



City of Marco Island

Meeting Date: January 20, 2026

To: City Council

From: Carol McDermott, Finance Director

Through: Dr. Casey Lucius, Interim City Manager

Re: Finance Department Monthly Report

The following is an update of the Finance activities and projects for the month of January 2026:

Year-end and audit:

The team is focused on satisfying the documentation requested by the external Auditor, CLA. Audit field work began January 19. CLA will attend the February Audit Advisory Committee meeting to provide an update on the audit's progress.

Staffing:

The department continues to actively recruit to fill the vacant Controller position.

Payroll:

It is W-2 season. Active employees will receive their W-2 electronically and paper copies will be mailed to former employees this month. Some employees will notice a new disclosure on their W-2 due to the change in the treatment of overtime in 2025. The "no tax on overtime" provision allows eligible taxpayers to deduct up to \$12,500 for single filers and \$25,000 for joint filers from their taxable income for qualified overtime pay. As a result, employee W-2 forms will now disclose overtime pay to facilitate tax reporting. To avoid confusion, employees will be informed that tax will continue to be withheld on overtime earned in 2026. While deduction reduces taxable income, it does not exempt all overtime pay from payroll taxes as there are limits on the amount to be deducted and phase-out thresholds that impact the amount that can be deducted.

Utility Customer Service and Billing:

The call and walk-in volumes continue to be higher than normal. This is expected as customers continue to re-enroll for auto pay on the new payment portal.

In late November, Julie Broxson and Emily Iacobucci received the ***Caught in the Act Award*** for their exceptional effort and teamwork supporting the City's customers through the transition to the new payment portal for water, sewer, and other City services.

Emily and Julie continue to go above and beyond their duties responding to a heavy volume of phone calls and in-person inquiries as citizens continue seeking assistance in accessing and setting up their new on-line accounts.

They recognized residents without computer access faced a challenge accessing and getting set up on the new portal. Emily and Julie set up a public computer station at the customer service desk and personally assisted residents in creating and activating their accounts. This was a challenging roll-out and they responded with professionalism and patience. This was white glove service at its best.

Their dedication, creativity, and commitment to assist each customer exemplifies the spirit of the ***Caught in the Act Award***, recognizing City employees who exceed expectations and demonstrate exceptional service.

In appreciation of their outstanding contribution to the City and its residents, Emily and Julie were each recognized with a \$100 gift card.



Mike McNees, Julie Broxson, Emily Iacobucci, and Casey Lucius

Utility Customer Services:

Calls: 1,601– Call volume continues to run higher than normal due to the conversion to a new payment portal and the implementation of convenience fees.

Work orders: 205 – the decrease in the November water shut offs is attributed to the grace period provided to allow customers time to re-enroll in autopay in the new payment portal. Since early September every effort was made to inform autopay customers about the new portal and the need to re-enroll to ensure automatic payments continue. A higher level of turn off volume is anticipated in January as the grace period has closed and water shut offs will begin after January 14.

Rolling 13-month trend of utility work orders:

Work Orders for Dept (UTILITY)	12/24	1/25	2/25	3/25	4/25	5/25	6/25	7/25	8/25	9/25	10/25	11/25	12/25
ADDITIONAL METER	5	18	13	4	7	10							
BACKFLOW REPAIR							2	7	4	8	1	10	14
CUSTOMER LEAK		1										1	
FINAL READ OWNER	61	50	61	72	89	78	115	67	52	72	47	45	77
HIGH WATER BILL	11	18	10	3	4	5	11	23	4	18	7	9	23
INTRNL MTR CHNGE OUT						2							
IR CHANGE OUT		1	1										
LOW PRESSURE	3	1		6	2	1		1	1	1	3	1	
METER BOX/LID REPLACEMENT		2	1										1
METER DOWNSIZE												1	1
NEW METER BOX					1								
NEW WATER METER	7	4	10	3	3	4	5	8	8	3	5	5	
NO WATER												1	1
OFF PER CUST REQUEST	2	1	1	2	4	15	1	4	1	3	1	1	2
PROBLEM/COMPLAINT	5	7	10	1	13	15	5	4	7		2	3	3
RC CHANGE OUT		1											
RED TAG NON-PAYMENT	3	3	2	10	1		1	1	7		5	1	3
RELOCATE METER				2									2
REMOVE METER		1				2		1					
REMOVE RECLAIM METER							1	1					
REPAIRS	4					1	1		2				1
RE-READ						1	1	1					
SERVICE LINE LEAK	1	2		1	4	7	7	3	1	3	4	4	2
SERVICE LINE REPAIR		4	2	1	4	3	1	9		2	7	1	5
SET UP TEMP METER	1	1	1				1	2			3	1	
SEWER BACKUP/ISSUE	1				2								
STUCK METER	11	57	8	21	10	12	9	8	3		5	11	4
TEMP METER RETURNED		1	2		1			2	1	1	3	2	1
TURN WATER ON	37	19	17	16	29	14	12	13	23	23	36	18	28
TURN OFF	28	11	24	10	26	20	22	16	25	23	27	9	25
UNLOCK MTR/BCKFLW IN	4	3	4	4	4	4		7	1	6	5	5	4
UPSIZE METER	1	2			1	1	1			3			
WATER METER CHANGE OUT			32	75	35	37		5		1		1	3
WATER MAIN BREAK						1	1	1					
WT CHANGEOUT WITH BACKFLOW	43	30			1		1			1			
YELLOW TAG							2						
TOTAL	228	238	199	231	241	233	200	184	140	168	157	129	205

