

Happy Holidays to all as the City of Marathon comes to the end of 2023 (fiscal years 22-23 and 23-24)!

As we began this year, we welcomed two and a half new Council members, Lynn Landry, Jeff Smith, and the return of Robyn Still. With the normal rotation of the City's Mayor, Robyn Still will be the Mayor in the year moving forward.

Among the highest priority issues for the past year have been the refund of permit fees, the acquisition of additional affordable housing Building Permit Allocations (BPAS), and the resolution of two crucial legal entanglements, the Boatworks development with related projects and the "shallow well versus deep well" federal legal dispute between the City of Marathon and FOLKs (Friends Of the Lower Keys).

The City may only charge building permit fees for the essential services necessary to provide those permits. As a result of the rapid increase in permitting after Hurricane Irma crossed the Keys, the amount of permitting exceeded the City's revenue projections by almost three times. Thus, with the fees that we were charging pre-Irma our revenues far exceeded our needs. At the direction of the City Council, staff has been refunding permit fees to those individuals that had received permits after mid-December 2020. We also lowered our permit fees, to be reviewed annually until our revenue and our existing fund balances meet our needs within the obligations of Florida Law. During approximately six months, we processed several hundred requests for a refund and refunded \$670,120.11.

After the impacts of Hurricane Irma, the City was vitally concerned about what redevelopment of damaged homes would do to the City's reasonably priced housing stock. As the BPAS System and Hurricane Evacuation timing is always an issue in the Florida Keys, we requested that the state recognize the certain impacts of the storm to affordable housing and grant the City additional affordable house BPAS allocations. To that end, the Governor and Cabinet did grant 1,300 affordable housing units to be evenly divided among the Florida Keys municipalities and the County. The City received 300 of these affordable housing development rights. With the adoption of necessary Ordinances to implement the issuance of these development rights came appeals from various individuals based largely on perceived threats to safe and timely evacuations. After protracted litigation on the matter, the issue was resolved instead through the Florida Legislature in July. Approved projects utilizing the 300 development rights have moved forward. Most notably, there is a 124 residential unit affordable housing development under construction on Coco Plum Drive currently.

The Boatworks project and the related spin-off projects from it was a complicated litigation. The gist of the legal action undertaken by the state revolved around the developer's request to move "liveaboard" development rights to the land as residential building rights. This litigation became entangled in a host of other litigation issues, most of which made little sense from a real and technical understanding of the City's Codes. The City won the case on all issues except the liveaboard question. Boatworks is currently moving forward with its construction as are all related projects, including an affordable housing project that was built before the litigation began.

Finally, the City settled a lawsuit with the group known as FOLKs concerning whether the City was impacting its nearshore waters as a result of the use of shallow disposal wells (120 feet) for its wastewater effluent, highly treated to remove environmentally critical nutrients. Though there were absolute differences of position on the matter, the City ultimately agreed it was best to complete the necessary work to put all the City's wastewater down a single deep well (approximately 3,500 feet).

Over the course of the year, the City has been working diligently to increase the efficiency and flexibility of the building permit system by continuing to make improvements to our permitting software and by increasing accessibility (post COVID) to City staff. We are working hard to improve customer service while continuing to maintain the highest standard of compliance with the Florida Building Code through our permit review process.

And the City's Code Compliance Department is cracking down! As we hired and trained two new Code Compliance officers, the City achieved a 450% increase in cases with a corresponding increase in associated fines and fees. The greatest focus this year was to ensure that Vacation Rental operations were sustaining a high level of compliance with the City's Codes. The overriding purpose has been to minimize the impacts of vacation rental operations on our single-family residential neighborhoods.

The Parks and Recreation Department has continued to maintain Marathon Community Park, Rotary Park, Sombrero Beach and Coco Plum Beach. We have hired new staff to improve the quality of the City's recreational areas and the experience that local and visitors experience there. We resurfaced the baseball fields with new grass and clay and extended the baselines to accommodate the play of multiple age groups. We put the finishing touches on the playground at Rotary Park and replaced playground shade structures at Sombrero Beach. We continue to grow adult recreational opportunities while supporting our youth sports. And the City's summer camp program has been enhanced significantly. Camp participants were able to visit numerous educational, cultural, and historic places in Monroe and Miami-Dade Counties.

The City Marina always provides outstanding service to its tenants. This year we installed a new generator with the capability of running for a minimum of two weeks while supplying power to both the Marina building and bath house/laundry room. We installed lighting posts in our gravel parking lot for better lighting and security. With the help of the Fish and Wildlife Conservation Commission (FWC) and the county we were able to remove several derelict vessels from the Harbor. Finally, we replaced 30 existing mooring systems with new hardware.

The Public Works Department has been diligently maintaining the City's rights-of-way, particularly those in the center of the City along the Overseas Highway. We worked on several roadway projects and are currently working on constructing property improvements at the Quay Boat Ramp Park and at the Old 7 Mile Marina property. The largest project of the year has led to the installation of ramp and parking meters at the Quay property, the Harbor Drive Boat Ramp, the 33rd Street Boat Ramp, and at Sombrero Beach. Revenue generated from these meters and from parking violations is expected to generate over \$1.2 million dollars per year which offsets the City's requirement for ad valorem tax dollars.

The City's Utility Department works to seamlessly keep your sewer facilities in continuous operation regardless of heavy use, or as true recently, heavy rains. It is a tribute to their expert maintenance and operation that we don't generally know where the water goes during a shower or after flushing a toilet. The system simply works great! That said, the Department did spend substantial time this year preparing for the expansion of the Community Park wastewater plant and developing studies relative to the FOLKs lawsuit.

And finally, the Fire and Emergency Medical Services are fully staffed with an outstanding crew of Fire and EMS professionals. They serve the entire City of Marathon and Key Colony Beach providing the highest of medical services, both in quality and time of delivery. This year we were able to complete a contract renewal with the fire union and have continued to grow our youth program through Marathon High School

Fiscally, the City is in great shape. We were able to increase City salaries both with CPI increases and merit raises. We were also able to maintain our current personnel insurance benefits without any increases. We added a few additional staff and added or expanded several programs principally related to resiliency issues and wastewater improvements. We were able to accomplish this with no impact to individual ad valorem taxes.

In the coming year, we will begin to plan for agreed upon wastewater improvements vis a vie the FOLKs settlement. We will finish planning efforts concerning the redevelopment of 33rd Street and will continue to work on construction efforts at both the Quay Boar Ramp Park and the Old 7 Mile Marina. And we will initiate a master planning effort for our parks overall, to include the redevelopment of the skate park (wheel park). The wheel park will now likely be located at Oceanfront Park behind City Hall. With this change, we will be able to actually expand team sports fields at Community Park. Finally, we will be adding a large tiki structure at Oceanfront Park to allow use as part of a small event venue.

Again, Happy Holidays and best for 2024!!

