

M E M O R A N D U M

TO: Howard Tipton, Town Manager
FROM: Sue Smith, Finance Director
REPORT DATE: October 24, 2025
MEETING DATE: November 3, 2025
SUBJECT: Resolution 2025-30, Amending the FY25 Adopted Budget for Year-End Transfers in the General Fund and Miscellaneous Grant Fund

Background

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed the appropriations), per Town Charter, is at the department level. This means that departments may go over or under budget on individual line items, but they are not allowed to exceed the expenditures appropriated for their department budget in total.

For transfers between departments or programs, Article V, Section 9(d), of the Town Charter, states the Town Manager may transfer up to \$26,063 (\$20,000.00 adjusted for CPI US City Average measured each year on September 30) between line items within or between departments or among programs. Transfers greater than \$26,063 and amendments that change the original budget in total, or amendments requiring the use of unappropriated fund balance, require Town Commission approval.

The occurrences that cause an overage in the departmental line items are communicated on a regular basis to the Town Manager by Department Heads and Finance staff. In some circumstances, the Town waits until the close of the year-end to finalize the process.

Based on the criteria above, the following budget amendments are proposed:

Fund 001 General Fund

The Facilities Department exceeded its budget by \$42,000 due to unexpected repairs. They included over \$14,000 for a new water heater at Fire Station 92 due to failure. It also includes over \$3,400 for new toilets at the Police Department. The valves failed right after the Hurricane, and in order to get that facility operational, the new toilets with improved valves were needed. In addition, it includes an excessive water bill of \$8904.24, which was associated with the impacts of the Hurricanes. The remaining overages can be attributed to the multiple HVAC repairs at Town Hall and Planning and Zoning. This system is due to be replaced in fiscal year 2026, and the repairs required to maintain the existing, aging system were costly. The last components of the new system are expected soon, and the entire system will be replaced.

The Fire Department exceeded its budget by \$125,000, largely from overtime expense, Florida Retirement System (FRS) contributions, and Workers' Compensation. Overtime is caused by needing coverage for employees out on sick leave, vacation, or workers' compensation to meet minimum staffing requirements. We had 12 personnel who were on either disability or non-work-related injury during this period (October 1, 2024, to October 1, 2025). There were 113 days where overtime was needed due to disability or non-work-related injury, and 65 days where overtime was needed to meet minimum staffing levels. The overage on these three lines exceeded \$200,000, but the department cut back on other operating lines to make up for just about half of the costs.

The Emergency Management Department, which captures storm-related damages, requires an additional amendment of \$80,000 to cover continued repairs, tree removal, and stump grinding. There were four prior budget amendments totaling \$4,943,693 approved for this department during FY25, covering debris removal, overtime, and other emergency response costs.

Finance suggests using Public Works Department surplus to cover the Facilities Department overage, and Police Department surplus and General Contingency to cover the Fire Department Overage and the Emergency Management overages. The following account adjustments will balance the department budgets.

Account number	Account Description	Increase (Decrease)
001-10-17-546.4601	R/M Buildings - Facilities	42,000
001-30-22-512.1201	Wages/Regular – Public Works	(42,000)
001-20-20-512.1402	Wages/Overtime - Fire	92,000
001-20-20-522.2202	FRS Town Contribution - Fire	33,000
001-20-19-512.1201	Wages/Regular – Police	(103,000)
001-10-31-599.9901	Contingency	(22,000)
001-20-21-546.4616-24-HELE	Debris Removal – Helene	80,000
001-10-31-599.9901	Contingency	(80,000)

Fund 113 Miscellaneous Grant Fund

During the year, the Town received grant funds and awards that were unknown at the time the budget was adopted. The Finance Department segregates these grants in the various special revenue or capital project funds as restricted funds from general receipts. During the year, a total of \$24,859 of new grants was received in the Miscellaneous Grant Fund.

- \$24,859 was received from the Department of Management Services under the Local Government Cybersecurity Grant Program.

This transaction changes the Original Budget in total, requiring Commission approval. Resolution 2025-30 established the grant revenue and expenditures budget lines needed to record these grants.

Account number	Account Description	Increase (Decrease)
113-10-09-334.9001-IT-CYBR	State Grant – Cybersecurity	\$24,859
113-10-15-568.6801-IT-CYBR	Software-Capital Cybersecurity	\$24,859

Recommended Action

Following public hearing, pass Resolution 2025-30.

Attachment (Available in the Town Clerk’s Office)

Resolution 2025-30

End of Agenda Item