



City of Marco Island

Meeting Date: February 17, 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: through the month of January 2026:

Year-end and audit:

Audit fieldwork began the week of January 26th.

Payroll: Form W-2 was provided to employees and the IRS by the January 31st deadline.

Accounts Payable: 1099 processing was completed in January.

Finance:

Debt payments: Principal and interest payments of \$2.4 million and \$330k, respectively, were made on the debt for the Septic Tank Replacement Project (STRP).

Grant revenue received: Revenue of \$4,243 was received from the State of Florida for IRMA. This is a partial payment of the grant obligated in November 2024 for the repairs to the Police Department and Council Chambers. There are \$142k of obligations remaining for IRMA.

Utility Customer Service and Billing:

The call and walk-in volumes continued to be higher than normal. Volumes are expected to start to decrease as autopay customers are now more aware of the need to re-enroll on the new payment portal. To date, over 92% of customers have re-enrolled in autopay.

Utility Customer Services:

Calls: 2,123 – Call volume ran higher in January due to the continued transition of autopay customers to the new payment portal. The team analyzed the customers using autopay on the old portal who had not yet re-enrolled in the new portal. If the customer provided contact information for their account, the team took the extra step to send an email reminder to enroll in the new payment portal to avoid late fees, penalties, and water disconnection as the grace period ends with the February 15 billing.

Work orders: 583 –

The higher level of turn off volume anticipated in January was realized. Delinquent accounts, primarily from autopay customers that had not yet re-enrolled in the new portal, were notified that disconnections for non-payment would begin in January. Beginning in October, the City issued notifications in the paper, on social media, on the City website, on the monthly bills, and sent out delinquency notifications before taking the final step to turn off the water.

Rolling 13-month trend of utility work orders:

Work Orders for Dept (UTILITY)	1/25	2/25	3/25	4/25	5/25	6/25	7/25	8/25	9/25	10/25	11/25	12/25	1/26
ADDITIONAL METER	18	13	4	7	10								
BACKFLOW REPAIR						2	7	4	8	1	10	14	11
CUSTOMER LEAK	1									1			
FINAL READ OWNER	50	61	72	89	78	115	67	52	72	47	45	77	49
HIGH WATER BILL	18	10	3	4	5	11	23	4	18	7	9	23	9
INTRNL MTR CHNGE OUT					2								
IR CHANGE OUT	1	1											
LOW PRESSURE	1		6	2	1		1	1	1	3	1		2
METER BOX/LID REPLACEMENT	2	1											1
METER DOWNSIZE											1	1	
NEW COMPANION METER													1
NEW METER BOX				1									
NEW WATER METER	4	10	3	3	4	5	8	8	3		5	5	2
NO WATER											1	1	
OFF PER CUST REQUEST	1	1	2	4	15	1	4	1	3	1	1	2	
PROBLEM/COMPLAINT	7	10	1	13	15	5	4	7		2	3	3	1
RC CHANGE OUT	1												
RED TAG NON-PAYMENT	3	2	10	1		1	1	7		5	1	3	3
RELOCATE METER			2									2	
REMOVE METER	1				2		1						
REMOVE RECLAIM METER						1	1						
REPAIRS					1	1		2				1	1
RE-READ					1	1	1						
SERVICE LINE LEAK	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	2			3	1		2
SEWER BACKUP/ISSUE				2									
STUCK METER	57	8	21	10	12	9	8	3		5	11	4	22
TEMP METER RETURNED	1	2		1			2	1	1	3	2	1	
TURN WATER ON	19	17	16	29	14	12	13	23	23	36	18	28	208
TURN OFF	11	24	10	26	20	22	16	25	23	27	9	25	260
UNLOCK MTR/BCKFLW IN	3	4	4	4	4		7	1	6	5	5	4	4
UPSIZE METER	2			1	1	1			3				1
WATER METER CHANGE OUT		32	75	35	37		5		1		1	3	7
WATER MAIN BREAK					1	1	1						
WT CHANGEOUT WITH BACKFLOW	30					1							
YELLOW TAG				1		2			1				
TOTAL	238	199	231	241	233	200	184	140	168	157	129	205	583

Accounts Payable:

449 invoices were paid on 212 checks and 52 ACH totaling \$2,817,970.

