

M E M O R A N D U M

Date: October 19, 2015

TO: Town Commission

FROM: Dave Bullock, Town Manager

SUBJECT: Ordinance 2015-24, Amending the FY 2014-2015 Park & Recreation Capital Project Fund Budget to use Unappropriated Fund Balance for Expenses Related to Bayfront Park Design Services

The Town anticipates entering into a joint project interlocal agreement with Sarasota County ("County") for a \$3.1 million expansion and redevelopment of Bayfront Park (the "Project"). It is anticipated that the County will contribute an amount not to exceed \$2 million or 67% of the Project cost, whichever is less. The Town will pay the remaining portion of the Project cost, and it is anticipated that the Town's share will be paid from Infrastructure surtax funds and other grants, which the Town will actively pursue in FY16.

Preparation of the final concept plan has been completed and the next step in the Project will be finalizing design, procuring a construction manager and implementing the improvements. We are requesting an appropriation from the Park & Recreation Capital Project Fund Budget unappropriated fund balance in the amount of \$53,745 to cover costs associated with Bayfront Park work assignment #2 design services performed by Wannemacher Jensen Architects, Inc. Sufficient funds are currently set aside in the Park & Recreation Fund.

The proposed \$3.1 million project budget has been reduced by \$53,745 in the FY16 Adopted budget, in anticipation of approval.

Ordinance 2015-24 amends the FY 2014-2015 Park & Recreation Capital Project Fund Budget to provide for an appropriation from fund balance in the amount of \$53,745. The Park & Recreation Capital Project Fund has an unappropriated fund balance of approximately \$76,582.

Ordinance 2015-24 was presented to the Town Commission at their September 21, 2015 Regular Workshop, the October 5, 2015 Regular Meeting for first reading and public hearing and forwarded to the November 2, 2015 Regular Meeting for second reading and public hearing.

Please contact me if you have any questions.

ORDINANCE 2015-24

AN ORDINANCE AMENDING THE PARK & RECREATION CAPITAL FUND BUDGET OF THE TOWN OF LONGBOAT KEY, FLORIDA, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014, AND ENDING SEPTEMBER 30, 2015; TRANSFERRING FUNDS FROM UNAPPROPRIATED FUND BALANCE TO BAYFRONT PARK DEVELOPMENT FOR DESIGN SERVICES; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town anticipates entering into a joint project interlocal agreement with Sarasota County ("County") to fund a \$3.1 million expansion and redevelopment of Bayfront Park (the "Project"); and

WHEREAS, the Town anticipates that the County will contribute an amount not to exceed \$2 million or 67% of the total Project costs, whichever is less; and

WHEREAS, the Town anticipates that the Town's share of the remaining Project costs will be paid from Infrastructure surtax funds and other grants; and

WHEREAS, the Town requires a budget amendment in an amount of \$53,745.00 to finalize the concept plan and beginning design services performed by Wannemacher Jensen Architects, Inc., associated with the Project; and

WHEREAS, if the budget amendment is adopted, the proposed \$3.1 million project budget for the Project will be reduced by \$53,745.00 in the Fiscal Year 2016 Recommended budget; and

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

WHEREAS, Article V, Section 9 of the Town Charter provides for such a 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 Park & Recreation Capital Project Fund budget of the Town of Longboat Key for the fiscal year beginning October 1, 2014 and ending September 30, 2015, as adopted pursuant to Ordinance 2014-28, is hereby amended to transfer Fifty-three thousand seven hundred forty-five dollars and 00/100 (\$53,745.00) from unappropriated fund balance to the following accounts:

Transfers to:
306.5000.572.6502 Bayfront Park Development \$ 53,745.00

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 _____, 2015.

Adopted on the second reading and public hearing the ____ day of _____, 2015.

Jack G. Duncan, Mayor

ATTEST:

