

COUNCIL AGENDA STATEMENT



Meeting Date: November 12, 2019

To: Honorable Mayor and City Councilmembers

From: Jennifer Johnson, Finance Director

Through: Chuck Lindsey, City Manager

Agenda Item: **Resolution 2019-110**, Amending The City's Fiscal Year 2018-2019 Budget;
And Providing For An Effective Date.

BACKGROUND & JUSTIFICATION:

In accordance with Florida Statutes, it is necessary for the City Council to adjust the Fiscal Year 2018-2019 budget to reflect anticipated changes in year-end revenues and expenditures. The primary purpose of this budget amendment is to reflect adjustments to the revenues and expenditures to support completion of the City's Comprehensive Annual Financial Report (CAFR). Below is a brief summary of the increases to budgeted expenditures.

General Fund Revenue and Expenditure Increases & Decreases:

Revenues are being adjusted to bring the budget in line with actual results. The most notable changes include the increase in revenues for the fire insurance premium taxes. These monies are received from the State and must be contributed to the firefighters chapter 175 pension plan within 3 days of receipt of the funds. The City historically doesn't budget for this pass thru of funds and amends the budget at year-end to include the appropriations for the revenues and retirement expenses to the fire department. Other notable changes include the increases in; EMS Services, building permit fees, insurance recoveries, fire inspection fees, vacation rental fees and planning fees are all also being increased to account for the increase in activity in those departments from FY18. The budget amendment also includes the true up of anticipated grant reimbursements that were or were not received during the year.

Departments in need of expenditure increases are as follows:

Fire Department: The increase to the Fire Department budget is due to the retirement contribution being greater than what was budgeted. The pass through funds from the State fire insurance premiums was not budgeted. There was also an unanticipated increase in overtime, due to staffing shortages, and vehicle repairs and maintenance costs. Note EMS service revenues are also being increased in this budget amendment to help offset the increased fire department staffing costs.

Legal Department: The increase is due to the increased professional services for outside counsel due to the 300 unit challenge.

City Council: The increase is due to the increased expenditures for the Lower Keys Shuttle (LKS). Traditionally the LKS has been one to two quarters in arrears for billing. This fiscal year the City was billed for March – September of 2018 in January of 2019. The budget increase will cover anticipated expenses from March 2018- September 2019

Capital Infrastructure & Street Maintenance Funds (Special Revenue funds), Increases & Decreases: Revenues and expenditures increases and decreases are being made to bring the budget in line with actual events that took place during fiscal year 2019.

CONSISTENCY CHECKLIST:

	Yes	No
1. Comprehensive Plan	_____	_____
2. Other _____	_____	_____
3. Not applicable __X__		

FISCAL NOTE:

Approval of the resolution will formally amend the FY18-19 Adopted Budget.

RECOMMENDATION: Council Approve Resolution

Sponsored by: Lindsey

**CITY OF MARATHON, FLORIDA
RESOLUTION 2019-110**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MARATHON, FLORIDA, AMENDING THE CITY'S FISCAL
YEAR 2018-2019 BUDGET; AND PROVIDING FOR AN
EFFECTIVE DATE**

WHEREAS, the City of Marathon (the "City") adopted a budget for Fiscal Year 2018-2019 via Resolution 2018-97;

WHEREAS, in accordance with Florida Statutes it is necessary for the City Council to adjust the budget to reflect unanticipated year end revenues and expenditures for Fiscal Year 2018-2019.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF MARATHON, AS FOLLOWS:**

Section 1. The above recitals are true and correct and are incorporated herein.

Section 2. The budget amendment for Fiscal Year 2018-2019, beginning October 1, 2018 and ending September 30, 2019, attached as Exhibit 'A' is approved.

Section 3. This resolution shall take effect immediately upon its adoption.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF
MARATHON, FLORIDA, THIS 12th DAY OF NOVEMBER, 2019.**

THE CITY OF MARATHON, FLORIDA

Mayor Steven Cook

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Diane Clavier, City Clerk

(City Seal)

