

COUNCIL AGENDA STATEMENT



Meeting Date: November 10, 2020

To: Honorable Mayor and City Councilmembers

From: Jennifer Johnson, Finance Director

Through: Chuck Lindsey, City Manager

Agenda Item: **Resolution 2020-87**, Amending The City's Fiscal Year 2019-2020 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 2019-2020 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 increases include; FEMA and FDEM grant reimbursement revenues, building permit fees, and the fire insurance premium taxes. Fire insurance premium taxes 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 decreases in the following revenue streams due to COVID-19; sales tax revenues, EMS services, and camp fees. The revenues and expenses (in Planning) were also removed from the budget for the mangrove trimming project due to lack of activity.

Departments in need of expenditure increases are as follows:

City Manager: The increase is due to the retroactive pay granted during the year.

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 is not budgeted.

IT Department: The increase to the IT Department budget is due to increased in subscription services for cyber security and for Adobe Pro.

Legal Department: The increase is due to the increased professional services for outside counsel due

to the 300 unit challenge case, and the severance package to Mr. Migut.

Non- Departmental: The increase is due to the increased expenditures related to COVID-19

Capital Infrastructure & Impact Fees, Debt Service & the Marina, 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 2020.

CONSISTENCY CHECKLIST:

	Yes	No
1. Comprehensive Plan	_____	_____
2. Other _____	_____	_____
3. Not applicable <u> X </u>		

FISCAL NOTE:

Approval of the resolution will formally amend the FY19-20 Adopted Budget.

RECOMMENDATION: Council Approve Resolution

**CITY OF MARATHON, FLORIDA
RESOLUTION 2020-87**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF MARATHON, FLORIDA, AMENDING THE CITY'S
FISCAL YEAR 2019-2020 BUDGET; AND PROVIDING FOR
AN EFFECTIVE DATE**

WHEREAS, the City of Marathon (the "City") adopted a budget for Fiscal Year 2019-2020 via Resolution 2019-98;

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 2019-2020.

**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 2019-2020, beginning October 1, 2019 and ending September 30, 2020, 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 10th DAY OF NOVEMBER, 2020.**

THE CITY OF MARATHON, FLORIDA

Mayor

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:**

City Attorney

**City of Marathon
Budget Amendment
Fiscal Year 2019-2020**

EXHIBIT A

Fund	Adopted Budget FY 19/20	Budget Amendment	Amended Budget FY 19/20
General Fund			
Revenues			
Ad Valorem Taxes (97% collection rate)	\$ 6,795,472	\$ -	\$ 6,795,472
Ad Valorem Taxes - Delinquent	3,400	-	3,400
Fire Insurance Premium Tax	-	158,031	158,031
Communications Tax	462,958	-	462,958
Total Taxes	7,261,830	158,031	7,419,861
Local Business Tax (County Occupational Licenses)	52,000		52,000
Building Permit Fees	1,057,000	800,000	1,857,000
Building Training Fees	16,000	-	16,000
Dog Friendly Permits	1,000	-	1,000
Vacation Rental Permit & Agent Fees	371,000	100,000	471,000
FEMA FWS Review & Processing Fees & Inspection Fees	6,000	-	6,000
Planning & Zoning Fees	75,000	-	75,000
Fire Inspection Fees (including vacation rentals)	185,000	40,000	225,000
Total License and Permits	1,763,000	940,000	2,703,000
Sales Tax Revenue - State Revenue Sharing	275,634		275,634
Fuel and Motor Fuel Tax	35	-	35
Mobile Home License	4,300	-	4,300
FEMA Grant Revenue (Federal and State)	7,421,223	2,685,000	10,106,223
Alcoholic Beverage License	17,500	-	17,500
Marathon Middle School Fire Academy MOU	52,280	-	52,280
Half Cent Sales Tax	1,747,039	(318,000)	1,429,039
Firefighter Supplemental Comp	7,890	-	7,890
Tourist Development Council Grant	140,000	-	140,000
Payment in Lieu of Taxes-Local Units	10,950	-	10,950
Total Intergovernmental Revenue	9,676,851	2,367,000	12,043,851
Key Colony Beach Fire/EMS	550,000	-	550,000
EMS Services	850,000	(160,000)	690,000
Start Smart Youth Sports	4,750	-	4,750
Camp Fees	38,000	(36,000)	2,000
Miscellaneous Recreation Program Revenue	500	-	500
Miscellaneous Event Fees	500	-	500
Adult Sports Programs	1,300	-	1,300
Mangrove Trimming Program	125,000	(125,000)	-
Total Charges for Services	1,570,050	(321,000)	1,249,050
Traffic Court Fines	80,000	-	80,000
Code Enforcement Fines	50,000	(14,500)	35,500
Local Ordinance Parking Fines	2,700	-	2,700
Fines - Local Training	6,400	-	6,400
Total Fines and Forfeits	139,100	(14,500)	124,600
Interest Income	20,000	19,000	39,000
Rents & Other	12,000	-	12,000
Convenience Fees - Credit Cards	8,800	-	8,800
Miscellaneous Revenue	25,000	-	25,000
Total Miscellaneous Revenues	65,800	19,000	84,800

