ORDINANCE No. 2008-09-145

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AMENDING THE FISCAL YEAR 2007/2008 BUDGET TO RECLASSIFY THE "STORMWATER SPECIAL REVENUE" TO AN ENTERPRISE FUND FOR ACCOUNTING PURPOSES; AUTHORIZING THE CITY MANAGER TO TRANSFER ALL OF THE AMOUNTS ORIGINALLY BUDGETED IN THE "STORMWATER SPECIAL REVENUE" FUND TO A NEW "STORMWATER ENTERPRISE" FUND, IN ACCORDANCE WITH EXHIBIT "A" ATTACHED HERETO; PROVIDING FOR ADOPTION OF REPRESENTATIONS; REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR INCLUSION IN CODE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Budget for FY2007-08 that was originally approved by Council included a Stormwater Special Revenue Fund, and

WHEREAS, in accordance with ***Generally Accepted Accounting Principles (GAAP)***, the Stormwater Special Revenue Fund should have been classified as an "Enterprise Fund" for accounting purposes, and

WHEREAS, staff recommends that the FY2007-08 Budget be amended to reclassify the Stormwater Special Revenue fund to a Stormwater Enterprise Fund, and

WHEREAS, staff further recommends approval of a Budget amendment to transfer all of the originally budgeted amounts from the Stormwater Special Revenue Fund to the new Stormwater Enterprise Fund,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, as follows:

SECTION 1. ADOPTION OF REPRESENTATIONS: The foregoing Whereas Clauses are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Ordinance.

SECTION 2. AMENDMENT: The Fiscal Year 2007/2008 Budget is hereby amended to reclassify the Stormwater Special Revenue Fund to a Stormwater Enterprise Fund.

SECTION 3. AUTHORIZATION: The City Manager is hereby authorized and directed to transfer the amounts originally budget to the Stormwater Special revenue Fund to the Stormwater Enterprise Fund, in accordance with Exhibit "A".

SECTION 4. CONFLICT: All ordinances or Code provisions in conflict herewith are hereby repealed.

SECTION 5. SEVERABILITY: If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this Ordinance.

SECTION 6. INCLUSION IN CODE: It is the intention of the City Council of the City of Miami Gardens that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of Miami Gardens and that the sections of this Ordinance may be renumbered or relettered and the word "Ordinance" may be changed to "Chapter," "Section," "Article" or such other appropriate word or phrase, the use of which shall accomplish the intentions herein expressed; provided, however, that Section 1 hereof or the provisions contemplated thereby shall not be codified.

SECTION 7. EFFECTIVE DATE: This Ordinance shall become effective immediately upon its final passage.

PASSED ON FIRST READING ON THE 13TH DAY OF FEBRUARY 2008.

ADOPTED AND PASSED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS AT ITS REGULAR MEETING HELD ON THE 27th DAY OF FEBRUARY 2008.

SHIRLEY GIBSON, MAYOR

ATTEST:

RONETTA TAYLOR, CMC, CITY CLERK

PREPARED BY: SONJA KNIGHTON DICKENS, ESQ.
City Attorney

SPONSORED BY: DANNY CREW, CITY MANAGER

MOVED BY: Vice Mayor Watson
SECONDED BY: Councilman Bratton

VOTE: 7-0

Mayor Shirley Gibson	x (Yes)	___(No)
Vice Mayor Barbara Watson	x (Yes)	___(No)
Councilman Melvin L. Bratton	x (Yes)	___(No)
Councilman Oscar Braynon, II	x (Yes)	___(No)
Councilman Aaron Campbell	x (Yes)	___(No)
Councilwoman Sharon Pritchett	x (Yes)	___(No)
Councilman André Williams	x (Yes)	___(No)

