

M E M O R A N D U M

Date: December 27, 2012

TO: Dave Bullock, Town Manager
THROUGH: Tom Kelley, Finance Director
FROM: Sandi Henley, Budget Analyst
SUBJECT: Resolution 2013-02, Fiscal Year 2011-2012 Year End Budget Transfer

At the December 10, 2012 Regular Workshop the Town Commission forwarded Resolution 2013-02, Fiscal Year 2011-2012 Year End Budget Transfer to the January 7, 2013 Regular Meeting for formal action. This memo recaps the details of Resolution 2013-02.

Throughout the fiscal year individual line items in a department may go over budget. Most of the time budget transfers are done to cover the shortfall in a particular line item. There are line items where we know there is a shortfall but we don't know how much it will be until the year end and there are other cases where all of the postings are not done until the year end adjusting entries are made.

In years prior to 2010, the Town let the line items that were over budget just close to fund balance. Changes to financial reporting requirements by the Governmental Accounting Standards Board require, at the legal level of budgetary control, explanations of all over budget situations. In the interest of simplifying the budgetary reporting in the Comprehensive Annual Financial Report (CAFR) and, more importantly, increased transparency in the budgeting process, I am presenting for Commission approval proposed Resolution 2013-02 which covers all of the over budget line items with the exception of Tennis Center.

The Town Charter requires that all accounts in the General Ledger have sufficient budgets to cover the expenditures in each account. The Town Manager may transfer up to \$10,000 of funds within a department or agency. If the transfer required to balance the account exceeds \$10,000, or there are insufficient funds available for transfer within a department, the Town Commission may authorize these transfers.

Resolution 2013-02 include transfers that exceed the authority of the Town Manager. This resolution also include transfers due to account number changes that are not actually over budget, but exceed the transfer authority of the Town Manager. Attachment A of Resolution 2013-02 shows the accounts that will be transferred from and an explanation for the availability of such funds. The attachment also lists the accounts to which a transfer is required and an explanation for the shortfall, or accounting change.

This transfer does not amend the General Fund balance.

If you have any questions, please feel free to contact me.

RESOLUTION 2013-02

A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA, AMENDING THE FISCAL YEAR 2011-2012 BUDGET BY TRANSFERRING A TOTAL OF \$293,778 IN AVAILABLE UNENCUMBERED FUNDS IN VARIOUS GENERAL FUND LINE ITEM ACCOUNTS TO GENERAL FUND LINE ITEM ACCOUNTS WHERE EXPENDITURES EXCEEDED THE ADOPTED BUDGET, AS DETAILED; PROVIDING AN EFFECTIVE DATE.

WHEREAS, throughout the fiscal year individual expenditure accounts may go over budget requiring a budget transfer to be made; and,

WHEREAS, there are some expenditure accounts where a shortfall is expected but the transfer amount needed is unknown until the year end postings have occurred; and,

WHEREAS, pursuant to Town Charter, Article V, Section 9(d), the Town Manager has the authority to approve transfers of unencumbered funds up to \$10,000 within a department, office, or agency; and,

WHEREAS, the budget transfers for some of the individual expenditure accounts exceed the authority of the Town Manager, requiring Town Commission approval; and,

WHEREAS, some of the requested transfers are not due to budget shortfalls, but related to account number changes requiring transfers of larger amounts than the Town Manager has the authority to approve; and,

WHEREAS, the requested transfers will simplify budgetary reporting requirements based on new pronouncements from the Governmental Accounting Standards Boards and result in greater budgetary transparency.

NOW, THEREFORE, be it resolved by the Town Commission of the Town of Longboat Key, Florida, that:

SECTION 1. The above Whereas clauses are true and correct and are hereby ratified and confirmed.

SECTION 2. The Town Commission hereby transfers in the fiscal year 2011-2012 budget a total of Two Hundred Ninety Three Thousand Seven Hundred Seventy-Eight and 00/100 dollars (\$293,778), as detailed on Attachment A.

SECTION 3. This Resolution shall become effective immediately upon adoption.

Passed by the Town Commission of the Town of Longboat Key on the _____ day
of _____, 2013.

