



Item No. 11a

AGENDA ITEM MEMORADUM

Finance

Department

Tony Bryan, Finance Director

Department Director 

COMMISSION MEETING DATE - 7:00 PM	Deadline to Town Clerk
<input checked="" type="checkbox"/> March 27, 2012	Mar 16

**Subject to Change*

- | | | | |
|---------------------------------------|-----------------------------------------|----------------------------------------------------|---------------------------------------|
| <input type="checkbox"/> Presentation | <input type="checkbox"/> Reports | <input checked="" type="checkbox"/> Consent | <input type="checkbox"/> Ordinance |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Quasi-Judicial | <input type="checkbox"/> Old Business | <input type="checkbox"/> New Business |

FY2011 DESIGNATED HIGH PRIORITY ITEM - PRIORITY TOPIC

SUBJECT TITLE: Reclassification of General Fund Balance, Transfers from General Fund to Fire Fund, Correction of May 24, 2011 Meeting Minutes

EXPLANATION:

During the 2011 year-end audit our auditors reviewed the minutes of May 24, 2011 Town Commission meeting (**Exhibit 1**) and noted that the Commission approved a transfer of \$70,384 from the General Fund to the Fire Fund that was never made by staff.

After reviewing the video and the original agenda item we determined that when the Interim Finance Director presented the agenda item his intent was not to transfer \$70,384 to the Fire Fund but rather to change how those monies were classified within the Capital Fund. The discussion and the motion which was ultimately approved transferred \$70,384 from the General Fund to the Fire Fund. The motion co-mingled the recommendation to reclassify the \$70,384 with another recommendation that was presented on the same agenda item to transfer \$215,690 from the General Fund to the Fire Fund. The motion omitted the transfer of the \$215,690.

Staff recognized the difference between what was approved and the intent of the agenda item 17.e (**Exhibit 2**). Staff acted on the agenda item, not the motion, and reclassified the \$70,384 within the Capital Fund and transferred the \$215,690 from the General Fund to the Fire Fund as proposed in the item. Staff did not transfer \$70,384 from the General Fund to the Fire Fund.

During our review of the video, we also determined that the minutes do not reflect what the Interim Finance Director said. Specifically, the minutes suggest that the Interim Finance Director requested approval to transfer \$70,384 from the General Fund to the Fire Fund, while he actually described two separate transfers. (**Exhibit 3**)

Lastly, the minutes indicate that the motion described above passed by a 5-0 vote, but the Town Clerk stated that it passed by a 4-0 vote.



RECOMMENDATION:

1. Approve staff's reclassification of \$70,384 within the Capital Fund from reserved for El Mar Drive Improvements to undesignated fund balance, as originally proposed.
2. Approve staff's transfer of \$215,690 from the General Fund to the Fire Fund, as originally proposed.
3. Approve a transfer of \$70,384 from the Fire Fund back to the General Fund, effectively reversing the motion that was previously approved.
4. Replace the discussion of item 17e in the minutes of the May 24, 2011 Commission meeting with the verbiage provided (**Exhibit 4**), to more accurately reflect the Interim Finance Director's discussion of the recommendation and the result of the vote.

EXHIBITS:

1. Page 18 of the May 24, 2011 Town Commission Regular Meeting Minutes
2. Agenda item 17e from the May 24, 2011 Town Commission Regular Meeting
3. Verbatim Minutes of the May 24, 2011 Town Commission Regular Meeting - Discussion of Item 17e General Capital Year End Transfers from Fund Balance
4. Proposed Amendment to Commission minutes of item 17e of the May 24, 2011.

Reviewed by Town Attorney
 Yes No

Town Manager Initials 

Town Commission Regular Meeting Minutes
May 24, 2011

for the A1A Enhancement Project (Assistant Town Manager Bud Bentley)

Assistant Town Manager Bentley said that 4 proposals were received from qualified local firms for RFP 11-01-01 Project Management Services. He explained that these services were referred to as Construction, Engineering and Inspection (CEI) services by the Florida Department of Transportation (FDOT). Assistant Town Manager Bentley said the evaluation committee recommended Carnahan Proctor as first choice and Metric as second choice. He requested that the Commission approve the ranking of the proposers and authorize the Town Manager to negotiate a contract with the number one ranked firm, Carnahan Proctor and Cross and if unsuccessful, to then negotiate with Metric Engineering and so forth.

Commissioner Sasser asked what the budget amount was for this service. Assistant Town Manager Bentley said nothing was budgeted for this service. He explained that it was previously noted to the Commission that if the construction bids came in lower than the engineer's estimate, the remaining grant money would help pay for the project management services.

Commissioner Sasser made a motion to approve the ranking of the proposers: 1) Carnahan Proctor & Cross, 2) Metric Engineering, 3) Calvin, Giordano & Associates, and 4) Consul-Tech and authorize the Town Manager to negotiate a contract with the #1 firm and if the negotiation was unacceptable to then negotiate with Metric Engineering, and so forth. Commissioner Vincent seconded the motion. The motion carried 4 - 0.

d. Commission approval of Applications for Relief from Code Enforcement Liens at 4001 Ocean Drive (Code and Zoning Supervisor Jeff Bowman)

This item was taken out of order and discussed after the Consent Agenda.

e. General and Capital Fund Year End Transfers from Fund Balance (Acting Finance Director Doug Haag)

Acting Finance Director Haag requested Commission approval to transfer funds generated by the fire assessment fees in the amount of \$70,384 from the general fund to the fire fund. He said the transfer would help to track the fire funds separately.

