

Regular Workshop – October 20, 2014  
Agenda Item 11

Agenda Item: Proposed Ordinance 2014-35, Amending the Fiscal Year 2013-2014 Building Fund Budget to Increase the Reimbursement Rate to the General Fund for Direct and Indirect Costs Related to Building Fund Activities

Presenter: Town Manager and Staff

Summary: The Finance Department has recalculated the indirect cost allocation of Building Department overhead costs contained within the General Fund operating departments, resulting in an increase in the annual transfer from the Building Department to the General Fund.

Attachments: Memo, Finance Director to Manager;  
Proposed Ordinance 2014-35

Recommended

Action: Pending discussion, forward Ordinance 2014-35 to the November 3, 2014 Regular Meeting for first reading and public hearing.

**M E M O R A N D U M**

Date: October 9, 2014

**TO:** Town Commission  
**FROM:** Sue Smith, Finance Director  
**SUBJECT:** Ordinance 2014-35, Amending the FY 2013-2014 Building Fund Budget to Increase the Reimbursement Rate to the General Fund for Direct and Indirect Costs Related to Building Fund Activities

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I am requesting an increase in the appropriated transfer from the Building Fund unappropriated fund balance to the General Fund in the amount of \$100,000. The original appropriation of \$265,000 should be increased to \$365,000 based on the recalculation of direct and indirect costs associated with building fund activities contained within the General Fund.

The last indirect cost allocation study was performed in 2010 when the Town hired consultants, Willdan Financial Services. Having located the model used at that time, I was able to update the model with current departmental costs. We have already adjusted the 2015 budget to correct the reimbursement rate and this adjustment retroactively corrects the 2014 budgeted allocation. The current fund balance for the Building Fund as of September 30, 2014 is approximately \$1.3 million.

Ordinance 2014-35 amends the FY 2013-2014 Building Fund Budget and the General Fund Revenue of equal amounts to provide for this appropriation as follows:

<b>BUILDING FUND</b>	
402.5500.581.0001 Transfers Out-General Fund	\$ 100,000
<b>GENERAL FUND</b>	
001.0900.382.0402 Transfer In-Building Fund	\$ 100,000

Please contact me if you have any questions.

**ORDINANCE 2014-35**

**AN ORDINANCE OF THE TOWN OF LONGBOAT KEY, FLORIDA, AMENDING THE BUILDING FUND BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2013, AND ENDING SEPTEMBER 30, 2014; TRANSFERRING A TOTAL OF \$100,000.00 FROM THE BUILDING FUND UNAPPROPRIATED FUND BALANCE TO THE GENERAL FUND, FOR DIRECT AND INDIRECT COSTS RELATING TO BUILDING FUND ACTIVITIES; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town maintains a Building Enterprise Fund to account for revenues and expenses associated with Building Department activities; and

**WHEREAS**, the Building Department indirectly benefits from general government activities such as finance, information technology, town clerk, and town manager functions; and

**WHEREAS**, the costs of these general government functions are contained within the general fund budget; and

**WHEREAS**, the Building Department annually reimburses the General Fund for any direct and indirect costs for which it benefits; and

**WHEREAS**, the Finance Department has updated the indirect cost allocation model with current departmental costs; and

**WHEREAS**, the Finance Department has determined that an additional \$100,000.00 of indirect costs should be attributable to the Building Department for Fiscal Year 2014; and

**WHEREAS**, the Town desires to amend the Building Fund budget for Fiscal Year 2013-2014 to provide for an increase of \$100,000.00 in the reimbursement rate from \$265,000.00 to \$365,000.00; and

**WHEREAS**, the Finance Director certifies that sufficient unappropriated balances are available in the Building 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 Building 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 One Hundred Thousand and 00/100 (\$100,000.00) from unappropriated fund balance to General Fund in the following accounts:

BUILDING FUND	
402.5500.581.0001 Transfers Out-General Fund	\$ 100,000.00
GENERAL FUND	
001.0900.382.0402 Transfer In-Building Fund	\$ 100,000.00

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**