed: _____

RECOMMENDED BY:

City's Representative

RECOMMENDED BY:

Engineer of Record

By: _____
Printed Name: _____
Title: _____

Date Signed: _____

By: _____
Printed Name: _____
Title: _____

Date Signed: _____

APPROVED BY:
CITY OF PORT ORANGE
Department Head

By: _____
Printed Name: _____
Title: _____

Date Signed: _____

City Manager

By: _____
Printed Name: _____
Title: _____

Date Signed: _____

If Council approval is required:

Affirmed:

By: _____
Printed Name: Allen Green
Title: Mayor

Robin L. Fenwick, CMC, City Clerk

Date Signed: _____

Date Signed: _____



CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 06/30/2015

Consent item: No

SUBJECT: Fund Balance Discussion

DEPARTMENT: Finance

RECOMMENDED MOTION:

SUMMARY: Council requested a discussion on General Fund fund balance policy. This discussion includes a refresher on fund balance terminology, analysis of similar cities, historical information and recommendations from the Government Finance Officers Association (GFOA). Recommendations on fund balance policy are also included. Staff requests direction on a policy Council would like to see going forward.

Project	Funding Account
No.:	No.:

ATTACHMENTS:

1.	Fund Balance Policy Presentation	Fund Balance Presentation.pdf
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Riehm, Tracey	Created/Initiated - 05/20/2015
Riehm, Tracey	Approved - 06/25/2015
Rosen, Alan	Approved - 06/25/2015
Harden, David	Final Approval - 06/25/2015

General Fund Fund Balance Policy

June 30, 2015



Discussion Agenda

1. What is a “Fund Balance”
2. How Much is Enough?
3. Policy Review
4. Policy Recommendation
 1. How much?
 2. What if you exceed your target?
 3. What if you don't have enough?
5. Discussion



What is “Fund Balance”?

“Most simply, fund balance is the difference between assets and liabilities”

– Governmental Accounting Standards Board (GASB)

Year	2013	2014	2015
Beginning Balance	\$100	\$100	\$105
Revenue	+\$5	+\$10	+\$0
Expenditures	-\$5	-\$5	-\$5
Ending Balance	=\$100	=\$105	=\$100



What is “Fund Balance”?

- What is Fund Balance Used For?
- “Governments use fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures)...” – GFOA
- “Credit rating agencies monitor levels of fund balance and unrestricted fund balance in a government’s general fund to evaluate a government’s continued creditworthiness.” – GFOA



What is “Fund Balance”?

Best Practice

- Use **Ongoing** Revenues for **Ongoing** Expenditures
- Use **One-time** Revenues for **One-time** Expenditures



What is “Fund Balance”?

GASB 54 (Issued in 2009).

Created mandatory reporting requirements for Fund Balance definitions



What is “Fund Balance”?

Examples

- Non-spendable
 - Inventories, prepaid items, City loans to others
- Restricted (by State, Feds, granting agencies)
 - Restricted grant money
 - Debt covenant money
 - Restricted due to laws or legislation (gas tax)



What is “Fund Balance”?

Examples

- Committed (by Council)
 - Committed by formal action
 - For Emergencies or any purpose deemed necessary
- Assigned (by staff, committee, etc.)
 - No formal action needed to be “assigned”
 - Encumbrances for contracts, projects, etc.
- Unassigned
 - Total Fund Balance – all other categories = Unassigned Fund Balance



How Much Is Enough?

- “GFOA recommends, at a minimum, that general-purpose governments... maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.”
 - 2 Months/12 Months = 16.7%



How Much Is Enough?

- Florida League of Cities (FLC) surveyed coastal cities in North Carolina that were impacted by several consecutive years of hurricanes.
- City Manager's there expressed a desire to have an unrestricted fund balance of between 25% and 30%.