Mayor Minnet asked whether there was a stipulation that the Town was not allowed to collect interest on the \$1 million Oriana money. Acting Finance Director Haag said he would find out.

Commissioner Sasser made a motion to approve the transfer of \$70,384. Commissioner Clotey seconded the motion. The motion carried 5 - 0.

f. Realty Services to Lease Town Warehouse (Public Information Officer Steve d'Oliveira)



AGENDA ITEM REQUEST FORM

Exhibit 2
Item No. 17e

Finance

Doug Haag

Department Submitting Request

Dept Head's Signature

REGULAR
COMMISSION MTG
Meeting Dates - 7:00 PM

DEADLINE TO
Town Clerk

ROUNDTABLE
MEETING
Meeting Dates - 7:00 PM

DEADLINE TO
Town Clerk

- April 27, 2011
- May 24, 2011
- June 28, 2011
- July 26, 2011

- April 15 (5:00 pm)
- May 13 (5:00 pm)
- June 10 (5:00 pm)
- July 15 (5:00 pm)

*Subject to Change

- April 12, 2011
- May 10, 2011
- June 14, 2011
- July 12, 2011

- April 1 (5:00 pm)
- April 29 (5:00 pm)
- June 3 (5:00 pm)
- July 1 (5:00 pm)

- | | | | |
|---------------------------------------|-----------------------------------------|---------------------------------------|--------------------------------------------------|
| <input type="checkbox"/> Presentation | <input type="checkbox"/> Reports | <input type="checkbox"/> Consent | <input type="checkbox"/> Ordinance |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Quasi Judicial | <input type="checkbox"/> Old Business | <input checked="" type="checkbox"/> New Business |

SUBJECT TITLE: GENERAL AND CAPITAL FUND YEAR END TRANSFERS FROM FUND BALANCE

EXPLANATION:

- When the FY 2009-2010 audit report was presented at the March Commission meeting we discussed the need to reduce the \$1,000,000 that was designated in the Capital Fund for the El Mar Drive Improvements. The reduction is appropriate because \$70,384 of those funds had been paid to Ocampo & Associates in 2009 and 2010 for engineering design costs for the El Mar Drive improvements.
- The audit report also had a Fire Department reserve in the General Fund in the amount of \$215,690. This is made up of the excess revenues over expenses for the previous fiscal years as follows:

\$ 63,273	Prior to FY 2008-09 (Per FY 2009 CAFR)
\$ 17,827	FY 2008-09 (\$1,019,022 - \$1,001,195)
<u>\$134,590</u>	FY 2009-10 (\$1,027,988 - \$893,398)
<u>\$215,690</u>	Total

Effective October 1, 2010 we established a separate Fire Fund to account for these monies so we are requesting authorization to transfer the \$215,690 from the General Fund to the Fire Fund. These funds are legally restricted to expenditures that relate to the fire service, so it is appropriate that they be transferred the Fire Fund.

EXPECTED OUTCOME:

RECOMMENDATION:

- Approve transfer of \$70,384 from Capital Fund reserved fund balance to Capital Fund undesignated fund balance
- Approve transfer of \$215,690 from General Fund reserved fund balance to Fire Fund undesignated fund balance

Reviewed by Town Attorney
 Yes No

Town Manager Initials CH

May 24, 2011 Verbatim Minutes

Item 17e - General and Capital Fund Year End Transfers from Fund Balance

Doug Haag: Mayor and Commissioners I believe we discussed this a little bit back in March, when the auditors presented our audit report. The first item is... will actually free up some funds in the capital fund by designating \$70,384 that's already been spent. The second transfer involves the general fund to the fire fund involves excess funds that have been made available in prior years, and now that we designated a separate fire fund per Florida statute, that requires that we track these funds separately, and now make them part of the fire fund.

Mayor Minnet: Thank you for doing this. I have a question and it's in reference to the million dollars, the Oriana money. Was there a stipulation on that the Town was not allowed to collect interest on that money?

Doug Haag: Don't know. I could check and find out.

Mayor Minnet: Thank you.

Mayor Minnet: If there are no questions is there a motion to approve the transfer of \$70,384?

Commissioner Sasser: So moved.

Commissioner Clotney: Second

Mayor Minnet: Town Clerk, do we need to read that forward for you or do you have it?

Town Clerk White: I have it.

Mayor Minnet: We have a motion by Commissioner Sasser and a second by Commissioner Clotney to approve the Town staff recommendation.

Town Clerk White: Please cast your votes. Passes 4-0.

**Correction to the May 24, 2011 Commission Meeting Minutes
for Agenda Item 17.e**

e. General and Capital Fund Year End Transfers from Fund Balance (Interim Finance Director
Doug Haag)

Interim Finance Director Haag reminded the Mayor and Commissioners of a discussion that took place in March. He indicated that the first item will free up some funds in the capital fund by designating \$70,384 that's already been spent. He indicated that the second transfer involves transferring accumulated fire revenues from the general fund to the fire fund in accordance with Florida Statutes.

Mayor Minnet asked whether there was a stipulation that the Town was not allowed to collect interest on the \$1 million Oriana money. Interim Finance Director Haag said he would find out.

Commissioner Sasser made a motion to approve the transfer of \$70,384. Commissioner Clottey seconded the motion. The motion carried 4-0.