

M E M O R A N D U M

DATE: October 11, 2016

TO: Dave Bullock, Town Manager
FROM: Sue Smith, Finance Director
SUBJECT: Resolution 2016-21 Budget Transfers for Fiscal Year 2015-2016 Year
End Reconciliation for the General 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.

The circumstances which cause an overage in the departmental line items are communicated on a regular basis to the Town Manager by Department Heads and/or Finance. 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 2016-21 is being presented for Commission consideration and addresses all of the General Fund over budget line items greater than \$10,000, or overall departmental shortages, which exceed the authority of the Town Manager.

Exhibit A of Resolution 2016-21 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. The overages are explained below:

Emergency Management:

When a tropical storm or hurricane is in our area, the Town activates emergency preparedness protocols and begins charging storm related costs to the Emergency Management Department in case a declaration is made and approved. We incurred \$2,877 of overtime costs for Tropical Storm Colin and Hurricane Hermine. The related FICA expenses was \$221.

Human Resources:

The HR department Professional Services Line was over by \$5,051 due to physicals required by new hires.

General Services:

The General Services Department Budget did not go over budget in total, but line items within the budget need to be balanced. The Television Media Line was under-budgeted by about \$6,000 based on last year's cost. In addition, more Town Commission meetings were televised resulting in a needed transfer of \$13,700.

Legal Services:

The Legal Department Budget did not go over budget in total, but line items within the budget need to be balanced. The Commission approved an amendment to the Town Attorney's contract to pay for any purchasing or contract related hours exceeding 18 hours per month. For internal reporting purposes, Finance created a new legal line to track those billings. A \$13,000 transfer is required from the main legal line to balance the budget. In addition, a \$15,000 transfer is required for litigation.

The Commission requested additional information related to the Purchasing activity at the October 17, 2016 Regular Workshop. Our new purchasing manager was hired on July 27, 2015 and the contract and procurement volume has increased over the past two years.

Procurement Statistics*
2013 - 2016

	Bid / RFP	Quotes	Piggybacks	Sole Source	Emergency	Stand Alone Contracts**	Total
2013	15	1	3	No Data	No Data	4	N/A
2014	17	No Data	No Data	No Data	No Data	No Data	N/A
2015	16	1	1	5	4	7	34
2016	15	6	14	19	2	19	75

*Statistics do not include contract amendments, addendums, renewals, change orders, work assignments

**Stand alone contracts include procurements that are exempt from a bid/RFP, quotes, etc.

Fire:

The Fire Department Budget did not go over budget in total, but line items within the budget need to be balanced. The Fire Department's major purchase of bunker gear (\$35,700) has been deemed to be a capital asset subject to depreciation. This requires Finance to reclassify it to a Capital object code. There were also unanticipated costs for the dispatch transition of \$13,301 requiring balancing with other accounts within their departmental budget.

As we continue to process invoices over the next week, we will make any necessary adjustments up through the November 7, 2016 Regular Meeting. None of these transfers require the use of General Fund balance nor do they increase the total budget.

Resolution 2016-21 was presented at the October 17, 2016, Regular Workshop for discussion and forwarded to the November 7, 2016 Regular Meeting for formal action. If you have any questions, please feel free to contact me.

RESOLUTION 2016-21

A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA, AMENDING THE FISCAL YEAR 2015-2016 BUDGET BY TRANSFERRING AVAILABLE UNENCUMBERED FUNDS IN VARIOUS GENERAL FUND EXPENDITURE LINE ITEM ACCOUNTS TO OTHER 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 within the General 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 2015-2016 General Fund budget a total of Ninety-Eight Thousand, Eight Hundred Fifty and 00/100 dollars (\$98,850.00), within or among departments, 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 _____, 2016.

Jack G Duncan, Mayor

ATTEST:

Trish Granger, Town Clerk
Attachment: Exhibit A

EXHIBIT A – Resolution 2016-21

EXHIBIT A					
DEPT	ACCOUNT	DESCRIPTION	TRANSFER FROM	TRANSFER TO	Explanation
<u>TRANSFERS BETWEEN DEPARTMENTS</u>					
FIRE	001.2000.522.1201	WAGES / REGULAR	(3,149)		Savings From Contract
FIRE	001.2000.522.3104	PROF SERVICES / OTHER	(5,000)		Savings to Assist Human Resources with New Hire Physicals
EMERGENCY MGMT	001.2100.525.1402	OVERTIME - STORMS		2,877	Overtime for Tropical Storm Colin and Hurricane Hermine
EMERGENCY MGMT	001.2100.525.2101	FICA TAXES		221	Social Security/Medicare (see above)
HUMAN RESOURCES	001.1600.513.3104	PROF SERVICE / OTHER	-	5,051	Overages Due to New Hire Physicals (see above)
			(8,149)	8,149	
<u>TRANSFERS GREATER THAN \$10,000 AND COVERED WITHIN SAME DEPARTMENT</u>					
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	(28,000)		
LEGAL	001.1100.514.3104	PROF SERVICES / PURCHASING		13,000	Additional Legal Services Needed for Purchasing
LEGAL	001.1100.514.3108	LEGAL SERVICE/LITIGATION		15,000	Legal Services for Litigation
FIRE	001.2000.522.5204	FUEL AND OIL	(8,119)		
FIRE	001.2000.522.5210	SMALL TOOLS & EQUIPMENT	(8,639)		
FIRE	001.2000.522.5214	BUNKER GEAR (NON CAPITAL)	(32,243)		Reclassified Bunker Gear to Capital
FIRE	001.2000.522.6403	OTHER EQUIPMENT		49,001	Unanticipated Costs for Dispatch Transition \$13,301 plus Reclassified Bunker Gear to Capital \$35,700
			(49,001)	49,001	
		TOTALS	(98,850)	98,850	



End of Agenda Item