Trish Granger, Town Clerk

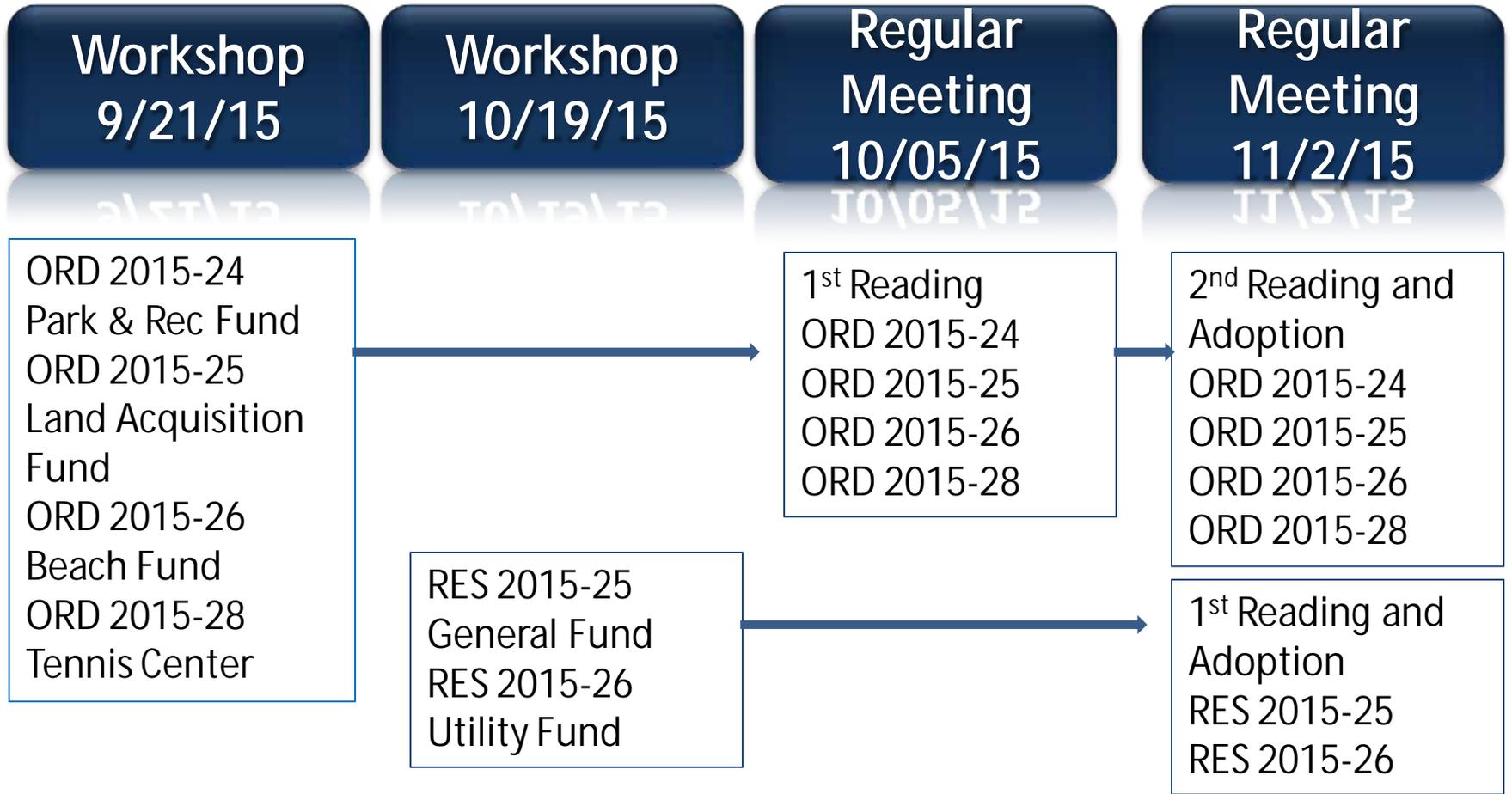


**BUDGET TRANSFERS
FY ENDING 9/30/2015**

**AGENDA ITEMS 11 THROUGH 16
REGULAR MEETING
NOVEMBER 2, 2015**



PROPOSED ORDINANCES AND RESOLUTIONS FY2015



State Statute 166.241 (4) allows amendments to budget within a fiscal year or within 60 days following the end of a fiscal year.



TYPES OF YEAR END TRANSFERS

Ø Per Town Charter, the legal level of budgetary control (i.e. the level at which expenditures may not legally exceed the appropriations) is at the line item level.

1. Transfers of appropriations up to \$10,000 between line items within a department or among programs within a department may be approved by the Town Manager.
2. Transfers from one department to another require approval by the Town Commission by Resolution.
3. Transfers of appropriations between funds, the use of unallocated fund balances or other revenue sources amend the budget and require approval by the Town Commission by Ordinance.



PROPOSED ORDINANCES FY2015

Capital Projects Funds

Parks &
Recreation Fund

ORD 2015-24

Land Acquisition
Fund

ORD 2015-25

Beach Fund

ORD 2015-26

Special Revenue Fund

Tennis Center Fund

ORD 2015-28



PROPOSED RESOLUTIONS FY2015

GENERAL FUND

General Fund

RES 2015-25

Enterprise Fund

**Utility Fund
(Water/Sewer)**

RES 2015-26



PROPOSED ORDINANCES FY2015

- 1. Ordinance 2015-24 Appropriates \$53,745 of Fund Balance from the Park & Recreation Capital Project Fund for Expenses Related to The Bayfront Park Design Services**
- 2. Ordinance 2015-25 Appropriates \$5,334 of Fund Balance from the Land Acquisition Fund for Expenses Related to Fund Activities**



PROPOSED ORDINANCES FY2015 CONT.

