

Regular Workshop – October 17, 2016
Agenda Item 9

Agenda Item: Proposed Ordinance 2016-28 Amending the FY 2015-2016 General Obligation Beach Bond Debt Service Fund Budget to Use Unappropriated Fund Balance for Expenses Related to Fund

Presenter: Town Manager and Staff

Summary: The Town Manager requests a transfer from unappropriated fund balance in the amount of \$47,085 to cover the interfund transfer to the Beach Capital Project Fund. The amount of the transfer is equal to the collections for the millage imposed in the prior fiscal year. An Ordinance is required by Town Charter to cover the overages in the budget.

Attachments: 10-11-16 Memo, Manager to Commission;
Proposed Ordinance 2016-28;
PowerPoint Presentation.

Recommended

Action: Pending discussion, forward Ordinance 2016-28 to the November 7, 2016 Regular Meeting for first reading and public hearing.

M E M O R A N D U M

Date: October 11, 2016

TO: Town Commission
FROM: Dave Bullock, Town Manager
SUBJECT: Proposed Ordinance 2016-28 Amending the FY 2015-2016 General Obligation Beach Bond Debt Service Fund Budget to Use Unappropriated Fund Balance for Expenses Related to Fund

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.

I am requesting an appropriation from the General Obligation Beach Bond Unappropriated Fund Balance in the amount of \$47,085.00 to cover for the following overages for the following line items:

202.3800.581.9303 IF Transfer /Beach Cap Proj Fund	\$47,085.00
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Line item variances are explained below:

The Town levied a debt millage for Beach Bonds in Fiscal Year 2015. Issuing the debt for the beach project was postponed to October 2016 due to delays in the permitting process. As a result, the Town was able to reduce the borrowing by utilizing the tax levy collections for the project.

The Finance Department budgeted a transfer of the original tax levy to be collected in the Debt Service Fund during FY2015 to the Beach Capital Project Fund. Actual collections were slightly higher by \$47,085, and, the excess collections for the year were transferred over to Beach Capital Project fund.

Ordinance 2016-28 amends the FY 2015-2016 General Obligation Beach Bond Debt Service Fund Budget to provide for an appropriation from fund balance in the amount of \$47,085.00. The General Obligation Beach Bond Debt Service Fund has an unappropriated fund balance of approximately \$3,037,027.

Pending discussion, forward Ordinance 2016-28 to the November 7, 2015 Regular Meeting for first reading and public hearing.

Please contact me if you have any questions.

ORDINANCE 2016-28

AN ORDINANCE AMENDING THE GENERAL OBLIGATION BEACH BOND DEBT SERVICE FUND BUDGET OF THE TOWN OF LONGBOAT KEY, FLORIDA, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015, AND ENDING SEPTEMBER 30, 2016; TRANSFERRING FUNDS FROM UNAPPROPRIATED FUND BALANCE TO COVER OVERAGES IN OPERATING EXPENSE LINE ITEMS; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town desires to amend the General Obligation Beach Bond Debt Service Fund budget for Fiscal Year 2016 to transfer to the Beach Capital Project Fund an amount equal to the actual tax levy collected; and

WHEREAS, the Finance Director certifies that sufficient unappropriated balances are available in the Beach Capital Project 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 General Obligation Beach Bond Debt Service Fund budget of the Town of Longboat Key for the fiscal year beginning October 1, 2015, and ending September 30, 2016, as adopted pursuant to Ordinance 2015-23 is hereby amended to transfer Forty-seven Thousand Eighty-five dollars and 00/100 (\$47,085.00) from unappropriated fund balance to the following accounts:

Transfers to:
202.3800.581.9303 IF Transfer /Beach Cap Proj Fund \$47,085.00

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 _____, 2016.

Adopted on the second reading and public hearing the ____ day of _____, 2016.

