MEMORANDUM

Date: February 25, 2014

TO: Dave Bullock, Town Manager

FROM: Sue Smith, Finance Director

SUBJECT: March 3, 2014 Regular Meeting Agenda Materials for FY 2013-2014 Budget Amendment and Budget Transfers

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Agenda items 6-9 and 11-13 encompass a series of Ordinances and Resolutions that outline requested budget amendments and budget transfers related to the Fiscal Year 2013-2014 Adopted Budget.

The attached PowerPoint presentation is applicable to the Agenda items referenced above and will provide an overview of each item during the March 3, 2014 Regular Meeting. It is placed at the beginning of item 6 for your reference in review of your Agenda materials prior to the meeting.

Please don't hesitate to contact me or the Town Manager if you have any questions about the PowerPoint presentation or the budget transfer documents.

TOWN OF LONGBOAT KEY

BUDGET TRANSFERS
FY ENDING 9/30/2014

TOWN COMMISSION
MARCH 3, 2014

PROPOSED RESOLUTIONS AND ORDINANCES FY2014

1. Resolution 2014-06 Transfers $200,000 from Contingency to PZB for Town Center and Zoning Code Changes
2. Resolution 2014-07 Transfers $37,885 from PZB to Police Department Budget for Code Enforcement Officer
3. Resolution 2014-08 Transfers $13,000 from Contingency to Public Works for Consulting Services Related to the Solid Waste Services Bid

PROPOSED RESOLUTIONS AND ORDINANCES FY2014 CONT.

4. Ordinance 2014-09 Eliminates Infrastructure Surtax Funds from the General Fund in the amount of $449,000

5. Ordinance 2014-10 Appropriates $296,000 of Fund Balance from the Building Fund for Expenses Related to The Colony and Other Contracted Services

PROPOSED RESOLUTIONS AND ORDINANCES FY2014 CONT.

6. Ordinance 2014-11 Amends the Utility Fund Budget to Provide $300,000 for Rehabilitation of Lift Station E from Utility Fund Contingency and Fund Balance

7. Ordinance 2014-12 Appropriates $250,000 of Fund Balance in the Beach Capital Project Fund to Provide for Expenses related to Litigation Defense on North End Structures and Revisions to Beach District Ordinances

CONTINGENCY BALANCES

Commission Contingency:

Opening balance	$ 250,000
Resolution 2013-36 (Nov 4, 2013)	(25,000)
Proposed Resolution 2014-06	(200,000)
Proposed Resolution 2014-08	(13,000)
Remaining Balance	$ 12,000

Utility Fund Contingency:

Opening balance	$ 200,000
Proposed Ordinance 2014-11	(200,000)
Remaining Balance	$ -0-

General Fund

RES 2014-06
RES 2014-07
RES 2014-08
ORD 2014-09

Enterprise Funds

Utility Fund

ORD 2014-11

Building Fund

ORD 2014-10

Special Revenue Fund

Infrastructure Fund

ORD 2014-09

Capital Projects Fund

Beach Fund

ORD 2014-12

FUND BALANCE IMPACT

	Beginning Fund Balance Oct 1, 2013	Proposed Ordinance	Ending Balance
General Fund	$ 3,116,520	-0-	3,116,520
Infrastructure Fund	$ 1,091,978	-0-	1,091,978
Building Fund	$ 899,407	($296,000)	603,407
Utility Fund (Unrestricted)	$ 16,300,000	($100,000)	16,200,000
Beach Fund	$ 5,276,491	($250,000)	5,026,491

TOWN OF LONGBOAT KEY

RESOLUTION 2014-06

General Fund

RES 2014-06
RES 2014-07
RES 2014-08
ORD 2014-09

Transfers $200,000 from Contingency
to
Planning Zoning & Building (PZB)
Budget

Professional Services-Town Center
$25,000
And
Professional Services-Other
$175,000

Contingency Balance after Transfer $25,000 and no impact to general fund balance.

RESOLUTION 2014-07

General Fund

RES 2014-06
RES 2014-07
RES 2014-08
ORD 2014-09

Transfers $37,885 from Planning, Zoning & Building (PZB) Budget to Police Department Budget

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- $31,138 Wages/Regular
- $2,382 FICA Taxes
- $2,802 Town Contribution 401(a)
- $750 Insurance-Medical
- $137 Insurance-Disability
- $76 Insurance-Life
- $600 Workers Compensation

No impact to Contingency or General Fund Balance

TOWN OF LONGBOAT KEY

RESOLUTION 2014-08

General Fund

RES 2014-06
RES 2014-07
RES 2014-08
ORD 2014-09

Transfers $13,000 from Contingency

To

Public Works Department Budget

Professional Services-Other

Contingency Balance after Transfer $12,000 and no impact to General Fund balance.

ORDINANCE 2014-09

General Fund

RES 2014-06
RES 2014-07
RES 2014-08
ORD 2014-09

Special Revenue Fund

Infrastructure Fund

ORD 2014-09

ORD 2014-09

Eliminates Infrastructure Surtax Funds in the Amount of $449,000 From the General Fund Budget

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- Reduces General Fund Budgeted Revenues-Transfers In
- Reduces General Fund Budgeted Expenditures-Capital
- Increases Infrastructure Fund Expenditures Budget-Capital

ORDINANCES 2014-10 AND 2014-11

Enterprise Funds

Utility Fund

ORD 2014-11

Transfers $200,000 from Contingency and $100,000 from Fund Balance To The Rehabilitation of Lift Station E Project

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Total $300,000

Fund Balance after transfer $31.4 million of which approx $16.2 million is unrestricted.

