

Regular Workshop – October 20, 2014
Agenda Item 13

Agenda Item: Proposed Resolution 2014-30, Budget Transfers for Fiscal Year 2013-2014 Year End Reconciliation

Presenter: Town Manager

Summary: The Town Charter requires that sufficient budgets are available in each general ledger account to cover the expenditures charged to the account. The Town Manager has the authority to transfer up to \$10,000 within a department, program or agency, however the Town Commission must authorize, by resolution, transfers exceeding \$10,000 and transfers across departments.

Proposed Resolution 2014-30 provides preliminary estimates of the necessary transfers for compliance with the Town Charter. Attachment A of Resolution 2013-32 lists the individual accounts we are recommending transfers from, the reason for the surplus, and the accounts the funds are being transferred to, along with an explanation for the budgetary shortfall.

As we continue to process invoices over the next few weeks, we will make any necessary adjustments prior to the November 3, 2014 Regular Meeting.

Attachments: 10-13-14 Memo, Finance Director to Manager;
Proposed Resolution 2014-30.

Recommended

Action: Pending discussion; forward Resolution 2014-30 to the November 3, 2014 Regular Meeting for formal action.

M E M O R A N D U M

DATE: October 13, 2014

TO: Dave Bullock, Town Manager
FROM: Sue Smith, Finance Director
SUBJECT: Proposed Resolution 2014-30, Budget Transfers for Fiscal Year 2013-2014 Year End Reconciliation

Throughout the fiscal year department heads are responsible for staying within their legally adopted budgets. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed the appropriations), per Town Charter is at the line item level vs. the departmental level. The Charter Article V, Section 9 (d), provision allows the Town Manager to transfer up to \$10,000 between line items within a department or among programs thereby, allowing department heads to overspend on some of their line items as long as they stay within the limits of their total department or program budget.

Transfers greater than \$10,000 for appropriations between departments, funds and use of unallocated funds amend the budget and require Town Commission approval.

There are many circumstances which may cause an overage in the departmental line items and these are communicated on a regular basis to the Town Manager. However, the Town waits until the close of the year end to finalize the process. There is also the possibility that additional approvals may be required as a result of the year-end audit adjustments.

Proposed Resolution 2014-30 is being presented for Commission consideration and addresses all of the over budget line items greater than \$10,000, which exceed the authority of the Town Manager.

Attachment A of proposed Resolution 2014-30 illustrates the sources of funds by account number that will be used to cover overages within the departments along with an explanation for the availability/needs of such funds. As we continue to process invoices over the next few weeks, we will make any necessary adjustments prior to the November 3, 2014 Regular Meeting.

None of these transfers require the use of General Fund balance nor do they increase the total budget.

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

RESOLUTION 2014-30

A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA, AMENDING THE FISCAL YEAR 2013-2014 BUDGET BY TRANSFERRING A TOTAL OF \$306,612.00 IN AVAILABLE UNENCUMBERED FUNDS IN VARIOUS GENERAL FUND REVENUE AND EXPENDITURE 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 department expenditure accounts may go over budget requiring a budget transfer to be made; and,

WHEREAS, the legal level of budgetary control (i.e., the level at which expenditures may not legally exceed the appropriations), pursuant to Town Charter is at the line item level rather than the departmental level; 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 \$10,000.00 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.

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, are hereby ratified and confirmed, and fully incorporated by reference.

SECTION 2. The Town Commission hereby transfers in the fiscal year 2013-2014 budget a total of Three Hundred Three Thousand Six Hundred Twelve and 00/100 dollars (\$303,612.00), as detailed on Exhibit A, attached hereto.

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 _____, 2014.

James L. Brown, Mayor

ATTEST:

Trish Granger, Town Clerk

Attachment: Exhibit A

<u>Department</u>	<u>Account Number</u>	<u>Account Description</u>	<u>Transfer To:</u>	<u>Transfer From:</u>	<u>Explanation</u>
Town Attorney	001.1100.514.3102	Contractual Services / Legal		\$ (65,000)	Savings from prior Town Attorney contract to New Town Attorney
	001.1100.514.3105	Misc Legal Expenses		\$ (15,000)	
	001.1100.514.3106	Other Attorneys	\$ 50,000		Pension Freeze and FRS related issues
	001.1100.514.3108	Town Attorney / Litigation	\$ 30,000		Colony (non-building related)
		Totals	\$ 80,000	\$ (80,000)	
Finance	001.1400.513.1201	Wages / Regular		\$ (12,100)	Savings from Positions Vacant for 2 months
	001.1400.513.3104	Prof Services / Other	\$ 12,100		Hired Temps for vacant positions
		Totals	\$ 12,100	\$ (12,100)	
Police Department	001.1900.521.2201	Pension		\$ (114,568)	Prior overpayment as well as estimated without PBA contract complete
	001.2000.522.2101	Fica Taxes		\$ (7,573)	Result of reduction of wages
Fire Department	001.2000.522.1201	Wages / Regular		\$ (18,101)	Replacement of a retirement with lower wage worker
	001.2000.522.2202	FRS Town Contribution		\$ (17,906)	First year for Florida Retirement System. Budget was estimated before full knowledge of FRS rules
	001.2000.522.2301	Insurance / Medical		\$ (22,756)	Budgeted vacant positions as highest coverage; not all new hires were at highest level
	001.2000.522.2201	Pension	\$ 180,904		Budgeted Prepayment that had already been accounted for previously
		Totals	\$ 180,904	\$ (180,904)	
Police Department	001.1900.521.1201	Wages / Regular		\$ (14,849)	Vacant Positions
	001.1900.521.1206	Wages / Holiday	\$ 14,849		Contract Increase
		Totals	\$ 14,849	\$ (14,849)	
Town Clerk	001.1300.512.1201	Wages / Regular		\$ (10,000)	Two part time budgeted. One not filled part of year
Fire Department	001.2000.522.2101	Fica Taxes		\$ (5,759)	Result of reduction of wages
	001.2000.522.1204	Incentive Pay / Regular	\$ 12,106		Contract Changes
Town Manager	001.1200.512.2203	Town Contrib Salary Savings / 401-K	\$ 1,733		Additional Employee Contribution resulting in increased Town contribution
	001.1200.512.5401	Subscriptions And Memberships	\$ 1,920		Additional Memberships for Assistant Town Manager
		Totals	\$ 15,759	\$ (15,759)	
Grand Total Transfers			\$ 303,612	\$ (303,612)	



End of Agenda Item