



MEMORANDUM

To: Honorable Mayor, Vice-Mayor and Members of the Town Commission

From: Hector Gomez, Town Manager

Date: March 5th, 2024

Subject: General Funds Reserves Analysis Requested by the Town Commission During February 2024 General Town Commission Meeting

Table A – General Fund Balance Analysis below shows the total amount of general funds reserves (unaudited) for fiscal year 2023. Additionally, it shows how much of the reserves are allocated as part of the fund balance policy to various categories which were assigned through resolution.

<i>Town of Surfside, Florida</i>		
<i>General Fund/Stormwater Debt Analysis</i>		
<i>March 1, 2023</i>		
		Fiscal Year 2023
General Fund		
Fund Balance - Beginning		\$ 17,599,304.00
Net Change in Fund Balance ¹		\$ 3,050,258.19
Fund Balance - Ending		<u>\$ 20,649,562.19</u>
Committed Reserve for: ²		
Operation & Maintenance (O&M)		\$ 5,162,390.55
Hurricane/Natural Disaster		\$ 4,129,912.44
Budget Stabilization		\$ 2,064,956.22
Capital Projects		\$ 1,032,478.11
Unassigned		\$ 8,259,824.88
Fund Balance - Ending		<u>\$ 20,649,562.19</u>
Notes:		
¹ The net change in fund balance is a projection based on completion of the FY 2023 audit.		
² The committed reserves are based on the fund balance policy.		

Any Capital Improvement Project will require a substantial investment of funds by the Town. Therefore, it is recommended that projects of substantial investment are funded in such a way that funds can be replenished over a period of time. Fully funding a project solely from reserves comes at an opportunity cost and may limit the Town’s ability to fund other projects later. Abbott Avenue Stormwater Improvement Projects was budgeted for fiscal year 2023 and fiscal year 2024 at \$3,850,000 with grant funding included. Refer to **Table B – Abbott Avenue Stormwater Fund Analysis** below:

<i>Town of Surfside, Florida</i>		
<i>Abbott Avenue Stormwater Funding Analysis</i>		
<i>March 4, 2023</i>		
		Fiscal Year 2024
<i>Funding for Abbott Avenue Stormwater Improvement Project</i>		
American Rescue Plan Act (ARPA)		\$ 1,000,000.00
FDEP Statewide Flooding & Sea Level Rise Plan		\$ 1,000,000.00
Stormwater Fund		\$ 1,850,000.00
Project Funding		\$ 3,850,000.00

The average cost of the original Abbott Avenue Drainage Improvement Project based on ITB 2023-05 is \$10,309,878.80. This cost is expected to increase do to market trends.