

# Memorandum

**To:** Town Commission  
**From:** Howard Tipton, Town Manager  
**Report date:** December 12, 2023  
**Meeting date:** January 8, 2024  
**Subject:** Resolution 2024-02, Amending the Fiscal Year (FY) 24 Adopted Budget and Five-Year Capital Plan FY24-FY28, transferring funds from Revenues, Other Financing Sources or Unappropriated Fund Balance to cover Expenditures; Amending the General Fund and the Miscellaneous Capital Project Fund

## Recommended Action

Pass Resolution 2024-02.

## Background

On December 6, 2019, the Town was awarded \$697,980 for a Wind Retrofit and Generator Project under the Federal Emergency Management Agency (“FEMA”) Hazard Mitigation Grant Program (“HMGP”) under Hurricane IRMA. FEMA is the grant funding source, with Florida Department of Emergency Management (“FDEM”) serving as the pass-through entity and Grant Manager.

Town Hall Wind Retrofit and Generator Project Description:

The current Scope of the Project (Project No: 4337-346-R) is to design and install an improved roof system including structural enhancements for roof support, and installing new window systems to protect all openings, including wind resistant glazing. The project also includes structural, electrical and renovation design to install a backup generator and fuel tank to provide 100% backup capacity for the entire Town Hall facility including the building that houses the Planning, Zoning and Building and IT departments.

This project, inclusive of additional generator back up power, will provide a more resilient facility to accommodate the needs of the citizens during post disaster recovery.

There have been several holdups to initiating and completing this project. This includes lengthy coordination with the grant agencies, project scope modifications to ultimately result in a better product for the Town, and in addition, the project was procured on two different occasions in late 2021 and early 2022 due to lack of interest at the time. Once a bid was received in 2022, the estimated bid price necessitated a request for additional grant funding and time. The process to gain approval from FEMA took a significant amount of time and is detailed further below.

The Town and FEMA has gone through 4 modifications to the Agreement:

1. The original contract was signed March 25, 2020 with an expiration of December 31, 2021. Total planning level estimate for the project cost was \$957,972 with the Federal share of 72.9% or \$697,980, and the Non-Federal (Town) share of 27.1% or \$259,992.

2. Extension granted from December 31, 2021 to June 30, 2022 and added \$11,412.65 for Management Administration costs.
3. Extension granted from June 30, 2022 to March 31, 2023.
4. Extension granted from March 31, 2023 to February 28, 2025 and increase in Federal funding. Total project cost, as amended, is \$1,677,453 with the Federal share of 72.9% or \$1,222,195, and the Non-Federal (Town) share of 27.1% or \$455,258. This total cost was based on a contractor's estimated bid price received in November 2022.

During the FY24 Budget Process we increased the total project cost by \$708,088 to a total of \$1,677,453 which increased the Town share by \$195,266. We filed for an extension of time to complete the project to February 2025 and requested the needed Budget Amendment to accommodate the change in costs for the supply chain issues and inflationary pressures. FEMA took eight (8) months to approve our request.

As a result of the long delay in FEMA's approval process, when we convened with the contractor to sign a contract, costs had risen again. In order to avoid a repeat of a lengthy FEMA budget amendment approval process with the potential for another inflationary adjustment, we are requesting the Town fund the additional costs. We are requesting \$250,000 of additional costs for the project be paid from the Unassigned Fund Balance for Capital Reserves, currently at \$750,000. This allows us to lock in the contracted rates and we will seek the additional funding from FEMA at the same time. However, there is no guarantee that FEMA will grant this additional budget amendment. If the final amendment is not approved, the Town share of this project will be \$705,258 or 36.5% out of \$1,927,453.

If the Commission approves this approach, we are requesting a transfer from Unassigned Fund Balance to the Miscellaneous Capital Project Fund for \$250,000 shown below.

**General Fund (#001)**

To record the transfer out of the General Fund to the Miscellaneous Capital Project Fund to be funded from Unassigned Fund Balance – Capital Reserves:

<b>Expense Account</b>	<b>Account Description</b>	<b>Increase (Decrease)</b>
001-90-30-581.0308	IF Transfer, Misc. Capital Project Fund	\$250,000

**Misc. Capital Project Fund (#308)**

To record the transfer into the Miscellaneous Capital Project Fund from the General Fund:

<b>Revenue Account</b>	<b>Account Description</b>	<b>Increase (Decrease)</b>
308-00-00-381.0001	IF Transfer, General Fund	\$250,000

**Misc. Capital Project Fund (#308) continued**

For ease of managing the project accounting with FEMA, we are recommending that the three existing budget line items be consolidated into one line-item as shown below:

<b>Expense Account</b>	<b>Account Description</b>	<b>Increase (Decrease)</b>
308-10-17-562.6202-WINDOWS	Windows	(\$381,980)
308-10-17-564.6403-THGENER	Town Hall Generator	(\$353,325)
308-10-17-562.6204	Building-Roof Replacement	(\$942,148)
308-10-17-562.6202-FEMAHMG	Town Hall FEMA HMGP	\$1,927,453

Please contact me if you have any questions.

