

M E M O R A N D U M

DATE: October 20, 2015

TO: Dave Bullock, Town Manager
FROM: Sue Smith, Finance Director
SUBJECT: Resolution 2015-26, Budget Transfers for Fiscal Year 2014-2015 Year
End Reconciliation for the Utility Fund

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.

Resolution 2015-26 is being presented for Commission consideration and addresses all of the Utility Fund over budget line items greater than \$10,000, or overall departmental shortages, which exceed the authority of the Town Manager.

Attachment A of Resolution 2015-26 illustrates the sources of funds by account number that will be used to cover overages within or between 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 up to the November 2, 2015 Regular Meeting.

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

Resolution 2015-26 was presented at the October 19, 2015 Regular Workshop and forwarded to the November 2, 2015 Regular Meeting for formal action. If you have any questions, please feel free to contact me.

RESOLUTION 2015-26

A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA, AMENDING THE FISCAL YEAR 2014-2015 BUDGET BY TRANSFERRING AVAILABLE UNENCUMBERED FUNDS IN VARIOUS UTILITY FUND EXPENDITURE LINE ITEM ACCOUNTS TO OTHER UTILITY 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 within the Utility Fund 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 2014-2015 Utility Fund budget a total of Five Hundred Fifty Eight Thousand, Eight Hundred Sixty-Five and 00/100 dollars (\$558,865.00), within the Utility Fund, 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 _____, 2015.

Jack G Duncan, Mayor

ATTEST:

Trish Granger, Town Clerk

Attachment: Exhibit A

EXHIBIT A

ACCOUNT	DESCRIPTION	TRANSFER FROM	TRANSFER TO	
401.5200.536.3101	PROF SERVICES / ENGINEERING	(29,000)		Engineering Services not used this fiscal year
401.5200.536.3104	PROF SERVICES / OTHER	(53,000)		
401.5200.536.4604	R/M HYDRANTS/METERS/LINES/LS	(131,000)		Fewer repairs needed to water lines, less hydrant repairs required, and new water meters
401.5200.536.5210	SMALL TOOLS AND MINOR EQUIPMENT	(5,300)		Minor equipment purchases anticipated but not needed
401.5200.536.1402	WAGES / OVERTIME	(5,000)		Overtime came in less than budgeted
401.5300.536.2201	PENSION	(41,900)		Incorrect calculation - formulas corrected for FY16
401.5300.536.3101	PROF SERVICES / ENGINEERING	(15,000)		Engineering Services not used this fiscal year
401.5300.536.5204	FUEL AND OIL	(2,665)		Fuel prices lower
401.5400.536.4902	MISCELLANEOUS	(28,000)		Miscellaneous not needed.
401.5400.536.7201	INTEREST ON LTD	(248,000)		Debt payment made on October 1 (FY16)
401.5200.536.5207	WATER PURCHASED FOR RESALE		112,800	5% Rate increase Jan '15 from Manatee County (Service Fee and Per gallon)
401.5300.536.4604	R/M LIFT STATIONS AND SEWER LINES		25,000	More repairs needed to wastewater
401.5300.536.5209	WASTEWATER TREATMENT		288,800	Increase in gallons of wastewater treated in Manatee County & Rate increase
401.5400.536.3104	PROF SERVICES / OTHER		30,000	Underbudgeted - corrected in FY 16
401.5400.536.3110	PROF SERVICES / BOND ISSUANCE COSTS		58,165	Unanticipated cost due to refunding bond, but overall savings received with bond refinancing
401.5400.536.4502	INSURANCE / PROPERTY		20,100	
401.5400.536.4503	INSURANCE / OTHER		24,000	Greater allocation than originally budgeted. Correct in FY16 budget
	TOTAL	(558,865)	558,865	



End of Agenda Item