**APPROVED AS TO FORM AND LEGALITY FOR THE USE
AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY:**

David Migut, City Attorney

**City of Marathon
Budget Amendment
Fiscal Year 2018-2019**

EXHIBIT A

Fund	Adopted Budget FY 18/19	Budget Amendment	Final Amended Budget FY 18/19
General Fund			
Revenues			
Ad Valorem Taxes (97% collection rate)	\$ 6,319,806	\$ 28,600	\$ 6,348,406
Ad Valorem Taxes - Delinquent	3,400	-	3,400
Fire Insurance Premium Tax	-	150,075	150,075
Communications Tax	515,335	(42,000)	473,335
Total Taxes	6,838,541	136,675	6,975,216
Local Business Tax (County Occupational Licenses)	44,000		44,000
Building Permit Fees	800,000	2,002,720	2,802,720
Building Training Fees	11,200	9,600	20,800
Dog Friendly Permits	500	-	500
Taxi Permits	1,100	-	1,100
Vacation Rental Permit & Agent Fees	345,000	87,225	432,225
FEMA FWS Review & Processing Fees & Inspection Fees	4,800		4,800
Planning & Zoning Fees	90,000	36,500	126,500
Fire Inspection Fees (including vacation rentals)	215,000	370,600	585,600
Total License and Permits	1,511,600	2,506,645	4,018,245
Sales Tax Revenue - State Revenue Sharing	264,891		264,891
Fuel and Motor Fuel Tax	35	-	35
Mobile Home License	5,410	-	5,410
FEMA Grant Revenue (Federal and State)	11,575,252	(9,959,765)	1,615,487
Alcoholic Beverage License	19,700	-	19,700
Department of Environmental Protection Grant	-	55,350	55,350
Half Cent Sales Tax	1,526,116	203,625	1,729,741
Firefighter Supplemental Comp	6,300	-	6,300
Tourist Development Council Grant	117,420	-	117,420
Department of Economic Opportunity Grant	-	-	-
Payment in Lieu of Taxes-Local Units	10,950	-	10,950
Total Intergovernmental Revenue	13,526,074	(9,700,790)	3,825,284
Key Colony Beach Fire/EMS	550,000	-	550,000
EMS Services	650,000	187,138	837,138
Start Smart Youth Sports	2,650	-	2,650
Camp Fees	41,500	-	41,500
Miscellaneous Recreation Program Revenue	6,000	-	6,000
Miscellaneous Event Fees	900	-	900
Adult Sports Programs	3,400	-	3,400
Mangrove Trimming Program	125,000	-	125,000
Total Charges for Services	1,379,450	187,138	1,566,588
Traffic Court Fines	70,000	-	70,000
Code Enforcement Fines	50,000	-	50,000
Local Ordinance Parking Fines	2,450	-	2,450
Fines - Local Training	4,550	-	4,550
Total Fines and Forfeits	127,000	-	127,000
Interest Income	-	-	-
Rents & Other	12,000	-	12,000
Private Source Contributions	-	4,380	4,380
Insurance Recovery	-	870,615	870,615
Miscellaneous Revenue	25,000	-	25,000
Total Miscellaneous Revenues	37,000	874,995	911,995

**City of Marathon
Budget Amendment
Fiscal Year 2018-2019**

EXHIBIT A

Fund	Adopted Budget FY 18/19	Budget Amendment	Final Amended Budget FY 18/19
General Fund (continued)			
Transfer from Stormwater Utility Fund	60,000	-	60,000
Transfer from Capital Infrastructure Fund	333,334	285,194	618,528
Transfer from Wastewater Enterprise Fund	250,000	-	250,000
Transfer from Impact Fee Fund	50,000	-	50,000
Proceeds from Interfund Borrowings and Line of Credit	-	-	-
Administrative Fee-Marina	50,000	-	50,000
Total Other Sources	743,334	285,194	1,028,528
Unappropriated Surplus (Fund Balance), October 1	2,892,366	(9,420,799)	(6,528,433)
Reserved Fund Balance, October 1	399,939	(73,808)	326,131
Total Fund Balance, October 1	3,292,305	(9,494,607)	(6,202,302)
Total General Fund Revenues & Reserves BOY	\$ 27,455,304	\$ (15,204,750)	\$ 12,250,554
General Fund Expenditures			
Building	\$ 868,174	\$ (175,000)	\$ 693,174
City Clerk	255,154	(12,000)	243,154
City Manager	230,823	(15,000)	215,823
Code	413,652	(140,000)	273,652
Council	480,072	75,600	555,672
Finance	370,352	(5,000)	365,352
Fire/EMS	3,892,471	400,000	4,292,471
General Services	972,943	(260,000)	712,943
Information Technology	361,214	(62,000)	299,214
Legal	369,442	95,000	464,442
Nearshore Waters Management-Ports	37,300	(2,000)	35,300
Non-Departmental	10,444,767	(10,299,000)	145,767
Parks and Recreation	1,478,400	(150,000)	1,328,400
Planning	965,839	(430,000)	535,839
Police Services	1,797,924	(82,380)	1,715,544
Public Works	344,729	(55,000)	289,729
Total Expenditures	23,283,256	(11,116,780)	12,166,476
Reserved Fund Balance @ September 30	399,939	(73,808)	326,131
Unreserved Fund Balance @ September 30	3,772,109	(4,014,162)	(242,053)
Total Fund Balance, Sept 30	4,172,048	(4,087,970)	84,078
Total General Fund Expenditures & Reserves EOY	\$ 27,455,304	\$ (15,204,750)	\$ 12,250,554