James L. Brown, Mayor

ATTEST:

Trish Granger, Town Clerk

ATTACHMENT A

TRANSFER FROM:

<u>DEPARTMENT</u>	<u>ACCOUNT NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>AMOUNT</u>	<u>EXPLANATION OF SURPLUS</u>
Town Attorney	001.1100.514.3102	Contractual Services / Legal	\$23,855	Town Attorney contractual expense was reduced due to changes implemented by Town Manager
General Fund Revenues	001.0900.331.5003	Fed Grants / Dept Homeland Security	\$79,521	Fire Department radio grant was not anticipated nor budgeted during the budget cycle.
Planning & Zoning	001.2500.515.1101	Wages / Executive	\$31,450	Staff changes left positions open for short periods. Transfer to Severance and Regular Wages
	001.2500.515.2204	Town Contrib Def Comp / Icma 401-A	\$4,680	
Town Manager	001.1200.512.1112	Wages / Supplemental Compensation	\$28,837	Town Manager Bullock participating in 401A instead of receiving supplemental wages as was originally budgeted for former Town Manager.
Police	001.1900.521.5210	Small Tools And Minor Equipment	\$27,196	Radio purchase in the amount of \$30,000 was deferred.
Police	001.1900.521.1201	Wages / Regular	\$18,470	Budgeted positions not filled during entire fiscal year 11-12
Police	001.1900.521.4603	R/M Automotive Equipment	\$20,000	Newer vehicles under warranty.
Police	001.1900.521.4601	R/M Buildings	\$5,800	Building repairs not required in FY 11-12. Funds transfered to General Services
Fire/Rescue	001.2000.522.4603	R/M Automotive Equipment	\$16,861	Pumper truck still under warranty
Fire/Rescue	001.2000.522.5210	Small Tools And Minor Equipment	\$12,468	Radios were originally budgeted in this account. The purchase was larger after the grant and the expenditures were moved to capital equipment
Town Clerk	001.1300.512.4903	Advertising	\$23,075	Advertising in only one local paper unless statutorially required.
Finance	001.1400.513.2203	Town Contrib Salary Savings / 401-K	\$1,565	Anticipated lower percentage employee contribution
Total			\$293,778	

ATTACHMENT A - continued

TRANSFER TO:

<u>DEPARTMENT</u>	<u>ACCOUNT NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>AMOUNT</u>	<u>EXPLANATION OF SHORTFALL</u>
Town Attorney	001.1100.514.3104	Prof Services / Other	\$23,855	Increase in litigation transfer from non litigation.
Fire/Rescue	001.2000.522.6403	Other Equipment	\$79,521	Fire Department radios were partially budgeted in small tools. Additional budget for more radios to be purchased in FY 11-12 due to grant.
Planning & Zoning	001.2500.515.1209	Severance	\$26,130	Severance for PZB Director; Regular Wages for PT Planner. Vacation cashed out.
	001.2500.515.1201	Wages / Regular	\$10,000	
Town Manager	001.1200.512.2204	Town Contrib Def Comp / Icma 401-A	\$28,837	Town Manager Bullock participating in 401A instead of supplemental wages as was originally budgeted.
Police	001.1900.521.5204	Fuel And Oil	\$27,196	Fuel prices rose higher than expected. Police Dept-largest fuel user
Police	001.1900.521.1101	Wages / Executive	\$18,470	Payout of unused medical and vacation time for Chief Hogle
General Services	001.3000.519.3104	Prof Services / Other	\$41,695	Additional costs related to pension studies
Fire/Rescue	001.2000.522.2401	Workers Compensation	\$16,861	Original allocation of Workers Compensation costs changed by Public Risk Management mid year
Fire/Rescue	001.2000.522.5204	Fuel And Oil	\$12,468	Fuel prices rose higher than expected.
Finance	001.1400.513.1201	Wages / Regular	\$7,112	Payout of vacation time over allowable carry forward amount
Finance	001.1400.513.2301	Insurance / Medical	\$1,633	Employee change after budget adoption resulted in different medical coverage election than prior employee
Total			\$293,778	



End of Agenda Item