3. Ordinance 2015-26 Appropriates \$29,750 of Fund Balance from the Beach Capital Fund for Expenses Related to Fund Activities
4. Ordinance 2015-28 Amending Tennis Special Revenue Fund Budget to true up Revenue and Expenses of the Fund at Fiscal Year End



PROPOSED RESOLUTIONS FY2015

3. Resolution 2015-25 transfers \$52,160 within General Fund departments for line items exceeding \$10,000 and transfers \$77,462 between departments for a total transfer of \$129,622.
4. Resolution 2015-26 transfers \$558,865 between line items within the Utility Fund.



FUND BALANCE IMPACT

| | Unappropriated Budgetary | | |
|-------------------------|---|-------------------------------------|---------------------------------|
| | <u>Fund Balance</u> <u>Sept 12, 2015</u> | <u>Proposed</u> <u>Ordinance</u> | <u>Ending</u> <u>Balance</u> |
| <u>Ord 2015-24</u> | | | |
| Parks & Recreation Fund | \$ 76,582 | \$ (53,745) | \$ 22,837 |
| <u>Ord 2015-25</u> | | | |
| Land Acquisition Fund | \$ 2,542,134 | \$ (5,334) | \$2,536,800 |
| <u>Ord 2015-26</u> | | | |
| Beach Fund | \$ 6,176,907 | \$ (29,750) | \$6,147,157 |



ORDINANCE 2015-24

Capital Projects Fund

Parks & Recreation Fund

Fund Balance after transfer \$22,837

Transfers \$53,745 from Fund Balance for Bayfront Park Design Services (Work Assignment #2) by Wannemacher Jensen Architects, Inc.

Sufficient funds are currently set aside in the Park and Recreation Fund.



ORDINANCE 2015-25

Capital Projects Fund

Land Acquisition Fund

Fund Balance after transfer \$2,536,800

Transfers \$5,334 from Fund Balance for the following line items:

Prof Services/Investment Expense - \$1,660

Investment expenses are allocated to all funds based on the investment fund balance of each fund. The increase of expense is due to the increase in the investment holdings of Land Acquisition Fund.

Capital Outlay/Two Huts - \$50

Permits for the removal of Town's structure was not factored into original estimate. The increase is the result of the cost of permits.

Land Purchase/592 Bay Isles Rd - \$3,624

Related to Property Taxes responsible to be paid by Town for portion of year in which property was owned by a non-governmental entity/landowner. The Town was originally credited with the taxes in the closing statement.



ORDINANCE 2015-26

Capital Projects Fund

Beach Fund

Fund Balance after transfer \$6,147,157

Transfers \$29,750 from Fund Balance To following line items:

Memberships - \$500

Member fees to the Florida Shore and Beach Preservation Association was \$500 more than previous year and current budget amount.

Beach-Monitor Protected Species - \$17,400

Anticipated monitoring costs have increased for sea turtles and shorebirds during FY15. The transfer amount here represents the amount of additional monitoring costs expected to be incurred through September 30, 2015, over the original budget.

New Pass – Coastal Engineering - \$11,850

The Town was required to submit and pay a Joint Coastal Permit application fee to the Florida Department of Environmental Protection for the New Pass dredging project. This activity was not budgeted in the original budget. Amount above represents the approximate cost for the permitting fee.



ORDINANCE 2015-28

Special Revenue Fund

Tennis Center Fund

As of October 19, 2015 the Tennis Fund shows year-to-date revenues exceeding year-to-date expenditures by \$7,911.92.

The total overages in expense line items, \$62,243.38 will be covered primarily by the additional revenue (\$54,199.35) collected during the year and other expense line items (\$8,044.03) as shown in Attachment A of the Ordinance.

Some minor changes to Tennis Center fees to members will be implemented during the upcoming year to help cover credit card fees.