	01/25	02/25	03/25	04/25	05/25	06/25	07/25	08/25	09/25	10/25	11/25	12/25	01/26
Amount Paid	\$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	\$2,817,970
Invoices Paid	431	479	550	498	508	505	424	506	691	397	531	549	449
Checks	149	212	228	240	210	222	190	201	234	180	220	261	164
ACH	49	48	63	48	46	49	46	59	62	48	59	51	52

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

YTD FY26	
Amount Paid	\$14,539,694
Invoices Paid	1,926
Checks	825
ACH	210

Rolling Monthly Average	
Amount Paid	\$3,371,317
Invoices Paid	506
Checks	212
ACH	52

Code Summary of Monthly Activity:

	Total May 25 - Sep 25	10/31/2025	11/30/2025	12/31/2025	Qtr 1 26 ⁽³⁾	1/31/2026	YTD 2026
Number of Liens satisfied with Collier County ⁽¹⁾	20	1	1	1	3	3	6
Fines Invoiced	\$ 711,360	\$ 52,409	\$ 90,430	\$ 98,210	\$241,049	\$ 17,250	\$ 258,299
Less: Fines Mitigated	45,885	126,650	5,100	192,200	323,950	87,295	411,245
Fines Re-Invoiced	\$ 665,475	\$ (74,241)	\$ 85,330	\$ (93,990)	\$ (82,901)	\$ (70,045)	\$ (152,946)
Fines collected ⁽²⁾	\$ 207,685	\$ 9,600	\$ 23,750	\$ 35,250	\$ 68,600	\$ 2,700	\$ 71,300
Fines outstanding	\$ 584,025	\$ 43,709	\$ 79,500	\$ 37,500	\$160,709	\$ 17,250	\$ 177,959
Fines recorded as liens	\$ 222,985			\$ 3,700	\$ 3,700	\$ 48,450	\$ 52,150

⁽¹⁾Liens satisfied can be prior to year 2021

⁽²⁾Code Compliance Fees includes Magistrate and citations

⁽³⁾Qtr1 2026 fines mitigated includes a ~\$200k mitigation from a case that predates 2015.

The original invoice is cancelled and reissued at the lower amount which was approximately \$12k.

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.

**CITY OF MARCO ISLAND
BUDGET FLASH REPORT - MAJOR OPERATING FUNDS
FOR PERIOD ENDED 12/31/25**

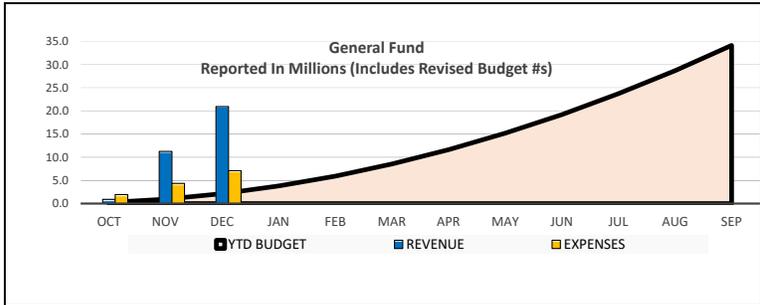
PERCENT COMPLETE 25%

GENERAL FUND REVENUES: FY26 VS BUDGET				
	BUDGET		YTD ACTUAL	YTD ACTUAL vs YTD BUDGET
	ORIGINAL	YTD		
AD VALOREM TAXES	\$ 22,645,800	\$ 16,984,350	\$ 18,587,542	\$ 1,603,192 9%
LICENSES,PERMITS & OTHER TAXES	2,223,808	555,952	368,756	(187,196) (34%)
INTERGOVERNMENTAL REVENUES	4,043,000	1,010,750	750,254	(260,496) (26%)
CHARGES FOR SERVICES	3,221,236	805,309	872,536	67,227 8%
INTEREST	1,800,000	450,000	306,267	(143,733) (32%)
MISCELLANEOUS	20,000	5,000	24,735	19,735 95%
TRANSFERS & ALL OTHERS	150,000	37,500	-	(37,500) (100%)
TOTAL REVENUES	\$ 34,103,844	\$ 19,848,861	\$ 20,910,090	\$ 1,061,229 5%