**Staff Recommendation**

Pass Resolution 2024-02.

**Attachments**

Resolution 2024-02

## RESOLUTION 2024-02

**A RESOLUTION OF THE TOWN OF LONGBOAT KEY, FLORIDA, AMENDING THE FISCAL YEAR ADOPTED BUDGET BEGINNING OCTOBER 1, 2023, AND ENDING SEPTEMBER 30, 2024; APPROVING REVISIONS AND AMENDMENTS TO THE ADOPTED FIVE-YEAR CAPITAL PLAN FY 2024 – FY 2028 AS SET FORTH IN RESOLUTION 2023-19; TRANSFERRING FUNDS FROM REVENUES, OTHER FINANCING SOURCES OR UNAPPROPRIATED FUND BALANCE TO COVER EXPENDITURES; AMENDING THE GENERAL FUND; AMENDING THE MISCELLANEOUS CAPITAL PROJECT FUND; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.**

**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**, the Town Manager has the authority to transfer appropriations up to \$25,012 between departments within the same fund; and,

**WHEREAS**, budget transfers greater than \$25,012, or amendments which change the original budget in total or amendments requiring the use of unappropriated fund balance, require Town Commission approval; and,

**WHEREAS**, on December 6, 2019, the Town was awarded \$697,980 for a Wind Retrofit and Generator Project under the Federal Emergency Management Agency (“FEMA”) Hazard Mitigation Grant Program (“HMGP”) under Hurricane IRMA; and,

**WHEREAS**, the current Scope of the Project (Project No: 4337-346-R) is to design and install an improved roof system including structural enhancements for roof support, new window systems to protect all openings and the design and installation of a backup generator and fuel tank to provide 100% backup capacity for the entire Town Hall facility including the building housing the Planning, Zoning and Building and IT departments; and,

**WHEREAS**, there have been several project delays resulting in an increase in costs due to inflation and supply chain issues; and,

**WHEREAS**, an amendment was requested of FEMA in early 2023 for an adjusted total project cost, of \$1,677,453 with the Federal share of 72.9% (or \$1,222,195) and the Non-Federal (Town) share of 27.1% (or \$455,258), which was approved by FEMA in November 2023; and,

**WHEREAS**, the current estimated cost of the project has risen to \$1,927,453 which is a \$969,481 increase from the original, planning level estimate in 2020; and,

**WHEREAS**, on September 26, 2023, the Town Commission adopted Resolution 2023-19 (the Town’s Fiscal Year 2023-2024 Budget and the Town’s Five-Year Capital Plan for FY 2024-2028) both of which included line items for the funding of a Town Hall Wind Retrofit and Generator Project; and

**WHEREAS**, the Town desires to increase the Town Hall Wind Retrofit and Generator Project, within the Miscellaneous Capital Project Fund, in the amount of \$250,000 for

escalated costs resulting from supply chain issues and inflation using unappropriated fund balance capital reserves within the General Fund; and,

**WHEREAS**, the Town will continue to pursue FEMA reimbursement for the additional cost escalations; and,

**WHEREAS**, the remaining unassigned capital reserves after the transfer is \$500,000; 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 of the Town Charter provides for such a supplemental appropriation.

**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 Adopted Project Budgets of the General Fund and the Miscellaneous Capital Project Fund, as referenced above for the fiscal year beginning October 1, 2023, and ending September 30, 2024, as adopted pursuant to Resolution 2023-19 are hereby amended as follows:

General Fund (#001)

<b>Expense Account</b>	<b>Account Description</b>	<b>Increase (Decrease)</b>
001-90-30-581.0308	IF Transfer, Misc. Capital Project Fund	\$250,000

Misc. Capital Project Fund (#308)

<b>Revenue Account</b>	<b>Account Description</b>	<b>Increase (Decrease)</b>
308-00-00-381.0001	IF Transfer, General Fund	\$250,000

Misc. Capital Project Fund (#308)

<b>Expense Account</b>	<b>Account Description</b>	<b>Increase (Decrease)</b>
308-10-17-562.6202-WINDOWS	Windows	(\$381,980)
308-10-17-564.6403-THGENER	Town Hall Generator	(\$353,325)
308-10-17-562.6204	Building-Roof Replacement	(\$942,148)
308-10-17-562.6202-FEMAHMG	Town Hall FEMA HMGP	\$1,927,453

SECTION 3. The Town Commission hereby revises and amends the Five-Year Capital Improvement Plan for Fiscal Years 2024-2028, as adopted pursuant to Resolution 2023-19, to fully incorporate the adjustments set forth in this Resolution 2024-02.

SECTION 4. If any section, subsection, sentence, clause, or provision of this Resolution is held invalid, the remainder of the Resolution shall not be affected.

SECTION 5. This Resolution shall become effective immediately upon adoption.

Passed, following public hearing, by the Town Commission of the Town of Longboat Key on the 8th day of January, 2024.

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Kenneth Schneier, Mayor

ATTEST:

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Trish Shinkle, Town Clerk

**End of Agenda Item**