Policy Review

Port Orange Fund Balance Policy

“The City will maintain an **unreserved-undesignated** fund equity of approximately **15%** of Annual Budget requirements or a net equity reserve equal to at **least 54 consecutive days**. The net equity retention policy applies to four main operating funds of the City: general, water/sewer, solid waste and drainage. The Primary purpose of this retention is to fund unforeseen occurrences.”



Adopted 7-24-2012

Policy Review

City	Overall Fund Balance Policy	Additional Emergency Reserve Policy
Boca Raton	Yes, 10% of expenditures	Yes, no amount mentioned
Daytona Beach	Yes, 10% of expenditures	No
Deland	Yes, 2 months of exp.	Yes, no amount mentioned
Deltona	Yes, 2 months of exp.	Yes, \$6 Million
Fort Walton Beach	No	Yes, 30% of expenditures
Melbourne	Yes, 25% of expenditures	No
New Smyrna Beach	Yes, 25% of expenditures	No
Ormond Beach	Yes, 15% of expenditures	No
Palm Coast	Yes, 10%-20% of exp.	Yes, at least .02% of Just Value
Port Orange	Yes, 15% of expenditures	No
Sanford	Yes, 25% of expenditures	Yes, approximately \$3 Million



Note: Information gathered from budget books and direct contact where one was made

Policy Review

Policy Constructs for Fund Balance Amounts

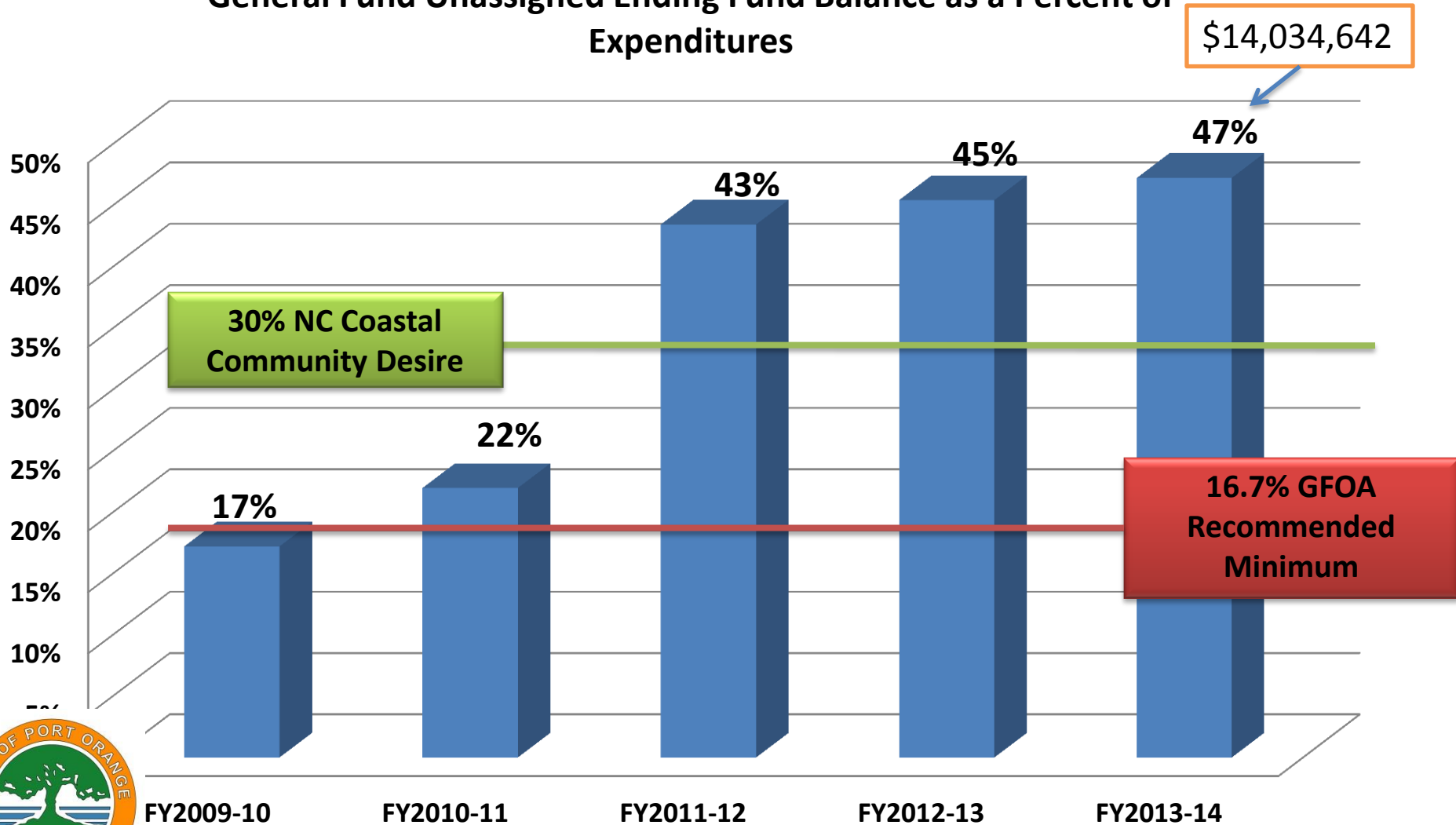
Overall Fund Balance		Emergency Reserve
% of Expenditures or # of Months of Operating	+	Random Amount
% of Expenditures or # of Months of Operating	+	Nothing
% of Expenditures or # of Months of Operating	+	% of Just Value
Nothing	+	30% of Expenditures