**City of Marathon
Budget Amendment
Fiscal Year 2019-2020**

EXHIBIT A

Fund	Adopted Budget FY 19/20	Budget Amendment	Amended Budget FY 19/20
General Fund (continued)			
Transfer from Stormwater Utility Fund	60,000	10,041	70,041
Transfer from Capital Infrastructure Fund	337,282	(71,231)	266,051
Transfer from Wastewater Enterprise Fund	250,000	41,091	291,091
Transfer from Impact Fee Fund	-	30,297	30,297
Administrative Fee-Marina	50,000	9,113	59,113
Total Other Sources	<u>697,282</u>	<u>19,311</u>	<u>716,593</u>
Unappropriated Fund Balance(Deficit), October 1	347,083	(1,012,069)	(664,986)
Reserved Fund Balance, October 1	660,425	(283,280)	377,145
Total Fund Balance, October 1	<u>1,007,508</u>	<u>(1,295,349)</u>	<u>(287,841)</u>
Total General Fund Revenues & Reserves BOY	<u>\$ 22,181,421</u>	<u>\$ 1,872,493</u>	<u>\$ 24,053,914</u>
General Fund Expenditures			
Building	\$ 1,057,431	\$ -	\$ 1,057,431
City Clerk	294,781	-	294,781
City Manager	236,594	16,000	252,594
Code	356,398	-	356,398
Council	590,242	-	590,242
Finance	370,275	-	370,275
Fire/EMS	4,600,749	158,031	4,758,780
General Services	885,323	-	885,323
Information Technology	452,493	75,000	527,493
Legal	391,276	220,000	611,276
Nearshore Waters Management-Ports	36,900	-	36,900
Non-Departmental	-	50,000	50,000
Parks and Recreation	1,517,567	-	1,517,567
Planning	993,843	(519,031)	474,812
Police Services	1,886,776	-	1,886,776
Public Works	484,884	-	484,884
Total Expenditures	<u>14,155,532</u>	<u>-</u>	<u>14,155,532</u>
Reserved Fund Balance @ September 30	621,240	(226,570)	394,670
Unreserved Fund Balance @ September 30	7,404,649	2,099,063	9,503,712
Total Fund Balance, Sept 30	<u>8,025,889</u>	<u>1,872,493</u>	<u>9,898,382</u>
Total General Fund Expenditures & Reserves	<u>\$ 22,181,421</u>	<u>\$ 1,872,493</u>	<u>\$ 24,053,914</u>
Capital Infrastructure Fund			
Discretionary Sales Surtaxes	\$ 3,372,816	\$ (712,000)	\$ 2,660,816
State Land Acquisition Grants	500,000	(500,000)	-
Curry Hammock Park Surcharge	34,000	-	34,000
Key Colony Beach Infrastructure Funds	25,000	-	25,000
Boater Improvement Fund (BIF) Grant	30,000	(30,000)	-
Tourist Development Council Grants	595,042	(266,514)	328,528
FEMA Grant Revenue (Federal and State)	2,203,730	(920,000)	1,283,730

