

M E M O R A N D U M

To: Town Commission

From: Howard Tipton, Town Manager

Report date: January 26, 2023

Meeting date: April 3, 2023

Subject: Resolution 2023-05, Amending the FY23 General Fund Adopted Budget, Using Unappropriated Fund Balance Emergency Reserves to Cover Hurricane Ian Expenditures

Recommended Action

Pass Resolution 2023-05.

Background

Tropical Storm Ian formed late on September 23, 2022, and within three days had attained hurricane strength while located 300 miles south of Cuba. Ian strengthened to a Category 4 storm before making landfall just south of Punta Gorda on September 28, 2022. A catastrophic storm surge struck the west coast of Florida, south of Tampa, and over 20 inches of rain caused major flooding across the peninsula impacting properties throughout Southwest Florida including properties within Sarasota and Manatee Counties.

A major disaster was declared for the State of Florida on September 29, 2022. The declaration was amended several times and authorized Federal Funds for Category A-Debris Removal and Category B-Emergency Protective Measures including direct Federal assistance to be reimbursed at 100 percent of the total eligible costs expended through December 7, 2022. All other eligible costs and those expended after December 7, will be reimbursed at 75/25 cost share.

The Town's Finance Department submitted an application to FEMA, continues to work with FEMA representatives on a weekly basis and began submitting proof of expenditures through the Grants Portal on November 1, 2022. The FEMA reimbursement process is unpredictable as to the amount of time it will take for funds to be received or approved, but we have been told that our Category A- Debris Removal project is ready to be obligated.

The Finance Department tracks all major storm costs in the Public Safety Emergency Management Department #20-21 as soon as a major storm event is predicted to impact Longboat Key. All departments are notified and instructed to use these accounts for any disaster related costs. Overtime is journalized once we have matched all FEMA Daily logs with the payroll records.

The majority of the cost from Hurricane Ian in FY2023 was for Debris Removal at \$510,361.47. The remaining cost of \$75,244.41 was related to Emergency Protective Measures, supplies, repairs, and minor equipment as shown below.

Account number	Account Description	Increase (Decrease)
001-20-21-514.1402-22-SIAN	Wages/Overtime	\$59,980.91
001-20-21-521.2101-22-SIAN	FICA Taxes	4,588.54
001-20-21-531.3104-22-SIAN	Professional Services	450.00
001-20-21-541.4101-22-SIAN	Communications	120.00
001-20-21-546.4605-22-SIAN	R/M Other Equipment	5,450.00
001-20-21-546.4616-22-SIAN	Debris Removal	510,361.47
001-20-21-549.4902-22-SIAN	Miscellaneous	4,485.65
001-20-21-552.5210-22-SIAN	Minor Equipment	169.31
Total to be funded from Unappropriated Fund Balance-		\$585,605.88

The Town also incurred \$8,037.53 of Hurricane Ian costs in FY2022 which was covered in the prior year budget.

Outside of the General Fund accounts, the Town has claimed \$45,354.61 of damage on the Tennis Fencing to the Town's insurance carrier. The carrier has provided reimbursement of \$39,268.20 and the Town is responsible for the deductible of \$6,086.41 which will be submitted to FEMA. Reimbursement for Tennis Fencing was deposited back into the Sarasota Infrastructure Surtax Fund toward the project.

The Town's Fund Balance Policy, amended on March 1, 2021, has a recommended combined target range is 32% - 48% of total budgeted expenditures (excluding capital outlay) as shown below:

- Unassigned Fund Balance 16% (approx. 60 days)
- Economic Uncertainty/Revenue Stabilization Reserves 8%-16% (30-60 days)
- Emergency Reserves/Natural Disasters 8%-16% (30-60 days)

The Town ended the fiscal year with a \$14.8 million Fund Balance and has maximized all of the target reserve categories shown above. The Town currently holds 60 days of Emergency Reserves/Natural Disasters valued at \$2,650,000 as of September 30, 2022.

The Town Manager is recommending a transfer of \$585,606 from General Fund Unappropriated Fund Balance to cover the Hurricane Ian costs. Once FEMA obligates and reimburses the Town, those funds will be deposited back into the General Fund and revert back to surplus.

Staff Recommendation

Pass Resolution 2023-05.

Attachments

Resolution 2023-05

RESOLUTION 2023-05

A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA AMENDING THE GENERAL FUND BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2022, AND ENDING SEPTEMBER 30, 2023; TRANSFERRING FUNDS FROM UNAPPROPRIATED FUND BALANCE FOR HURRICANE IAN COSTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, a major disaster was declared for the State of Florida on September 29, 2022, when category 4 Hurricane Ian made landfall just south of Punta Gorda and impacted properties throughout southwest Florida including properties within Sarasota and Manatee Counties; and,

WHEREAS, the Finance Department tracks all major storm costs in the Public Safety Emergency Management Department 20-21 as soon as a major storm event is predicted to impact Longboat Key; and,

WHEREAS, the Town was impacted by Hurricane Ian and incurred \$510,361.00 in costs for Debris Removal and \$75,244.41 for Emergency Protective Measures, supplies, repairs, and minor equipment; and,

WHEREAS, the Town's Finance Department has submitted an application for assistance with FEMA (Federal Emergency Management Agency) and continues to work with FEMA representatives on a weekly basis; and,

WHEREAS, it is anticipated that federal assistance will be reimbursed at 100 percent of the total eligible costs expended through December 7, 2022; and,

WHEREAS, any costs incurred after December 7, 2022, is reimbursed at a 75/25 cost share; and,

WHEREAS, the FEMA reimbursement process is unpredictable as to the amount of time it will take for funds to be received; and,

WHEREAS, in accordance with the Town's Fund Balance Policy, the Town currently holds 60 days in Fund Balance reserves for Emergency Reserves/Natural Disasters valued at \$2,650,000 as of September 30, 2022; and,

WHEREAS, the Town Manager is seeking authorization from the Town Commission to transfer \$585,606 of unappropriated fund balance, within the General Fund to the Emergency Management Department to cover the costs of Hurricane Ian; and,

WHEREAS, FEMA reimbursements will be deposited back into the General Fund federal grant revenue account when received and revert back to fund balance; and,

WHEREAS, the Finance Director certifies that sufficient unappropriated balances are available in the above referenced funds to make the required appropriations; and,

WHEREAS, Article V, Section 9(d) of the Town Charter provides that the Town Commission may authorize such transfers and supplemental appropriations.

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 Adopted General Fund Budget referenced above of the Town of Longboat Key for the fiscal year beginning October 1, 2022, and ending September 30, 2023, as adopted pursuant to Resolution 2022-15 are hereby amended as follows:

General Fund (#001)

Account Number	Account Description	Increase (Decrease)
001-20-21-514.1402-22-SIAN	Wages/Overtime	\$ 59,981
001-20-21-521.2101-22-SIAN	FICA Taxes	4,589
001-20-21-531.3104-22-SIAN	Professional Services	450
001-20-21-541.4101-22-SIAN	Communications	120
001-20-21-546.4605-22-SIAN	R/M Other Equipment	5,450
001-20-21-546.4616-22-SIAN	Debris Removal	510,361
001-20-21-549.4902-22-SIAN	Miscellaneous	4,486
001-20-21-552.5210-22-SIAN	Minor Equipment	169
Total to be funded from Unappropriated Fund Balance-		\$585,606

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 on the 3rd day of April, 2023.

Kenneth Schneier, Mayor

ATTEST:

Trish Shinkle, Town Clerk

End of Agenda Item