

M E M O R A N D U M

To: Tom Harmer, Town Manager
From: Sue Smith, Finance Director
Report date: December 26, 2021
Meeting date: January 10, 2022
Subject: Resolution 2022-02, Revising the FY22 Five Year Capital Plan; Amending the Sarasota County Infrastructure Surtax Fund (Phase III), General Fund and Miscellaneous Capital Project Fund Budgets

Recommended Action

Pass Resolution 2022-02.

Background

At the October 18, 2021 Commission Retreat, the Commission discussed the 2022 Strategic Plan and ranked a list of long-term issues. An overview of the America Rescue Plan Act (ARPA), Sarasota County Infrastructure Surtax Phase IV and Fund Balance reserves were also discussed.

During those discussions, it was decided that ARPA funds would be used for the top-two ranked long-term issues, those being the Subaqueous Force Main and Sea Level Rise/Stormwater Management Control projects. Budget amendments for these projects will be presented at a later date when more information is available.

It was also decided that unassigned Fund Balance in excess of 60 days, estimated at \$651,000, would be used to move up certain projects in the Five-Year Capital Improvement Plan (CIP) to FY22 and also prefund future projects that would normally be funded with ad valorem taxes during the budget process, thereby effectively reducing revenue needed over the next several years for these projects.

Since the Commission Retreat, the unaudited unassigned Fund Balance in excess of 60 days has grown to \$1,009,989.

The Town Manager and staff has reviewed the five-year capital plan and the Town Manager is recommending the following changes.

Five Year Capital Plan Review- Infrastructure Surtax Funds.

The Fire Truck scheduled for FY25 was originally requested as a ladder truck. This was changed to a regular fire truck and the cost was reduced by \$250,000. This would maintain the current fleet capabilities of two ladder trucks and one fire engine.

Police and Fire Mobile Data Terminals and Mobile Tablets are eligible public safety equipment for vehicles under the Infrastructure Surtax Program and have been moved from the Miscellaneous Capital Fund to the Sarasota County Infrastructure Surtax Fund. Cost moved \$140,000 (\$80,000 in FY24 and \$60,000 in FY26).

Tennis Center Fencing was scheduled for replacement, in sections, in FY25 and FY26, originally estimated at \$80,000. At the retreat the staff estimated the cost at \$120,000 to replace the entire fencing at the Center. This project will be expedited to replace all fencing in FY22. Due to recent quotes received, an additional \$110,000 is requested to the FY22 appropriation of \$10,000 already budgeted.

The Fire Station #91 Roof Replacement, incorrectly included in Sarasota Infrastructure Surtax has been moved to the Manatee Infrastructure Surtax Fund - \$149,000 in FY24.

As a result of these changes, the Five-Year Capital Improvement Program has been updated and a budget amendment is requested to transfer \$110,000 of Unappropriated Fund Balance within the Sarasota County Infrastructure Surtax Fund to the Tennis Fencing project line.

Account number	Account Description	Increase (Decrease)
102-40-28-563.6301-TEFENCE	Fencing at Tennis Center	\$110,000

Five Year Capital Plan Review- Miscellaneous Capital Projects.

The Town has been systematically installing Badge Security Systems at door entrances since 2018. The Town has paid \$56,212 to date for Town Hall, I.T., Police (2 doors), Planning, Zoning & Building and Fire Station door entrances.

I.T. requests to move up \$90,000 to FY22 for a total of \$108,000, including the \$18,000, already appropriated in FY22 to finish Public Works, Mid-Key Water Facility, South Water Facility and Police buildings instead of completing them over the next several years. The cost includes security cameras needed at the Police Station for security and accreditation standards not previously included in the adopted CIP.

In addition, I.T. requests to move up \$55,000 to FY22 for a total of \$82,049, including the \$27,049, already appropriated, to upgrade the Town’s network infrastructure. This will enhance wireless infrastructure for all Town facilities including the Town Center and includes additional cybersecurity measures to enhance network security.

As a result of these changes, the Five-Year Capital Improvement Program has been updated and a budget amendment is requested to transfer \$145,000 of Unappropriated General Fund Fund Balance to the Miscellaneous Capital Projects Fund to fund the following line items in FY22:

Account number	Account Description	Increase (Decrease)
308-10-15-564.6403-IT-SECR	Badge Card Security System	\$90,000
308-10-15-564.6403-IT-NETW	Network Upgrades	<u>\$55,000</u>
Total FY22 Additions		\$145,000

In addition, and as discussed at the Commission Retreat, the Town Manager proposes transferring an additional \$558,500 to pre-fund projects scheduled for FY23 through FY25 (see Exhibit A) for a total transfer of \$703,500. During the retreat we identified General Fund capital needs through FY26 and proposed pre-funding FY23 and FY24. In reviewing the updated capital plan we have updated our recommendation to include FY25. The funds transferred to the Miscellaneous Capital Project Fund Balance will

remain restricted for projects to be completed in FY23 through FY25 and will reduce the amount of ad valorem revenue required to fund these projects in those future budget years.

- FY22 \$145,000 (Network upgrades and Badge Card Security System)
- FY23 \$268,500
- FY24 \$192,000
- FY25 \$98,000
- TOTAL \$703,500

During the retreat the Commission also supported the concept of piloting an electric vehicle (EV) program for several vehicles that are coming up in the replacement plan over the next two years. That evaluation is on-going and would be discussed with the Commission as we enter the FY23 budget process. We continue to explore a partnership with the Sarasota Bay Estuary Program, but any funding commitments by the Town are still undetermined.

The remaining balance of General Fund Unassigned Fund Balance exceeding the 60 days reserve is \$306,489, after the transfer. It is understood that during the FY23 budget process, there may be changes or additional capital items to consider and prioritize.

The following budget amendment is required to transfer funds from the General Fund to the Miscellaneous Capital Project Fund to cover FY22 through FY25 projects.

Account number	Account Description	Increase (Decrease)
001-90-30-581.0308	Transfer Out Misc. Capital Fund	\$703,500
308-00-00-381.0001-	Transfer In – General Fund	\$703,500

Staff Recommendation
Pass Resolution 2022-02.

Attachments (Available in Town Clerk’s office)

- A. Resolution 2022-02
- B. Exhibit “A” -Amendment to Five-Year Capital Improvement Plan
- C. PowerPoint Presentation

End of Agenda Item