



City of Marco Island

July 22, 2024

Members of the Marco Island City Council:

I am pleased to submit this proposed budget for the City of Marco Island for the 2024-2025 fiscal year that continues to advance the Council priorities as identified in the Marco Island Vision 2034 Strategic Plan.

The primary challenge for the fiscal year 2025 budget has been balancing the budget within the “rolled-back” ad-valorem rate and maintaining the current water and wastewater utility rates, while dealing with record inflation and its effect on wages and benefits, as well as the cost of goods and services. With regards to wages, we are recommending a 3% increase for general employees, and have bargained for a 15% increase to Police Officers and 20% for Sergeants; while we will honor the 5% increase included in the last year of the Fire Fighters’ agreement, plus any adjustments to the step plan.

The City is fortunate to have a strong property tax base, which accounts for 66% of the City’s total operating revenue. In addition, activities-based taxes have normalized based on the increase in visitors and residents to the island.

Other highlights of the Fiscal Year 2024-2025 Budget are as follows:

- Continuing funding of our “pay-as-you go” capital improvement programs of both the governmental and enterprise functions of the City.
- The Collier County local option one-percent infrastructure sales surtax, approved by voter referendum in 2018 sunset as of December 2023, i.e. fiscal year 2024, leaving residual balance of approximately \$1.7 million that will be used to cover a portion of the annual “pay-as-you-go” plan for fiscal 2025.
- The projected unrestricted general fund balance is \$10 million, which will carry over to fiscal 2025.

Through the concerted efforts of your management team and all City employees, we continue to monitor the impact of inflation on the City’s operations to adjust appropriately the budget and or reorganize. Our goal is to continue to provide high levels of customer service while working within the approved budget.

Sincerely,

Michael A. McNeese
City Manager