GENERAL FUND EXPENSE: FY26 VS BUDGET				
DEPARTMENTS	BUDGET		YTD ACTUAL	YTD ACTUAL vs YTD BUDGET
	ORIGINAL	YTD		
ADMINISTRATION	\$ 3,771,445	\$ 942,861	\$ 956,790	\$ 13,928 1%
GROWTH MANAGEMENT	905,695	226,424	172,384	(54,040) (24%)
GENERAL GOVERNMENT	923,436	230,859	169,349	(61,510) (27%)
FLEET & FACILITIES	2,052,726	513,182	413,924	(99,257) (19%)
POLICE	7,233,571	1,808,393	1,483,259	(325,133) (18%)
FIRE/RESCUE	9,264,539	2,316,135	1,976,970	(339,164) (15%)
CODE	746,377	186,594	166,229	(20,365) (11%)
PUBLIC WORKS	3,733,215	933,304	589,597	(343,706) (37%)
PARKS & RECREATION	1,319,627	329,907	226,170	(103,737) (31%)
TRANSFERS OUT	4,153,213	1,038,303	930,804	(107,500) (10%)
TOTAL EXPENDITURES	34,103,844	8,525,961	7,085,476	(1,440,485)
NET INCOME/(LOSS)	\$ -	\$ 11,322,900	\$ 13,824,614	\$ 2,501,714

GENERAL FUND 2026 VS 2025				
	PYTD 2025	YTD 2026	CY vs. PY	%CY/PY
AD VALOREM TAXES	\$ 17,355,056	\$ 18,587,542	\$ 1,232,486	7%
LICENSES,PERMITS & OTHER TAXES	383,244	368,756	(14,488)	(4%)
INTERGOVERNMENTAL REVENUES	745,133	750,254	5,121	1%
CHARGES FOR SERVICES	796,092	872,536	76,443	10%
INTEREST	428,811	306,267	(122,544)	(29%)
MISCELLANEOUS	17,891	24,735	6,845	38%
TRANSFERS & ALL OTHERS	279,375	-	(279,375)	(100%)
TOTAL REVENUES	\$ 20,005,602	\$ 20,910,090	\$ 904,488	5%

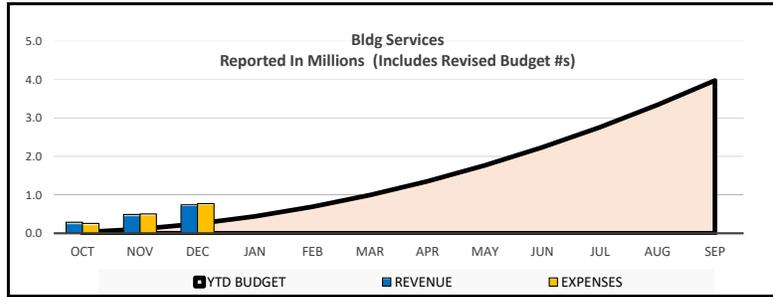
GENERAL FUND 2026 VS 2025				
DEPARTMENTS	PYTD 2025	YTD 2026	CY vs. PY	%CY/PY
ADMINISTRATION	\$ 845,334	\$ 956,790	\$ 111,456 a	13%
GROWTH MANAGEMENT	166,760	172,384	5,624	3%
GENERAL GOVERNMENT	134,748	169,349	34,601	26%
FLEET & FACILITIES	375,889	413,924	38,035	10%
POLICE	1,450,060	1,483,259	33,199	2%
FIRE/RESCUE	1,798,366	1,976,970	178,604 b	10%
CODE	151,651	166,229	14,578	10%
PUBLIC WORKS	549,028	589,597	40,569	7%
PARKS & RECREATION	201,670	226,170	24,500	12%
TRANSFERS OUT	961,469	930,804	(30,665)	(3%)
TOTAL EXPENDITURES	\$ 6,634,975	\$ 7,085,476	\$ 450,501	7%
NET INCOME/(LOSS)	\$ 13,370,627	\$ 13,824,614	\$ 453,987	3%