**City of Marathon
Budget Amendment
Fiscal Year 2018-2019**

EXHIBIT A

Fund	Adopted Budget FY 18/19	Budget Amendment	Final Amended Budget FY 18/19
Capital Infrastructure Fund			
<u>Revenues & Other Funding Sources</u>			
Discretionary Sales Surtaxes	\$ 3,333,344	\$ -	\$ 3,333,344
State Land Acquisition Grants	500,000	(500,000)	-
Curry Hammock Park Surcharge	25,000	22,313	47,313
Key Colony Beach Infrastructure Funds	25,000	-	25,000
Boater Improvement Fund (BIF) Grant	30,000	-	30,000
Tourist Development Council Grants	790,400	(617,375)	173,025
FEMA Grant Revenue (Federal and State)	2,146,014	(823,055)	1,322,959
Interest Income	12,000	5,655	17,655
Private Source Contributions	100,000	(100,000)	-
Transfer from Vehicle Replacement Fund	155,543	28,946	184,489
Transfer from Impact Fee Fund	350,000	(237,005)	112,995
Unappropriated Surplus	1,338,645	1,095,597	2,434,242
Total Revenues & Other Funding Sources	<u>\$ 8,805,946</u>	<u>\$ (1,124,924)</u>	<u>\$ 7,681,022</u>
<u>Expenditures and Reserves for Future Appropriations</u>			
Vehicles	\$ 155,543	\$ 28,946	\$ 184,489
Equipment	95,000	-	95,000
Equipment - Marathon Fire Rescue	140,800	10,000	150,800
Buildings & Improvements - Marathon Fire Rescue	294,000	(263,855)	30,145
Parks/Beaches Improvements	1,686,755	(128,900)	1,557,855
Hurricane Irma Recovery Projects	2,302,588	(1,000,000)	1,302,588
Land Acquisitions	1,087,213	(1,087,213)	-
Grants/Contributions-Other Government Agencies	177,833	(177,833)	-
Transfer to Debt Service Fund	847,436	-	847,436
Transfer to General Fund	333,334	285,194	618,528
Transfer to Stormwater Utility Fund	650,000	-	650,000
Reserve for Future Appropriation	1,035,444	1,208,737	2,244,181
Total Expenditures and Reserves for Future Appropriations	<u>\$ 8,805,946</u>	<u>\$ (1,124,924)</u>	<u>\$ 7,681,022</u>

**City of Marathon
Budget Amendment
Fiscal Year 2018-2019**

EXHIBIT A

Fund	Adopted Budget FY 18/19	Budget Amendment	Final Amended Budget FY 18/19
Street Maintenance Fund			
Revenues & Other Funding Sources			
Local Option Gas Tax	\$ 273,733	\$ -	\$ 273,733
New Local Gas Tax	188,425	-	188,425
8th Cent Motor Fuel Tax	82,279	-	82,279
Gas Tax ILA with Monroe County	94,987	-	94,987
Traffic Signal Maintenance Agreement	-	-	-
Traffic Light Agreement	-	-	-
Interest Income	5,000	-	5,000
FEMA Grant Revenue (Federal and State)	805,000	(805,000)	-
FDOT LAP agreements	3,000,000	(2,800,000)	200,000
Transfer in from Other Funds	30,000	-	30,000
Transfer from Vehicle & Equipment Replacement Fund	57,000	-	57,000
Unappropriated Surplus	1,018,252	333,940	1,352,192
Total Revenues & Other Funding Sources	\$ 5,554,676	\$ (3,271,060)	\$ 2,283,616
Expenditures and Reserves for Future Appropriations			
Personnel Costs	\$ 471,908	\$ -	\$ 471,908
Materials, Supplies & Services	238,000	-	238,000
Capital Outlay:			
Equipment	15,000	(12,000)	3,000
Vehicles	57,000	26,400	83,400
Building- Facilities Yard	20,000	(18,000)	2,000
Street/Sidewalk/Bridge Improvements	3,419,000	(2,900,000)	519,000
Hurricane Irma Recovery Projects	920,000	(910,000)	10,000
Transfer to Vehicle Replacement Fund	28,000	-	28,000
Transfer to Road Paving Reserve	50,000	-	50,000
Reserve for Future Road Paving	150,000	-	150,000
Reserve for Future Appropriation	185,768	542,540	728,308
Total Expenditures and Reserves for Future Appropriations	\$ 5,554,676	\$ (3,271,060)	\$ 2,283,616