Accounts Payable:

549 invoices were paid on 261 checks and 51 ACH totaling \$3,065,067

FY25	
Amount Paid	\$ 43,528,517
Invoices Paid	5,812
Checks	2,452
ACH	621

Rolling 13 Month Trend of Accounts Payable Activity													
	12/24	01/25	02/25	03/25	04/25	05/25	06/25	07/25	08/25	09/25	10/25	11/25	12/25
Amount Paid	\$ 5,693,142	\$ 3,384,741	\$ 3,566,443	\$ 2,820,843	\$ 2,894,173	\$ 3,136,066	\$ 2,799,779	\$ 3,615,700	\$ 2,055,897	\$ 4,460,443	\$ 5,083,567	\$ 3,573,091	\$ 3,065,067
Invoices Paid	232	431	479	550	498	508	505	424	506	691	397	531	549
Checks	218	149	212	228	240	210	222	190	201	234	180	220	261
ACH	50	49	48	63	48	46	49	46	59	62	48	59	51

IRS Form 1099 will be issued by January 31 to recipients

Monthly Average	
Amount Paid	\$ 3,549,919
Invoices Paid	485
Checks	213
ACH	52

Code Monthly Financial Information:

	Total	YTD				
		May 25 - Sep 25	FY26	10/31/2025	11/30/2025	12/31/2025
Number of Liens satisfied with Collier County ⁽¹⁾	20		3	1	1	1
Fines Invoiced	\$ 711,360		\$ 241,049	\$ 98,210	\$ 90,430	\$ 52,409
Less: Fines Mitigated	45,885		323,950	192,200	5,100	126,650
Fines Re-Invoiced	\$ 665,475		\$ (82,901)	\$ (93,990)	\$ 85,330	\$ (74,241)
Fines collected ⁽²⁾	\$ 207,685		\$ 68,600	\$ 35,250	\$ 23,750	\$ 9,600
Fines outstanding	\$ 584,025		\$ 160,709	\$ 37,500	\$ 79,500	\$ 43,709
Fines recorded as liens	\$ 222,985		\$ 3,700	\$ 3,700		

⁽¹⁾ Liens satisfied can be prior to year 2021

⁽²⁾ Code Compliance Fees includes Magistrate and citations

Key points

The amount collected from fines is often less than originally invoiced due to the mitigation process, which allows property owners to request a reduction after a violation has been corrected.

Mitigation is reviewed by staff and the city attorney, and approved by the Special Magistrate during formal hearings. Decisions are based on factors such as the severity and duration of the violation, and the owner's history of prior violations.

Mitigation helps balance accountability with fairness and encourages voluntary compliance while preserving the City's ability to collect fines through liens and other means when necessary.

Fines recorded as liens are not always collected immediately. Liens remain active until satisfied and are most commonly resolved at the time of property sale, title transfer, or refinancing.

Some outstanding fines shown in this report may be collected in future years, and the timing of lien recovery can vary significantly based on property activity.

Other Items on the Radar:

Impact of convenience fees on FY27 budget for payment processing fee expense:

The FY26 budget has \$96 thousand budgeted for payment processing fee expense; the majority budgeted in Building Services, \$32k, and Water and Sewer, \$55k.

The FY26 payment processing fee budget was established before the implementation of convenience fee charges on credit cards for Utility Billing and other City services. With the implementation of the convenience fee charge, a portion of the payment processing fee expense budget will not be realized. The City will continue to incur processing fees for payments made by e-check as the ACH payment option is no longer offered through the payments portal. With the elimination of ACH as an autopay option, the City waived the e-check convenience fee. E-check volume is expected to increase as the ACH autopay customers select the e-check option. We will monitor the impact of e-check volume to determine the appropriate level for the FY 27 processing fee budget.