“Nothing” indicates that the overall fund balance policy takes into account emergency reserve and all other needs



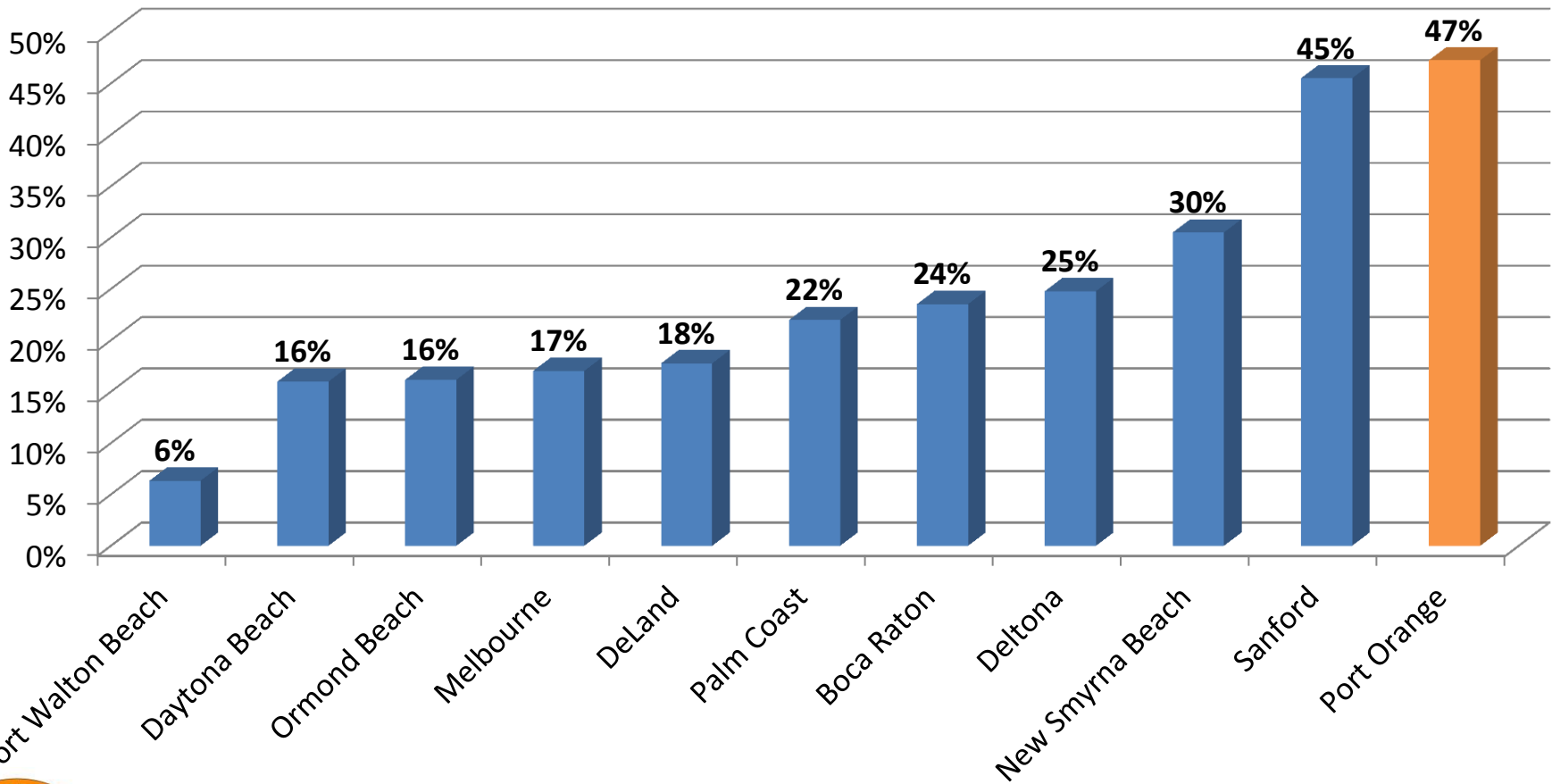
Policy Review

General Fund Unassigned Ending Fund Balance as a Percent of Expenditures



Policy Review

FY 2013-14 General Fund Unassigned Fund Balance as a % of Expenditures



Policy Recommendation

- Based on 30% of Expenditures
 - \$8.9 Million
- Based on Historical Actuals
 - 2004 GF Hurricane Expenditures = \$6.9 Million
 - \$8.8 Million in today's dollars
- Based on 0.02% of Just Value
 - \$810,527

Note 1: FY 2014 Ending Unassigned Fund Balance = \$14 Million (General Fund)

Note 2: Storm costs are only estimates. There are many other variables to consider including: What will other jurisdictions provide? How severe is the storm and how many emergencies will there be in one year?



Policy Recommendation

Unassigned Fund Balance of at least 30% of Expenditures (Approximately \$8.9 Million)