WATER & SEWER OPERATIONS				
	BUDGET		YTD ACTUAL	YTD ACTUAL vs. YTD BUDGET
	ORIGINAL	YTD		
OPERATING REVENUE	\$ 36,453,300	\$ 9,113,325	\$ 8,920,669	\$ (192,656)
OPERATING EXPENSE	36,453,300	9,113,325	8,491,800	(621,525)
NET	\$ -	\$ -	\$ 428,869	\$ 428,869
SURCHARGE REVENUE	\$ -	\$ -	\$ 42,156	\$ 42,156
SURCHARGE DEBT EXPENSE	-	-	-	-
NET	\$ -	\$ -	\$ 42,156	\$ 42,156
DEBT REVENUE	\$ 10,221,585	\$ 2,555,396	\$ 881,373	\$ (1,674,023)
DEBT EXPENSE	10,221,585	2,555,396	294,554	(2,260,843)
NET	\$ -	\$ -	\$ 586,819	\$ 586,819
RENEWAL & REPLACEMENT REVENUE	\$ 5,513,430	\$ 1,378,358	\$ 1,769,650	\$ 391,293
RENEWAL & REPLACEMENT EXPENSE	5,513,430	1,378,358	2,654,128 c	1,275,771
NET	\$ -	\$ -	\$ (884,478)	\$ (884,478)
SEWER ASSESSMENT DISTRICT REVENUE	\$ 4,393,986	\$ 1,098,497	\$ 168,767	\$ (929,730)
SEWER ASSESSMENT DISTRICT EXPENSE	4,393,986	1,098,497	37,320	(1,061,177)
NET	\$ -	\$ -	\$ 131,447	\$ 131,447

WATER & SEWER OPERATIONS 2026 VS 2025				
	PYTD 2025	YTD 2026	CY vs. PY	%CY/PY
OPERATING REVENUE	\$ 8,841,819	\$ 8,920,669	\$ 78,850	1%
OPERATING EXPENSE	8,399,127	8,491,800	92,673	1%
NET	\$ 442,691	\$ 428,869	\$ (13,822)	(3%)
SURCHARGE REVENUE	\$ 17,927	\$ 42,156	\$ 24,229	135%
SURCHARGE DEBT EXPENSE	-	-	-	-
NET	\$ 17,927	\$ 42,156	\$ 24,229	135%
DEBT REVENUE	\$ 2,355,463	\$ 881,373	\$ (1,474,090)	(63%)
DEBT EXPENSE	52,795	294,554	241,758	nm
NET	\$ 2,302,667	\$ 586,819	\$ (1,715,848)	(75%)
RENEWAL & REPLACEMENT REVENUE	\$ 1,710,666	\$ 1,769,650	\$ 58,984	3%
RENEWAL & REPLACEMENT EXPENSE	2,083,078	2,654,128	571,050	27%
NET	\$ (372,412)	\$ (884,478)	\$ (512,066)	137%
SEWER ASSESSMENT DISTRICT REVENUE	\$ 39,605	\$ 168,767	\$ 129,162	nm
SEWER ASSESSMENT DISTRICT EXPENSE	\$ 39,241	\$ 37,320	\$ (1,922)	(5%)
NET	\$ 364	\$ 131,447	\$ 131,083	nm

BUILDING FUND				
	BUDGET		YTD ACTUAL	YTD ACTUAL vs YTD BUDGET
	ORIGINAL	YTD		
BUILDING REVENUE	\$ 3,976,300	\$ 994,075	\$ 739,947	\$ (254,128)
BUILDING EXPENSE	3,976,300	994,075	772,909	(221,166)
NET	\$ -	\$ -	\$ (32,961)	\$ (32,961)



BUILDING FUND 2026 VS 2025				
	PYTD 2025	YTD 2026	CY vs. PY	%CY/PY
BUILDING REVENUE	\$ 936,076	\$ 739,947	\$ (196,128)	(21%)
BUILDING EXPENSE	795,028	772,909	(22,119)	(3%)
NET	\$ 141,048	\$ (32,961)	\$ (174,009)	(123%)

- a - Impact of Q1 26 separation agreement
- b - Includes FD contract renewal
- c - Increase includes: Biological filters at \$1.31M, SWPT pump station, \$296K, SWTP Odor Control, \$234K, High voltage switch gear at \$125k, and the new water meter project (AM) at \$279K

nm = not meaningful