



# AGENDA ITEM MEMORADUM

**Finance**

**Tony Bryan, Finance Director**

Department

Department Director

COMMISSION MEETING DATE (*) - 7:00 PM	Deadline to Town Clerk
<input checked="" type="checkbox"/> Feb 28, 2012	Feb 17
<input type="checkbox"/> Mar 13, 2012	Mar 2
<input type="checkbox"/> Mar 27, 2012	Mar 16
<input type="checkbox"/> April 10, 2012 *	Mar 30
<input type="checkbox"/> April 24, 2012	Apr 13

\*Subject to Change

- Presentation       Reports       Consent       Ordinance
- Resolution       Quasi-Judicial       Old Business       New Business

**FY2012 DESIGNATED HIGH PRIORITY ITEM - PRIORITY TOPIC**

**SUBJECT TITLE:** Resolution 2012-07 Amending the Fiscal Year 2011-12 Budget

**EXPLANATION:**

Historically the Town has adopted budget amendments after the fiscal year has ended. We feel it is better to make amendments during the course of the fiscal year in order to better control and report expenditures. State law changed last year and now dictates that budget amendments be done by resolution.

A description of the amendments proposed follows.

Development Services Department Budget & General Fund Revenues - Building Permit Services

During January CAP Government replaced Broward County as the Town's building contractor performing plan reviews and building inspection services on the Town's behalf. In the past Broward County collected permit revenues and remitted only the Town's share. Under the agreement with CAP, gross permit revenues are deposited to the Town's accounts and the Town issues payment to CAP Government and the state agencies that are legally entitled to assessments on the permit fees. This change will improve control over receipts; it will also result in a substantial increase to the Town's General Fund budget. Given the change in the fee schedule associated with the transition, it is difficult to develop estimates based on any activity prior to January. Therefore, for purposes of developing the budget amendment we assumed that January will be typical of the months to come.

As a result, we need to amend the General Fund revenues to increase \$209,000 and expenditures in the Development Services budget to increase by the same amount.

Transfer from Fire Fund to General Fund

In FY 2010-11 the Town budgeted \$40,000 in the Fire Fund to cover costs in the General Fund that relate to oversight and administration of the VFD contract, maintenance of their facilities, etc. The fourth quarter transfer of \$10,000 was not made as the result of an oversight. We recommend increasing the current year's budgeted transfer from \$40,000 to \$50,000 to correct the error.



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### Sewer Fund Expenses

We reported at the special meeting on sewer rates that the line item in the Sewer Fund budget for wastewater fees paid to the City of Pompano Beach was under-budgeted because we failed to take into consideration the \$84,000 credit the Town had received last year from Pompano for billing errors in the past and had used the net number as the basis to project this year's expenditures. In addition, Pompano has raised our rates again and the annual true up called for in the agreement also increased due to lower flows from Pompano going to the shared lift station. As a result, we are projecting that the fees paid Pompano will exceed budget by \$129,000 this year.

We also need to revise the budget to account for the rate study (approximately \$18,000), the additional costs we will incur in televising the laterals (\$45,000) compared to our original budget for televising the sewer lines, and other minor items.

The net effect is a \$191,378 increase in Sewer Fund expenditures and an appropriation of \$195,438 from the Sewer fund balance to cover those expenses.

### Capital Fund (Parking and Sewer Improvements)

We budgeted \$100,000 for Parking Improvements and \$200,472 for Sewer Improvements. The budget calls for those amounts to be transferred from the respective funds to the Capital Fund and the expenditures to be made from the Capital Fund. As discussed in the January Finance Report, based on discussions with our external auditor we determined that it is preferable from an accounting perspective to record these expenditures in the respective funds.

The budget amendment will remove those transfers and expenditures from the Capital Fund budget (reducing it by \$300,472) and reclassify the amounts noted above from transfers to capital expenses in the respective funds.

### Parking Fund

We also anticipate the need to make budget amendments in the Parking Fund, but will come back with these after a decision is made regarding parking management and operations.

**EXHIBITS:** Resolution 2012-07

Reviewed by Town Attorney

Yes  No

Town Manager Initials CH

RESOLUTION NO 2012-07

1 A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN  
2 OF LAUDERDALE-BY-THE-SEA, FLORIDA, AMENDING THE  
3 2011/2012 FISCAL YEAR BUDGET; APPROPRIATING SAID  
4 AMOUNTS TO SPECIFIC DESIGNATED ACCOUNTS IN  
5 ACCORDANCE WITH THE ATTACHED EXHIBIT "A" TO THE  
6 SPECIFIC DESIGNATED FUNDS; AUTHORIZING  
7 EXPENDITURE OF THOSE AMOUNTS IN ACCORDANCE WITH  
8 THE BUDGET AS AMENDED; PROVIDING FOR CONFLICTS;  
9 PROVIDING FOR SEVERABILITY; AND AN EFFECTIVE DATE.