Jack G. Duncan, Mayor

ATTEST:

Trish Granger, Town Clerk



**BUDGET TRANSFERS
FY ENDING 09/30/2016**

**AGENDA ITEMS 9 THROUGH 12
WORKSHOP 10/17/2016**



PROPOSED ORDINANCES AND RESOLUTIONS FY2015

Workshop
10/17/16

Regular Meeting
11/7/16

Regular Meeting
12/5/16

ORD 2016-28
GO Beach Bond
Fund
ORD 2016-29
Beach Capital
Fund

1st Reading
ORD 2016-28
ORD 2016-29

2nd Reading and
Adoption
ORD 2016-28
ORD 2016-29

RES 2016-21
General Fund
RES 2016-22
Tennis Center

1st Reading and
Adoption
RES 2016-21
RES 2016-22

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 or those exceeding \$10,000 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 FY2016

Debt Service Fund

G.O. Beach Bond

ORD 2016-28

Capital Projects Fund

Beach Fund

ORD 2016-29

PROPOSED RESOLUTIONS FY2016

General Fund

General Fund

RES 2016-21

Special Revenue Fund

Tennis Center Fund

RES 2016-22



PROPOSED ORDINANCES FY2016

- 1. Ordinance 2016-28 Appropriates \$47,085 of Fund Balance from the General Obligation Beach Bond Debt Service Fund to cover the interfund transfer to the Beach Capital Project Fund**
- 2. Ordinance 2016-29 Appropriates \$83,396 of Fund Balance from the Beach Capital Fund for Expenses Related to Fund Activities**



PROPOSED RESOLUTIONS FY2016

3. Resolution 2016-21 transfers \$77,701 within General Fund departments for line items exceeding \$10,000 and transfers \$7,771 between departments for a total transfer of \$85,472.
4. Resolution 2016-22 Amends the Tennis Special Revenue Fund Budget for line items exceeding \$10,000.



FUND BALANCE IMPACT

	Unappropriated Budgetary		
	Fund Balance	Proposed	Ending
	<u>Sept 30, 2016</u>	<u>Ordinance</u>	<u>Balance</u>
<u>Ord 2016-28</u>			
GO Beach Bond Fund	\$ 3,037,027	\$ (47,085)	\$2,989,942
<u>Ord 2016-29</u>			
Beach Capital Fund	\$ 551,000	\$ (83,396)	\$ 467,604



ORDINANCE 2016-28

Debt Service Fund

G.O. Beach Bond Fund

Fund Balance after transfer \$2,989,942

Transfers \$47,085 from Fund Balance to Account 202.3800.581.9303
Interfund Transfer / Beach Capital Project Fund.

The Finance Department budgeted a transfer of the original tax levy to be collected in the Debt Service Fund during FY2015 to the Beach Capital Project Fund. Actual collections were slightly higher by \$47,085, and, the excess collections for the year were transferred over to Beach Capital Project fund.



ORDINANCE 2016-29

Capital Projects Fund

Beach Capital Fund

Fund Balance after transfer \$467,604

Transfers \$144,911 from Fund Balance for the following line items:

303.4600.519.1200 Wages/Benefits-Beach Maintenance	\$ 7,335
303.4600.519.5401 Memberships	500
303.4600.519.4001 Travel/Conf/Training-Beach	986
303.4600.519.6527 Bond Closing Costs	66,559
303.4600.519.6534 Legal Expense	<u>8,016</u>
	\$ 83,396



ORDINANCE 2016-29

Capital Projects Fund

Beach Capital Fund

Fund Balance after transfer \$467,604

Wages \$7,335- The Finance Department allocated wages and benefits associated with maintenance of the beaches, which exceeded original estimates by \$7,335. Beach maintenance items are reimbursable under the Tourist Development Tax.

Memberships \$500-Membership to the Florida Shore and Beach Preservation Association was originally budgeted for \$6,000. Member fees in this association increased and the amount paid for FY 16 membership was \$6,500, which is \$500 greater than original budget amount. This is the second year the membership increased by \$500.

