RESOLUTION NUMBER 16-37

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FORT MYERS BEACH, FLORIDA, IMPLEMENTING THE PROVISIONS OF ORDINANCE 08-13, KNOWN AS THE TOWN OF FORT MYERS BEACH EMERGENCY PREPAREDNESS FUND ACCESS ORDINANCE, FOR FISCAL YEAR 2016-2017; FOR THE DESIGNATION OF TOWN RESERVES FOR FISCAL YEAR 2016-2017; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, Article VIII, Section 2 of the State Constitution and Chapter 166 of the Florida Statutes provide that municipalities have the governmental, corporate, and proprietary powers to enable them to conduct municipal government, perform municipal functions, render municipal services, and exercise any power for municipal purposes, except when expressly prohibited by law; and

WHEREAS, Section 166.241(2), Florida Statutes provides that the governing body of the municipality must adopt a budget each fiscal year and such budget must regulate expenditures of the municipality; and

WHEREAS, Article X of the Town Charter empowers the Town of Fort Myers Beach, Florida (Town) to adopt, amend, or repeal such ordinances and resolutions as may be required for the proper governing of the Town; and

WHEREAS, the Town has established an Emergency Preparedness Fund within the Town budget, which Fund is available for bona fide Town emergencies as declared by the Town Council and as otherwise set forth in Town Ordinance 08-13; and

WHEREAS, Town Ordinance 08-13 requires the Town Council to pass a Resolution each year in conjunction with passage of the annual Town Operating and Capital Improvement Budgets, which Resolution is to specify the total final funding of this reserve for the upcoming budget year; the methodology for rebuilding the initial amount of this fund during the course of the budget year if necessary; and such other specifics as Town Council may determine necessary for the upcoming funding year; and

WHEREAS, the measures set forth in Ordinance 08-13 are necessary to provide for the protection of public health, safety and welfare, and to preserve the lives and property of the people of the Town.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Town of Fort Myers Beach as follows:

SECTION 1. Incorporation of Whereas Clauses.

The above "Whereas" clauses are hereby incorporated by reference as though fully set forth herein.

SECTION 2. Amount of General Fund, Fund Balance and Reserve Fund for FY16-17.

The Town of Fort Myers Beach hereby establishes the amount of $1,350,000 as set aside in the Town of Fort Myer's Beach General Fund and Reserve Fund for Town fiscal year 2016-2017, with all interest accruals to be added to this Fund during the fiscal year. A committed reserve of $100,000 for beach Renourishment is contained in the above amount. Fifty percent of the above total amount will be committed funds for the Emergency Preparedness Fund as identified in section 3. In addition $78,000 is committed as a reserve held for accrued benefit leave..

Section 3. Amount of Emergency Preparedness Reserve Fund for FY16-17.

The Town of Fort Myers Beach hereby establishes the amount of $675,000 as set aside in the Town of Fort Myer's Beach Emergency Preparedness Reserve Fund for Town fiscal year 2016-2017, with all interest accruals to be added to this Fund during the fiscal year.

Section 4. Gas Tax Reserve Fund.

The Town of Fort Myers Beach hereby establishes the amount of $500,000.00 as set aside in the Town of Fort Myers Beach Gas Tax Fund for Town fiscal year 2016-2017, with all interest accruals to be added to this Fund during the fiscal year.

Section 5. Stormwater Management Utility Reserve Fund.

The Town of Fort Myers Beach hereby establishes the amount of $150,000 as set aside in the Town of Fort Myers Beach Stormwater Management Reserve Fund for Town fiscal year 2016-2017, with all interest accruals to be added to this Fund during the fiscal year.

Section 6. Water Utility Reserve Fund.

The Town of Fort Myers Beach hereby establishes a fund balance requirement equaling approximately six months of budgeted water operating expense, which amounts to $1,700,000. In an effort to minimize the next water rate increase, this amount will be funded over a several year period. Included in this amount will be a committed Capital Reserve in the amount of $350,000, which will be achieved in three years. The initial amount will be $115,500, with an additional $115,500 the second year, and $119,000 the third. This equates to a total reserve of about $715,500 for fiscal year 2016-2017, with all interest accruals to be added to this Fund during the fiscal year.

Section 7. Methodology for Rebuilding Fund.

If, at any time, the total amount of a reserve fund is less than the amount described above, the Town will consider, within 60 days thereof, the action necessary to replenish the reserves, as an agenda item at a regular or Special Town Meeting.

Section 8. Reserve Summary.

A summary of the above reserve requirements, along with a projected amount for the following two years is included in Exhibit A.

Section 9. Effective Date.

This resolution takes effect immediately upon its adoption by the Town Council of the Town of Fort Myers Beach.

The foregoing Resolution was adopted by the Town Council upon a motion by Council Member Hosafros and seconded by Council Member Cereceda, and upon being put to a vote, the result was as follows:

Dennis C. Boback, Mayor	aye
Summer Stockton, Vice-Mayor	aye
Tracey Gore	aye
Rexann Hosafros	aye
Anita Cereceda	aye

DULY PASSED AND ADOPTED on this 22nd day of September, 2016.

ATTEST: **TOWN OF FORT MYERS BEACH**

By: _____ by: _____

Michelle D Mayher, Town Clerk Dennis C. Boback, Mayor

Approved as to legal sufficiency by:

By: _____

Dawn E. Perry-Lehnert, Town Attorney

Exhibit A

Town of Fort Myers Beach Fund Balance Requirements for FY 16/17

For the fiscal year beginning October 1, 2016 the Town will establish minimum fund balance requirements for the General Fund, Gas Tax Fund, Stormwater Management Utility and the Water utility. Being a barrier island requires higher balances than would normally be established. These requirements are as follows:

General Fund: The fund balance requirement will be 20% of the proposed budget, which amounts to about $1,350,000. Of this amount, one half shall be committed as the Natural Disaster Emergency Preparedness Reserve Fund and the other half will be an assigned reserve. A restricted reserve equal to one third of the accrued benefit leave will also be established, which equates to about $78,000.

Gas Tax Fund: The fund balance requirement will be $500,000, which will be an assigned reserve. This amount is slightly more than one year's revenue.

Stormwater Management Utility: The fund balance requirement will be the greater of annual maintenance cost or the debt service coverage requirement of 1.20, of which the greater equates to about $150,000.

Water Utility: The fund balance requirement will be six months of budgeted operating expense, which amounts to about $1,700,000. In an effort to minimize the next rate increase, this amount will be funded over a several year period. Included in this amount will be a committed Capital Reserve in the amount of $350,000, which will be achieved in three years. The initial amount will be $115,500 with an additional $115,500 the second year and $119,000 the third. This equates to a total reserve of about $715,500 for 16/17. A committed Customer Deposit Fund will also be established and will equal the amount of customer deposits.

Projected fund balance requirements:

		FY 16/17	FY 17/18	FY 18/19
General Fund:	Emergency Committed	675,000	695,000	715,000
	Assigned	575,000	595,000	615,000
Beach Renourishment	Committed	100,000	100,000	100,000
Benefit Leave	Committed	78,000	94,000	111,000
Gas Tax Fund	Assigned	500,000	500,000	500,000
Stormwater	Assigned	150,000	200,000	300,000
Water Utility:	Assigned	600,000	650,000	700,000
Capital Reserve	Committed	115,500	231,000	350,000
	Totals	2,793,500	3,065,000	3,391,000

Note: The above does not include the water utility customer deposits.