

## RESOLUTION 19-37

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARCO ISLAND, FLORIDA, MAKING APPROPRIATIONS OF SUMS OF MONEY FOR ALL NECESSARY OPERATING EXPENDITURES OF THE CITY FOR THE PERIOD FROM THE 1<sup>ST</sup> DAY OF OCTOBER, 2019, TO THE 30<sup>TH</sup> DAY OF SEPTEMBER, 2020; PRESCRIBING THE TERMS, CONDITIONS AND PROVISIONS WITH RESPECT TO THE ITEMS OF APPROPRIATIONS AND THEIR PAYMENT FOR THE GENERAL OPERATION OF THE SEVERAL DEPARTMENTS OF THE CITY, INCLUDING UTILITIES, AND FOR CONTRIBUTING TO THE SINKING FUNDS OF THE CITY TO PAY INTEREST ON AND PROVIDE FOR RETIREMENT OF OUTSTANDING BONDS AND OTHER FIXED OBLIGATIONS OF THE CITY; PROVIDING FOR BUDGET CONTROL POLICIES.**

**WHEREAS**, the City of Marco Island adopts a final budget and appropriates funds on an annual basis for the general operation of the several departments of the City;

**WHEREAS**, the City of Marco Island held a City Council Work Session on the fiscal year 2019-2020 budget on July 15, 2019; and

**WHEREAS**, the 2019 Tax Assessment Roll for the City of Marco Island has been prepared, equalized and certified, showing:

Total Taxable Value of Real & Personal Property: \$10,799,221,384; and

**WHEREAS**, the process of adopting the annual budget is governed by Chapter 200, Florida Statutes "Truth in Millage" (TRIM) legislation, requiring calculation of the Rolled Back Tax Rate and percentage increase over the Rolled Back Rate if any, certain public notices, public hearings, and format of required advertising.

**NOW, THEREFORE**, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MARCO ISLAND, FLORIDA:

**Section 1.** That the budget for the City of Marco Island, exclusive of Dependent Taxing districts, a summary of which is attached hereto as "Exhibit A" and made a part hereof, for the fiscal year commencing October 1, 2019 and ending September 30, 2020 is hereby adopted.

**Section 2.** That for the payment of expenses and obligations of the City of Marco Island for the fiscal year ending September 30, 2020 there is hereby appropriated out of any monies in the treasury of the City of Marco Island and any accruing revenues of the City available for said purposes to the funds and for the purposes hereinafter set forth, the sums of money shown in attachment "Exhibit A".

**Section 3.** Annual expenditures of the City of Marco Island are controlled by Section 1.04 of the City Charter – Expenditure Limitation.

- A. On August 18, 2014 the City Council approved Ordinance 14-08 to replace Resolution 03-03 adopted by the City Council on January 13, 2003. The Ordinance establishes the legislative intent and procedures for the calculation of the expenditure limitations. Exhibit A of the Ordinance complies with the following policies and procedures used to calculate the spending cap limits:
  - 1. The term “operating expenditures” shall be interpreted as “expenditures from the operating budget of the City’s Government Fund.”
  - 2. Expenditures from the operating budget shall include transfers into capital asset funds for future use.
    - a. GASB (Governmental Accounting Standards Board Statements) states that “expenditures represent the use or expected use of current financial resources” and that “expenditures of governmental fund resources” may give rise to general capital assets, which are defined as “capital assets of the government that are not specifically related to activities reported in proprietary or fiduciary funds.”
    - b. GASB Codification Chapter 1600.116 defines “expenditures” as “decreases in net financial resources.”
  - 3. The term “prior year’s expenditures” shall be interpreted as the City’s determination of actual expenditures for the current year at the time the spending cap calculation is to be undertaken.
  - 4. The term “then-current Federal C.O.L.A. (Department of Labor, Bureau of Statistics, Consumer Price Index)” shall be interpreted as the prior year’s COLA released by the Social Security Administration in October. That is starting with Fiscal Year 2015 the COLA used will be the SSA COLA released in October 2013 (effective date January 1, 2014).
- B. Funds budgeted in a prior fiscal year, but unexpended as of the end of that fiscal year, may be brought forward into a subsequent fiscal year and the expenditure of those funds shall not be considered in the calculation of expenditures of that subsequent fiscal year against the Spending Cap.
- C. The electorate of the City of Marco Island approved a charter referendum on September 10, 2002 dealing with the Spending Cap. Voters determined that expenditures financed by grants, gifts, and impact fees were not subject to the Spending Cap and that all expenditures of utilities and other self-supporting Enterprise Fund operations were likewise exempt from the spending Cap.

**Section 4.** Budgetary control is maintained at the fund level for all funds. Budget amendments may be approved by resolution from time to time during the fiscal year through the approval of the City Council. The City Council has authorized the City Manager to amend, modify or otherwise adjust the operating budget to a maximum limit of \$50,000 in total amendments, modifications, or adjustments during the year. A

Budget Re-Appropriation Resolution, consolidating all budget amendments approved during the course of the fiscal year and those recommended by the City Manager near the end of the fiscal year, officially amends the Annual Budget.