Bond Issuance and Legal \$74,575-The Town issued bonds in October 2016 requiring payment of bond issuance costs of \$66,599 and legal costs associated with the Beach Ordinances revisions and procurement of bidding the bonds totaling \$8,016.



ORDINANCE 2016-29

Capital Projects Fund

Beach Capital Fund

Fund Balance after transfer \$467,604

The New Pass and Longboat Pass Dredging projects were bid out as one contract. This transfer combines the two budgets.

Transfer From:

303.4600.519.6552 New Pass Dredging (\$4,300,000)

Transfer To:

303.4600.519.6520 Longboat Pass/ New Pass Dredging \$4,300,000

The total budget for this project including carryover amounts for FY17 is \$6 million.

General Fund

– RES 2016-21 EXHIBIT A

EXHIBIT A

DEPT	ACCOUNT	DESCRIPTION	TRANSFER FROM	TRANSFER TO	Explanation
TRANSFERS BETWEEN DEPARTMENTS					
FIRE	001.2000.522.1201	WAGES / REGULAR	(3,096)		Savings From Contract
FIRE	001.2000.522.3104	PROF SERVICES / OTHER	(4,675)		Savings to Assist Human Resources with New Hire Physicals
EMERGENCY MGMT	001.2100.525.1402	OVERTIME - STORMS		2,876	Overtime for Tropical Storm Colin and Hurricane Hermine
EMERGENCY MGMT	001.2100.525.2101	FICA TAXES		220	Social Security/Medicare (see above)
HUMAN RESOURCES	001.1600.513.3104	PROF SERVICE / OTHER	-	4,675	Overages Due to New Hire Physicals (see above)
			(7,771)	7,771	
TRANSFERS GREATER THAN \$10,000 AND COVERED WITHIN SAME DEPARTMENT					
GEN'L SERVICES	001.3000.513.2501	UNEMPLOYMENT	(10,000)		
GEN'L SERVICES	001.3000.519.4503	INSURANCE / OTHER	(3,700)		
GEN'L SERVICES	001.3000.519.4104	TELEVISION MEDIA	-	13,700	Additional Town Commission Meetings Due to Undergrounding
			(13,700)	13,700	
LEGAL	001.1100.514.3102	CONTRACTUAL SVC / LEGAL	(15,000)		
LEGAL	001.1100.514.3104	PROF SERVICES / PURCHASING		15,000	Additional Legal Services Needed for Purchasing
FIRE	001.2000.522.5204	FUEL AND OIL	(13,301)		Fuel Prices Low Most of Year
FIRE	001.2000.522.5214	BUNKER GEAR (NON CAPITAL)	(35,700)		Reclassed Bunker Gear to Capital
FIRE	001.2000.522.6403	OTHER EQUIPMENT	-	49,001	Unanticipated Costs for Dispatch Transition \$13,301 plus Reclassed Bunker Gear to Capital \$35,700
			(49,001)	49,001	
TOTALS			(85,472)	85,472	

Numbers are subject to change as we continue to process year end Accounts Payable.



RESOLUTION 2016-22

Special Revenue Fund

**Tennis Center
Fund**

As of October 7, 2016 the Tennis Fund shows year-to-date revenues exceeding year-to-date expenditures by \$14,879.95. We originally predicted a deficit of around \$20,000, but we are still processing invoices and have one more month of P-card purchases to reconcile.

Total Revenue	\$ 572,475
Total Expense	<u>(557,595)</u>
Net	\$ 14,880

One line item exceeds \$10,000, requiring approval by Resolution listed below:

Transfer from	
112.2800.572.6301 Improvements Other than Buildings	(\$11,109.00)
Transfer to:	
112.2800.572.1210 Wages / Lessons	\$11,109.00



AUDITOR RECOMMENDATION – 2014 AND 2015

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