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COUNCIL BUDGET AMENDMENT #1

City of Miami Gardens
FY 2007-2008 Budget Amendment
All Operating Funds

Fund/Classification	Amended Budget	Amendment No. 1	Ref	Amended Budget
General Fund	**$62,389,454**	**$0**		**$62,389,454**
Special Revenue Funds:				
Transportation	5,618,235	$0		**$5,618,235**
SHIP	913,340			**$913,340**
Stormwater	3,987,400	(3,987,400)	(1)	**$0**
CDBG	2,929,795	0		**$2,929,795**
Development Services	4,471,490			**$4,471,490**
Impact Fees	2,019,670	0		**$2,019,670**
Total Special Revenue Funds	**$19,939,930**	**($3,987,400)**		**$15,952,530**
Enterprise Funds:				
Stormwater	0	3,987,400	(1)	**$3,987,400**
		-		
Total Enterprise Funds	**$0**	**$3,987,400**		**$3,987,400**
Other Funds:				
General Services Fund	10,525,431	0		$10,525,431
Capital projects	57,239,210	-		57,239,210
		-		
Total Other Funds	**$67,764,641**	**$0**		**$67,764,641**
GRAND TOTAL ALL FUNDS	**$150,094,025**	**$0**		**$150,094,025**

Legend:

1) To establish the new enterprise fund in accordance with GAAP

City of Miami Gardens

1515-200 NW 167th Street
Miami Gardens, Florida 33169

Mayor Shirley Gibson
Vice Mayor Barbara Watson
Councilman Melvin L. Bratton
Councilman Oscar Braynon II
Councilman Aaron Campbell Jr.
Councilwoman Sharon Pritchett
Councilman André Williams

Agenda Cover Page

Date: February 27, 2008
Fiscal Impact: No X Yes
(If yes, explain in Staff Summary)
Funding Source:N/A
Contract/P.O. Requirement: Yes No X
Sponsor Name/Department:
Dr. Danny O. Crew, City Manager

Public hearing X
Ordinance X
1st Reading □
Advertising requirement:
RFP/RFQ/Bid

Quasi-Judicial □
Resolution
2nd Reading X
Yes X No

Title

"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AMENDING THE FISCAL YEAR 2007/2008 BUDGET TO RECLASSIFY THE "STORMWATER SPECIAL REVENUE" TO AN ENTERPRISE FUND FOR ACCOUNTING PURPOSES; AUTHORIZING THE CITY MANAGER TO TRANSFER ALL OF THE AMOUNTS ORIGINALLY BUDGETED IN THE "STORMWATER SPECIAL REVENUE" FUND TO A NEW "STORMWATER ENTERPRISE" FUND, IN ACCORDANCE WITH EXHIBIT "A" ATTACHED HERETO; PROVIDING FOR ADOPTION OF REPRESENTATIONS; REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR INCLUSION IN CODE; PROVIDING AN EFFECTIVE DATE."

Staff Summary

The budget for FY2007-08 that was originally approved by Council contained, among other funds, a Stormwater Special Revenue fund. Under ***Generally Accepted Accounting Principles (GAAP)***, this fund should have been classified as an "Enterprise Fund" for accounting purposes. This requirement can be found in the Governmental Accounting Standards Board (GASB) Statement No. 34, paragraph 67.

I-3) ORDINANCE
2ND READING
STORMWATER ENTERPRISE

Under GAAP, an Enterprise fund is ***required*** to be used when there is debt backed solely by fees and charges. Since we assumed debt as part of the takeover of the stormwater operations from the County, and since this debt is deducted by the County from stormwater fees they collect, the fund meets the requirements for classification as an Enterprise fund.

Enterprise funds differ from Governmental funds in that they are accounted for under the full accrual method of accounting while governmental funds follow more of a cash basis type of accounting. Enterprise funds follow similar accounting as private sector businesses.

Recommendation:

Staff recommends approval of the changes in this ordinance so that the City will be in compliance with GAAP. In addition, Staff recommends approval of a budget amendment to transfer all of the originally budgeted amounts from the Stormwater Special Revenue fund to the new Stormwater enterprise fund.