**Section 5.** The Finance Director is authorized to reserve at October 1, 2019 the unpaid purchase orders, outstanding contracts, and other commitments for Fiscal Year 2018-19. Said amounts reserved shall be designated as reservations of fund balance for encumbrances under fund equity and shall be carried forward into the next fiscal year as additions to the respective budgets. To provide fiscal stability for the City and allow City Management to apply fiscal prudence in managing the City's budget, a desired committed fund balance, per GASB 54, is established. The amounts for the desired fund balance shall be transferred from available sources into a separate general fund and capital projects fund account. The amounts deposited in the committed funds are to be used only for the purposes delineated in the budget resolution and/or re-appropriation resolution. Initially, the existence of the circumstances must be declared by a five-sevenths majority vote of all members of the governing body. Thereafter, any utilization of funds committed per the capital improvement program shall require a four-sevenths vote; or if outside the established capital improvement program, it shall necessitate a five-sevenths vote. Committed funds are subject to the objective criteria of acceptable uses included below.

- A. Expenditures where proposed use is of a nonoperational nature involving capital purchases of the City government having a useful life of greater than one year. Expenditures where the proposed use is of a funding nature, such as pension liabilities, and other post-employment benefit liabilities, or matching funds for a grant, or up-front payment of grant eligible expenses to be reimbursed by grant revenues. These improvements should result in tangible benefits such as, but not limited to, better service to the citizens or in increased productivity for City employees.

**Section 6.** The City Manager, through the Finance Director, is hereby authorized and directed to receipt all revenues listed herein for the purpose of which said revenues are designated and appropriated. In so doing, the Finance Director, through the City Manager, shall accurately account for and record such receipts in the ledgers and financial records in each respective designated account. Such ledgers and financial records shall be maintained and reported in accordance with the standards established by General Governmental Accounting and Auditing Principles and Practices

**Section 7.** The City Manager, through the Finance Director, is hereby authorized and directed to disburse moneys for the purpose of meeting the expenses and expenditures as appropriated.

**Section 8.** That public hearings were held on the final tax levy and budget on September 3, 2019, and September 16, 2019.

**Section 9. Effective Date.** This Resolution shall take effect immediately upon its passage.

Passed and adopted in open and regular session through roll call vote by the City Council of the City of Marco Island, Florida, this 16<sup>th</sup> day of September 2019.

**ATTEST:**

**CITY OF MARCO ISLAND, FLORIDA**

\_\_\_\_\_  
Laura M. Litzan, City Clerk

By: \_\_\_\_\_  
Erik Brechnitz, Chairman

Approved as to form and legal sufficiency:

\_\_\_\_\_  
Alan L. Gabriel, City Attorney

# Exhibit A

BUDGET SUMMARY								
City of Marco Island - Fiscal Year 2019-2020								
THE PROPOSED OPERATING BUDGET EXPENDITURES FOR THE CITY OF MARCO ISLAND								
ARE 6.1 % MORE THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES								
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	ENTERPRISE FUNDS	INTERNAL FUNDS	HIDEAWAY BEACH TAX DISTRICT	TOTAL BUDGET
<b>ESTIMATED REVENUES:</b>								
Taxes:	Millage Per \$1,000							
Ad Valorem Taxes	1.8057	18,817,649						18,817,649
Ad Valorem Taxes (Voted Debt)	0.0764		794,734					794,734
Ad Valorem Taxes (Hideaway)	1.0000						506,143	506,143
Charges for Services	2,624,332	2,010,000			31,228,908			35,863,240
Intergovernmental Revenue	4,763,347			98,282	0			4,861,629
Other Revenues	564,000	0	0	3,200,000	400,000	1,575,045		5,739,045
<b>TOTAL SOURCES</b>	<b>26,769,328</b>	<b>2,010,000</b>	<b>794,734</b>	<b>3,298,282</b>	<b>31,628,908</b>	<b>1,575,045</b>	<b>506,143</b>	<b>66,582,439</b>
Interfund Transfers In	0	0	1,164,002	4,207,349	0			5,371,351
Fund Balances/Reserves	8,532,385	-2,678,216	1,540,882	0	6,760,911	1,933,645	1,929,316	18,018,923
<b>TOTAL REVENUES, TRANSFERS AND BALANCES</b>	<b>35,301,713</b>	<b>-668,216</b>	<b>3,499,618</b>	<b>7,505,631</b>	<b>38,389,819</b>	<b>3,508,690</b>	<b>2,435,459</b>	<b>89,972,713</b>
<b>EXPENDITURES/EXPENSES:</b>								
General Government	4,287,022							4,287,022
Growth Management	800,168							800,168
Public Safety	11,881,652	2,689,570						14,571,222
Parks & Recreation	1,614,653						506,143	2,120,796
Public Works	2,877,471							2,877,471
Debt Service			1,958,736		15,157,729			17,116,465
Capital Projects				4,305,631	5,935,640			10,241,271
Water & Sewer					17,233,461			17,233,461
Internal Services						1,675,045		1,675,045
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>21,460,966</b>	<b>2,689,570</b>	<b>1,958,736</b>	<b>4,305,631</b>	<b>38,326,830</b>	<b>1,675,045</b>	<b>506,143</b>	<b>70,922,921</b>
Interfund Transfers Out	5,306,362	0		0	62,989			5,371,351
Fund Balances/Reserves	8,532,385	-3,357,786	1,540,882	3,200,000	0	1,833,645	1,929,316	13,678,442
<b>TOTAL APPROPRIATED EXPENDITURES AND RESERVES</b>	<b>35,301,713</b>	<b>-668,216</b>	<b>3,499,618</b>	<b>7,505,631</b>	<b>38,389,819</b>	<b>3,508,690</b>	<b>2,435,459</b>	<b>89,972,714</b>
THE TENTATIVE, ADOPTED, AND/OR FINAL BUDGETS ARE ON FILE IN THE OFFICE OF THE ABOVE MENTIONED TAXING AUTHORITY AS A PUBLIC RECORD.								