MEMORANDUM

Date: February 20, 2014

TO: Dave Bullock, Town Manager

FROM: Anne Ross, Assistant Town Manager

SUBJECT: Ordinance 2014-11, Budget Transfer in the Amount of $300,000 from Utility Commission Contingency and Utility Unallocated Unrestricted Reserve Fund Balance for Rehabilitation of Lift Station E

The Town of Longboat Key owns and maintains the wastewater collection system that conveys wastewater from Longboat to Manatee County where it is treated and converted to reclaimed water. The wastewater collection system is comprised of a series of lift stations (pumping stations), force mains, and gravity pipelines. The system infrastructure was installed mostly in the mid 1970's. The Public Works Department, through the Capital Improvements Plan Budget, has been systematically improving the collection system components to ensure reliability and longevity.

Wastewater Lift Station E is part of this program and is slated for renovation. This is the second largest lift station in the wastewater system and the last of the major stations to be rehabilitated. Lift Station E is located at 3600 Gulf of Mexico Drive between Buttonwood Cove Condominium and the Gulfshore Trailer Park.

The total budget available for this project is $850,000. During design and subsequent inspections it was determined that the scope of the project should be expanded to include:

- Generator Replacement – the existing generator has a limited remaining useful life and a vulnerable above ground fuel tank
- Safety Rail System – to facilitate accessing the large wastewater pumps
- Gravity Line Rehabilitation – the gravity pipeline between the last manhole and the wetwell needs cured in place lining

Competative bids for this project were received on January 9, 2014. Two qualified construction firms bid on the project, Westra Construction Corporation at $817,753 and Danus Utilities at $973,615. Utilizing the low bid number for construction, the expended engineering design cost and the expected engineering construction observation costs, a total budget of $1.15 million is needed. The original budgeted amount of $850,000 will not cover the project costs, therefore a budget transfer of $300,000 is being requested.

Two budget sources will be utilized for the transfer. A Commission Utility Contingency was budgeted in the amount of $200,000. The full amount of the

contingency ($200,000) will be transferred to the Lift Station E project budget. The remaining $100,000 needed for the project will be transferred from the Utility Unallocated Unrestricted Reserve Fund Balance which has approximately $31.5 million available.

Ordinance 2014-11 transfers the money between the appropriate sources to the Lift Station E project budget. If you should have any questions regarding this budget transfer, please let me know.

Ordinance 2014-11 was presented to the Commission at their February 18, 2014 Regular Workshop meeting for consideration. The Ordinance was forwarded to the March 3, 2014 Regular Meeting for first reading and public hearing.

ORDINANCE 2014-11

AN ORDINANCE AMENDING THE UTILITY FUND BUDGET OF THE TOWN OF LONGBOAT KEY, FLORIDA, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2013, AND ENDING SEPTEMBER 30, 2014; TRANSFERRING $100,000 FROM THE UTILITY FUND UNAPPROPRIATED FUND BALANCE AND $200,000 FROM UTILITY FUND CONTINGENCY TO CAPITAL PROJECT REHABILITATION LIFT STATION E; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town has been systematically improving and rehabilitating the wastewater collection system infrastructure to maintain the health, safety and welfare of its citizens; and

WHEREAS, Wastewater Lift Station E ("Lift Station E") is part of the wastewater collection system and funds were estimated and budgeted for certain repairs and rehabilitation work on Lift Station E at a total cost of $850,000; and

WHEREAS, the actual costs for the Lift Station E repair and rehabilitation work was greater than estimated and budgeted by approximately $300,000;and

WHEREAS, the Town Commission has made necessary transfers from the Utility Fund account; and

WHEREAS, the Town Commission has appropriated a contingency under the Utility Fund for purposes of transfers; and

WHEREAS, sufficient unappropriated balances are available in the Utility Fund and Utility Commission Contingency to make the required appropriations; and

WHEREAS, the original adopted budget is insufficient to cover the additional costs; and

WHEREAS, the Finance Director certifies that sufficient unappropriated balances are available in the Utility Fund to make the required appropriations; and

WHEREAS, Article V, Section 9 of the Town Charter provides for such supplemental appropriation;

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 Utility 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 to transfer Three Hundred Thousand and 00/100 ($300,000) as follows:

Transfers From:		
401.5400.536.9910	Commission Contingency	$200,000
N/A	Fund Balance	100,000
Transfers To:		
401.5300.536.6372	Lift Station E Rehabilitation	$300,000

SECTION 3. If any section, subsection, sentence, clause, or provision of this Ordinance is held invalid, the remainder of the Ordinance shall not be affected.

SECTION 4. All ordinances or parts of ordinances in conflict herewith shall be and the same are hereby repealed.

SECTION 5. 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.

_____
James L. Brown, Mayor

ATTEST:

_____
Trish Granger, Town Clerk

End of Agenda Item