**City of Marathon
Budget Amendment
Fiscal Year 2019-2020**

EXHIBIT A

Fund	Adopted Budget FY 19/20	Budget Amendment	Amended Budget FY 19/20
Capital Infrastructure Fund - Continued			
Interest Income	20,000	(9,300)	10,700
Private Source Contributions	100,000	(100,000)	-
Transfer from Vehicle Replacement Fund	333,000	-	333,000
Transfer from Impact Fee Fund	405,000	149,000	554,000
Unappropriated Surplus	1,952,794	(179,576)	1,773,218
Total Revenue & Unappropriated Fund Balance	<u>\$ 9,571,382</u>	<u>\$ (2,568,390)</u>	<u>\$ 7,002,992</u>
Vehicles	\$ 58,000	\$ -	\$ 58,000
Vehicles - Marathon Fire Rescue	275,000	-	275,000
Equipment	550,000	(495,000)	55,000
Equipment - Marathon Fire Rescue	154,500	-	154,500
Buildings & Improvements - Marathon Fire Rescue	322,000	-	322,000
Buildings & Improvements	375,000	(375,000)	-
Parks/Beaches Improvements	1,451,397	-	1,451,397
Hurricane Irma Recovery Projects	1,744,622	(1,200,000)	544,622
Land Acquisitions	1,071,463	(571,463)	500,000
Grants/Contributions-Other Government Agencies	177,833	(177,833)	-
Transfer to Debt Service Fund	779,191	571,463	1,350,654
Transfer to General Fund	337,282	(71,231)	266,051
Transfer to Stormwater Utility Fund	650,000	-	650,000
Reserve for Future Appropriation	976,264	399,504	1,375,768
Total Expenditures and Reserves for Future Appropriations	<u>\$ 8,922,552</u>	<u>\$ (1,919,560)</u>	<u>\$ 7,002,992</u>
Impact Fees Fund			
Public Safety Impact Fees	\$ 48,000	65,400	\$ 113,400
Physical Environment Impact Fees	3,500	-	3,500
Transportation Impact Fees	95,000	95,000	190,000
Culture/Recreation Impact Fees	26,000	71,500	97,500
Conservation/Other Impact Fees	37,000	49,000	86,000
Interest Income	12,000	4,400	16,400
Unappropriated Fund Balance	1,481,191	235,769	1,716,960
Total Revenue & Unappropriated Fund Balance	<u>\$ 1,702,691</u>	<u>\$ 521,069</u>	<u>\$ 2,223,760</u>
Transfer to Capital Infrastructure Fund	\$ 405,000	\$ 149,000	\$ 554,000
Transfer to General Fund	-	30,297	30,297
Reserve for Future Appropriation	1,297,691	341,772	1,639,463
Total Expenditures & Reserves for Future Appropriations	<u>\$ 1,702,691</u>	<u>\$ 521,069</u>	<u>\$ 2,223,760</u>

**City of Marathon
Budget Amendment
Fiscal Year 2019-2020**

EXHIBIT A

Fund	Adopted Budget FY 19/20	Budget Amendment	Amended Budget FY 19/20
Debt Service Fund			
Transfer in from Capital Infrastructure Fund	779,191	571,463	1,350,654
Total Revenue	<u>\$ 944,416</u>	<u>\$ 571,463</u>	<u>\$ 1,350,654</u>
Debt Service Expenditures - TD Bond	\$ 779,191	\$ -	\$ 779,191
Debt Service Expenditures - Quay Note Payable	-	571,463	571,463
Total Expenditures	<u>\$ 944,416</u>	<u>\$ 571,463</u>	<u>\$ 1,350,654</u>
Marina Fund			
Revenue			
Operating Revenues	\$ 808,000	\$ -	\$ 808,000
FEMA Grant Revenue (Federal and State)	706,158	-	706,158
CVA Grants Revenue	39,600	-	39,600
Interest Income	16,000	-	16,000
Unappropriated Surplus	1,136,581	80,577	1,217,158
Total Revenue & Unappropriated Fund Balance	<u>\$ 2,706,339</u>	<u>\$ 80,577</u>	<u>\$ 2,786,916</u>
Personnel Costs	\$ 533,128	\$ -	\$ 533,128
Materials, Supplies & Services	292,543	-	292,543
Capital Outlay	3,400	-	3,400
Hurricane Irma Recovery Projects	356,531	370,000	726,531
Transfer to General Fund	59,113	-	59,113
Reserve for Future Appropriation	1,461,624	(289,423)	1,172,201
Total Expenditures & Reserves for Future Appropriations	<u>\$ 2,706,339</u>	<u>\$ 80,577</u>	<u>\$ 2,786,916</u>