

## M E M O R A N D U M

**To:** Tom Harmer, Town Manager  
**From:** Susan Smith, Finance Director  
**Meeting date:** January 5, 2021  
**Subject:** Resolution 2021-01, Amending the FY20 Budget in the Amount of \$30,000 for Water and Wastewater Operating Fund

### **Recommended Action**

Pass Resolution 2021-01.

### **Background**

Throughout each fiscal year Department Directors are responsible for operating 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 department level. This means that departments may go over or under budget on individual line items, but they are not allowed to exceed the expenditures appropriated for their department budget in total.

For transfers between departments or programs, Article V, Section 9 (d), of the Town Charter, states that the Town Manager may transfer up to \$20,604.00 (\$20,000.00 adjusted for CPI US City Average measured each year on September 30) between line items within or between departments, or among programs. Transfers greater than \$20,604.00 require Town Commission approval.

The occurrences which cause an overage in the departmental line items are communicated on a regular basis to the Town Manager by Department Directors and Finance staff. In some circumstances, the Town waits until close of the budget year to finalize the process. There is also the possibility that additional approvals may be required as a result of the year-end audit adjustments.

The requested budget adjustments are detailed below:

### **Fund 401 Water and Wastewater Operating Fund**

At the November 2, 2020, Regular Meeting, the Commission passed Resolution 2020-29 which authorized the transfer of funds from the Water Department in the amount of \$88,500.00 to the Wastewater Department to cover overages associated with the sewer pipe leak that occurred in June 2020.

Subsequently, we received two additional legal bills in December, approximately \$30,000.00, related to the prior fiscal year which we are required to accrue for FY20 audit. There are sufficient available funds in the Water Department to cover these costs and Resolution 2021-01 provides for the additional budget transfer.

A transfer of \$30,000.00 from Department 30-52 (Water) to 30-53 (Wastewater) is recommended as the funding source to cover the deficit as shown below.

Transfer from:

401-30-52-531.3104	Professional Services Other	\$30,000.00
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Transfer to:

401-30-53-531.3109	Professional Services Other Attorneys	\$30,000.00
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**Staff Recommendation**

Pass Resolution 2021-01.

**Attachments**

Resolution 2021-01

## RESOLUTION 2021-01

**A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA, AMENDING THE FISCAL YEAR ADOPTED BUDGET BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2020; TRANSFERRING FUNDS FROM REVENUES, OTHER FINANCING SOURCES OR OTHER EXPENSE LINES TO COVER OVERAGES IN OPERATING DEPARTMENT EXPENSES WITHIN ADOPTED FUND BUDGETS, PROVIDING FOR SEVERABILITY; PROVIDING FOR 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 Department level; and,

**WHEREAS**, budget transfers exceeding \$20,604.00 between departments or funds, require an amendment to the original budget, which requires Town Commission approval; and,

**WHEREAS**, the Wastewater Department, within the Water and Wastewater Utility Operating Fund, expenses exceeded their budget by approximately \$118,500.00 during fiscal year (FY) 2020; and,

**WHEREAS**, the Commission passed Resolution 2020-29 on November 2, 2020, transferring \$88,500.00 from the Water Department operating surplus to the Wastewater Department operating budget; and,

**WHEREAS**, subsequent to the passing of Resolution 2020-29, additional legal bills were received for FY 2020 for approximately \$30,000.00, not included in Resolution 2020-29, creating an additional budget deficit; and,

**WHEREAS**, the Finance Director certifies that sufficient unexpended balances are available in the Water Department within the Water and Wastewater Utility Operating Fund (401) to make the additional budget transfer; and,

**WHEREAS**, Article V, Section 9 of the Town Charter provides for such transfers.

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

SECTION 2. The budgets of the designated Funds listed above of the Town of Longboat Key for the fiscal year beginning October 1, 2019, and ending September 30,

2020, as adopted pursuant to Resolution 2019-09 are hereby amended to transfer a total of Thirty Thousand and 00/100 dollars (\$30,000.00) as shown below.

Unexpended funds in Water Department:

401-30-52-531.3104 Professional Services Other \$30,000.00

Expenses which exceeded budget in Wastewater Department are as follows:

401-30-53-531.3109 Professional Services Other Attorneys \$30,000.00

SECTION 3. If any section, subsection, sentence, clause, or provision of this Resolution is held invalid, the remainder of the Resolution shall not be affected.

SECTION 4. This Resolution shall become effective immediately upon adoption.

Passed, following public hearing, by the Town Commission of the Town of Longboat Key, Florida this 5th day of January, 2021.

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Kenneth Schneier, Mayor

ATTEST:

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Trish Shinkle, Town Clerk

**End of Agenda Item**