Building Fund

ORD 2014-10

Transfers $296,000 from Fund Balance To Building Code Enforcement Professional Services

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$170,000 The Colony
$126,000 Contract Inspections

Fund Balance after transfer $603,407

Capital Projects Fund

Beach Fund

ORD 2014-12

Transfers $250,000 from Fund Balance To Professional Services

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$150,000 Litigation Defense
$100,000 Ordinance Revision

Fund Balance after transfer $5 million

MEMORANDUM

Date: February, 20, 2014

TO: Town Commission

FROM: Dave Bullock, Town Manager

SUBJECT: Ordinance 2014-09, Amending the FY 2013-2014 Budget to Eliminate Infrastructure Surtax Funds from the General Fund

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In October of 2013 an internal audit was performed on the Infrastructure Fund by the Town's finance director and as a result we are recommending a change in accounting practice along with the associated budget amendment.

The Town maintains a special revenue fund to account for the infrastructure surtax collections but has not been recording the related expenditures in this fund. Other funds, such as the general fund, incur the expense and the money is transferred over to the general fund from the infrastructure surtax fund to reimburse it.

As a result of this accounting practice, the Town had cumulatively overfunded the general fund during Infrastructure Phase II and Phase III by $66,543 and $12,820, respectively. This overfunding was corrected and returned to the Infrastructure Fund during the FY2013 budget cycle.

The accounting definition of a special revenue fund is a fund used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes. We recommend that the expenditures be recorded in the Infrastructure Surtax Fund for better accountability and matching of the revenues which were committed for a specific purpose.

Ordinance 2014-09 amends the FY 2013-2014 Budget to provide for the change in accounting practice. The ordinance reduces the revenue and expenditures by the same amount in the general fund and creates the appropriations in the Infrastructure Surtax Fund for the projects already approved during the FY2013-2014 process.

Ordinance 2014-09 was presented to the Commission at their Feb. 18, 2014 Regular Workshop meeting for consideration. The Ordinance was forwarded to the March 3, 2014 regular meeting for first reading and public hearing.

Please don't hesitate to contact me if you have any questions.

ORDINANCE 2014-09

AN ORDINANCE AMENDING THE GENERAL FUND BUDGET OF THE TOWN OF LONGBOAT KEY, FLORIDA, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2013, AND ENDING SEPTEMBER 30, 2014; REDUCING TRANSFERS IN INFRASTRUCTURE SURTAX REVENUE IN THE AMOUNT OF $449,000.00; AND REDUCING RELATED CAPITAL EXPENDITURES FROM INFORMATION TECHNOLOGY, MUNICIPAL BUILDINGS, AND POLICE DEPARTMENTAL BUDGETS; AND REAPPROPRIATING EXPENDITURES IN THE INFRASTRUCTURE SURTAX FUND; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, an internal audit performed by the Town's Finance Director on the Infrastructure Surtax Fund resulted in a recommended change in an accounting practice relating to special revenue funds; and,

WHEREAS, a special revenue fund is a fund used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes; and,

WHEREAS, certain expenditures which were originally budgeted in the General Fund will be moved to the special revenue fund, Infrastructure Surtax Fund, for better accountability and matching of the revenues which were committed for a specific purpose; and,

WHEREAS, the revenue which was originally budgeted in the General Fund to cover such expenditures, will also be reduced by the amount of transfer;

NOW, THEREFORE, BE IT ORDAINED BY 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 general fund budget of the Town of Longboat Key for the fiscal year beginning October 1, 2013, and ending September 30, 2014, as adopted pursuant to Ordinance 2013-23, is hereby amended as follows:

Reduce Revenue Line	
001.0900.381.0102 Transfer In-Infrastructure Fund	$449,000
Reduce Expenditure Line	
001.1500.519.6403 IT-Other Equipment	$ 181,000
001.1700.519.6202 Municipal Buildings-Paint/Floor	20,000
001.1900.521.6401 Automotive Equipment	144,000
001.1900.521.6403 Other Equipment	104,000
	$ 449,000

SECTION 3. The Infrastructure Surtax Fund budget of the Town of Longboat Key for the fiscal year beginning October 1, 2013, and ending September 30, 2014, as adopted pursuant to Ordinance 2013-23, is hereby amended as follows:

Reduce Expenditure Line	
102.3400.572.9001 Transfer Out to General Fund	($449,000)
Increase Expenditure Line	
102.3400.519.6202 Interior Painting	$ 10,000
102.3400.519.6203 Floor Coverings	10,000
102.3400.519.6404 Server Replacement	96,000
102.3400.519.6405 Telephone System	85,000
102.3400.521.6401 Police Cars	108,000
102.3400.521.6402 SUV	36,000
102.3400.521.6403 Radio Equipment	104,000
	$449,000

SECTION 4. If any section, subsection, sentence, clause, or provision of this Ordinance is held invalid, the remainder of the Ordinance shall not be affected.

SECTION 5. All Ordinances or parts of Ordinances in conflict herewith shall be and the same are hereby repealed.

SECTION 6. This Ordinance shall take effect upon second reading and public hearing in accordance with Law and the Charter of the Town of Longboat Key.

Passed on the first reading and public hearing the _____ day of _____, 2014.

Adopted on the second reading and public hearing the ____ day of _____, 2014.

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James L. Brown, Mayor

ATTEST:

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Trish Granger, Town Clerk

End of Agenda Item