10  
11 WHEREAS, The Town Manager has made recommendations to the Town  
12 Commission which require amendment of the 2011/2012 Fiscal Year budget; and  
13

14 WHEREAS, the Town Commission, in accordance with the requirements of  
15 Section 166.241, Florida Statutes, wishes to amend the 2011/2012 Fiscal Year Budget  
16 for the transfer of said funds consistent with the recommendations of the Town  
17 Manager;  
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19 NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION  
20 OF THE TOWN OF LAUDERDALE-BY-THE-SEA, FLORIDA, THAT:  
21

22 SECTION 1: The foregoing "Whereas" clauses are hereby ratified and  
23 confirmed as being true and correct and incorporated herein by this reference. All  
24 exhibits attached hereto are hereby incorporated herein.  
25

26 SECTION 2: The Town Commission of the Town of Lauderdale-By-The-  
27 Sea, Florida, hereby amends its 2011/2012 Fiscal Year Budget by specifically  
28 approving and amending the budget as provided herein and as further set forth in  
29 Exhibit "A".  
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31 SECTION 3. The appropriations set forth on Exhibit "A" are hereby  
32 approved.  
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34 SECTION 4. The Town Administration is directed to effectuate this  
35 appropriation and expenditure by appropriate and necessary transfers.  
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37 SECTION 5. All prior resolutions or parts thereof in conflict herewith are  
38 repealed to the extent of such conflict.  
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40 SECTION 6. If any clause, section, other part or application of this  
41 Ordinance is held by any court or competent jurisdiction to be unconstitutional or  
42 invalid, in part of application, it shall not affect the validity of the remaining portions  
43 or applications of this Ordinance.  
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**SECTION 7.** This Resolution shall become effective immediately upon passage and adoption.

**SECTION 8.** This Resolution has been passed as follows:

Passed on this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
MAYOR ROSEANN MINNET

Attest:

\_\_\_\_\_  
June White, Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Susan L. Trevarthen, Town Attorney

**EXHIBIT A**

FY 2011 /2012 Budget Amendment

Fund	Department / Project Number	Original Budget	Amended Budget	Variance	Explanation
001- General	524.000 - Development Services	-	209,000	209,000	The increase will be covered by a corresponding increase in Permit Revenues associated with the change in how permit revenues will be handled under contract with CAP Government.
103 - Sewer	535.000 - Sanitary Sewers	927,028	1,118,766	191,738	The additional expense is the result of increased wastewater payments to Pompano, the sewer rate study, and increased capital expenditures. Also, we project revenues will be less than budgeted. The net increase will be covered by an appropriation of \$195,438 from the Sewer Fund Balance. (See <u>Exhibit B</u> for detail).
	535.000 - Sanitary Sewers: Capital Outlay			200,472	This change is the elimination of the budgeted transfer of 200,472 from the Sewer Fund to Capital Fund and an increase to budgeted capital expenditures within the Sewer Fund by the same amount.
115 - Fire	522.000 - Fire Department: Transfer to General Fund	1,229,808	1,239,808	10,000	This transfer will be funded by the Fire Inspection Fees which have already exceeded budget.
300 - Capital	576.129 - Sewer System			(200,472)	This change is the elimination of the budgeted transfer of 200,472 from the Sewer Fund to Capital Fund and a reduction of budgeted capital expenditures within the Capital Fund by the same amount.
	545.170 - Parking Improvements			(100,000)	This change is the elimination of the budgeted transfer of 100,000 from the Parking Fund to Capital Fund and a reduction of budgeted capital expenditures within the Capital Fund by the same amount.
310 - Parking	545.000 - Parking Operations: Capital Outlay			100,000	This change is the elimination of the budgeted transfer of 100,000 from the Parking Fund to Capital Fund and an increase to budgeted capital expenditures within the Parking Fund by the same amount.
	Total All Funds			<u>410,738</u>	

**LBTS PROJECTED SEWER BUDGET FY 2012**

	<b>FY 2012 Budget</b>	<b>Actual as of 1/31/12</b>	<b>FY 2012 Projected</b>
<b>REVENUES</b>			
Appropriated Fund Balance			\$ 195,438
Sewer Fees	\$ 1,142,000	\$ 291,752	\$ 1,142,000
Sewer Penalties	\$ 7,000	\$ 1,631	\$ 5,000
Interest Earnings	\$ 3,500	\$ 545	\$ 1,800
Misc Earnings			
<b>TOTAL REVENUES</b>	<b>\$ 1,152,500</b>	<b>\$ 293,928</b>	<b>\$ 1,344,238</b>
<b>EXPENDITURES</b>			
Salaries	\$ 69,654	\$ 18,643	\$ 69,654
FICA	\$ 3,872	\$ 706	\$ 3,872
Retirement	\$ 4,588	\$ 1,627	\$ 4,880
Group Insurance	\$ 9,261	\$ 2,030	\$ 6,500
Professional Services	\$ 60,000	\$ 46,730	\$ 96,921
Wastewater Trans & Treat Fees	\$ 600,000	\$ 242,614	\$ 729,000
Contractual Services		\$ 3,804	\$ 12,000
Utilities	\$ 16,000	\$ 5,438	\$ 16,500
Auto Insurance	\$ 7,555	\$ 7,753	\$ 7,753
Workers Comp Insurance	\$ 2,158	\$ -	\$ 2,158
Sewer Line Maintenance	\$ 80,000	\$ 35,456	\$ 30,000
Lateral Maintenance			\$ 95,000
Pump Station Maintenance	\$ 20,000	\$ 2,348	\$ 10,000
Contingency	\$ 53,940	\$ -	\$ -
Emergency Repairs	\$ 25,000	\$ 550	\$ 10,000
Capital Outlay			
Capital Projects	\$ 200,472		\$ 250,000
Capital Depreciation			
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,152,500</b>	<b>\$ 367,699</b>	<b>\$ 1,344,238</b>
Beginning Fund Balance	\$ 1,750,052		
Ending Fund Balance			\$ 1,554,614