General Fund

– RES 2015-25 EXHIBIT A

| DEPT | LINE ITEM DESCRIPTION | TRANSFER FROM | TRANSFER TO | Explanation |
|---|-----------------------------------|------------------|----------------|---|
| TRANSFERS BETWEEN DEPARTMENTS | | | | |
| GENERAL SVCS | PROF SERVICES / RED TIDE CLEAN UP | (48,376) | | Did not have a Red Tide event |
| LEGAL | CONTRACTUAL SERVICES / LEGAL | (11,086) | | Actual charges over the retainer not as much as anticipated. |
| LEGAL | MISC LEGAL EXPENSES | (15,000) | | Line Item Not Charged - Moved to Other Attorney line in FY16 |
| LEGAL | SUBSCRIPTIONS AND MEMBERSHIPS | (3,000) | | Line Item Not Charged - Moved to Other Attorney line in FY16 |
| LEGAL | OTHER ATTORNEYS | | 28,000 | Lobbyists, Fire Contract Negotiations |
| LEGAL | TOWN ATTORNEY / LITIGATION | | 20,000 | Longboat Pass, Colony |
| TOWN MANAGER | INSURANCE / MEDICAL | | 12,612 | Town Manager Health Insurance incorrectly budgeted. FY16 corrected |
| HUMAN RESOURCE | PROF SERVICE / OTHER | | 12,100 | Employee turnover with spike in new employee physicals |
| EMERGENCY SVC | COMMUNICATIONS | - | 4,750 | Code Red and Satellite Phones underbudgeted |
| | | (77,462) | 77,462 | |
| TRANSFERS WITHIN DEPARTMENT EXCEEDING \$10,000 | | | | |
| FINANCE | WAGES / REGULAR | (8,800) | | |
| FINANCE | INSURANCE / MEDICAL | (3,600) | | |
| FINANCE | WAGES / TEMPORARY | - | 12,400 | Hired Interim Purchasing Manager (classified as Temporary) until hiring process completed |
| | | (12,400) | 12,400 | |
| I.T | WAGES / REGULAR | (28,250) | | IT Director Resignation reduced salaries and required a severance payout. |
| I.T. | SEVERANCE | | 28,250 | |
| TOWN CLERK | WAGES / REGULAR | (11,510) | | |
| TOWN CLERK | WAGES / TEMPORARY | | 11,510 | One front desk employee charged to temp classification until after probation. |
| | TOTALS | (129,622) | 129,622 | |

Utility Fund

- RES 2015-26 EXHIBIT A

| UTILITY FUND LINE ITEM DESCRIPTION | TRANSFER | | Explanation |
|-------------------------------------|------------------|----------------|--|
| | FROM | TO | |
| PROF SERVICES / ENGINEERING | (29,000) | | Engineering Services not used this fiscal year |
| PROF SERVICES / OTHER | (53,000) | | Engineering Services not used this fiscal year |
| R/M HYDRANTS/METERS/LINES/LS | (131,000) | | Fewer repairs needed to water lines, less hydrant repairs required, new water meters |
| SMALL TOOLS AND MINOR EQUIPMENT | (5,300) | | Minor equipment purchases anticipated but not needed |
| WAGES / OVERTIME | (5,000) | | Overtime came in less than budgeted |
| PENSION | (41,900) | | Incorrect calculation - formulas corrected for FY16 |
| PROF SERVICES / ENGINEERING | (15,000) | | Engineering Services not used this fiscal year |
| FUEL AND OIL | (2,665) | | Fuel prices lower |
| MISCELLANEOUS | (28,000) | | Miscellaneous not needed. |
| INTEREST ON LTD | (248,000) | | Debt payment made on October 1 (FY16) |
| WATER PURCHASED FOR RESALE | | 112,800 | 5% Rate increase Jan '15 from Manatee County (Service Fee and Per gallon) |
| R/M LIFT STATIONS AND SEWER LINES | | 25,000 | More repairs needed to wastewater |
| WASTEWATER TREATMENT | | 288,800 | Increase in gallons of wastewater treated in Manatee County & Rate increase |
| PROF SERVICES / OTHER | | 30,000 | Underbudgeted - corrected in FY 16 |
| PROF SERVICES / BOND ISSUANCE COSTS | | 58,165 | Due to refunding bond, overall savings \$900,000 + received with bond refinancing |
| INSURANCE / PROPERTY | | 20,100 | Greater allocation than originally budgeted. Correct in FY16 budget |
| INSURANCE / OTHER | - | 24,000 | Greater allocation than originally budgeted. Correct in FY16 budget |
| TOTAL | (558,865) | 558,865 | |



AUDITOR RECOMMENDATION

Budget – During our review of the Town’s policies and procedures as well as discussions with management and review of the prior year financial statements, we noted that the Town’s legal level of budgetary control (i.e. the level at which expenditures may not legally exceed the appropriations) is the individual account line item level. In our experience auditing over 250 governmental entities on an annual basis, we note that the standard practice for budgetary control is at the departmental level. Commissions set and determine the approved budget based on local ordinances and state requirements but amendments and financial reporting are all performed at the departmental level. This allows for much less time consuming oversight on behalf of the Commission, and allows the finance department the flexibility of making changes to individual line items within the departmental budget. The Commission authorizes for instance Town Managers or Town Finance Directors the ability to make these types of changes without the formal process of going to the Commission for approval. We recommend the Town consider making these changes to streamline the accounting / budgeting process.



End of Agenda Item