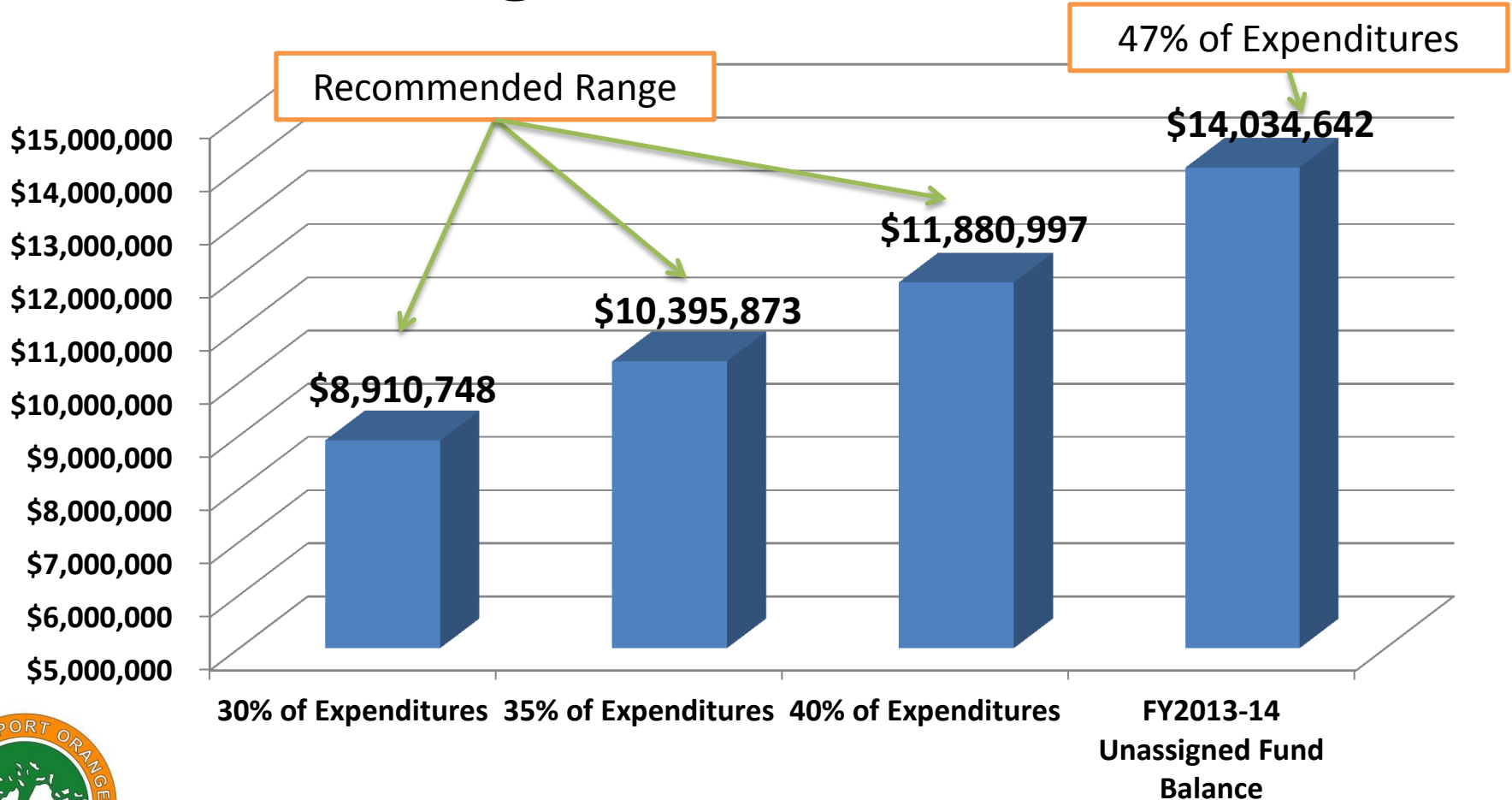
- Since historical emergency expenditures are the same as 30% of expenditures (in today's dollars), recommendation is to set unrestricted fund balance at 30% of expenditures minimum.
- This will set the amount at the cost of historical emergency expenditures as well as (in general) keep this amount in-line with the increasing costs of CPI.



Another Option: Unrestricted Fund Balance Range

Policy Recommendation

Unassigned Fund Balance



Policy Recommendation

Approximate money available for one-time expenditures if fund balance levels are reduced...

- To 40% of Expenditures
 - \$2.15 Million
- To 35% of Expenditures
 - \$3.64 Million
- To 30% of Expenditures
 - \$5.12 Million

Staff recommends between 30% and 40% of expenditures as an appropriate level for Unassigned General Fund Fund Balance



Policy Recommendation

Recommended Uses for Unassigned Fund Balance Over Approved Levels

- **One-time** Expenditures only
 - Capital projects
 - Unusual one-time operating expenditures
 - Reduce liabilities
 - Other?

Note: Fund Balance is not a budgeted item and cannot be spent without approval of Council through a budget resolution to transfer funds.



Policy Recommendation

Recommended Policies for Replenishing Fund Balance Levels

- Over a 2 year period
- Over a 5 year period
- All excess funds, every year until the fund balance reaches minimal levels
- City Manager will advise if levels fall below minimum levels so Council can take necessary action



Discussion

Council Recommendations...

- Unassigned Fund Balance Policy Amount
- Policy on Spending balances Over Required Levels
- Policy on Replenishing Fund Balance to Desired Levels



Discussion

