


THE CITY OF MARCO ISLAND

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DATE: August 22, 2007
TO: A. William Moss, City Manager
FROM: Bill Harrison, Finance Director 
RE: Budget Workshop August 20th

At the Budget Workshop held on August 20th, City Council came up with a creative way to restore programs and capital projects put into jeopardy by Florida Tax Reform without the need to increase any taxes or fees charged to our citizens. Under this plan, a portion of the funds currently being received from the 5% Electric Franchise Fee would be transferred to the General Fund to offset the loss of property tax revenues. This change will allow us to budget expenditures equal to the 2008 Spending Cap. Essentially, City Council has considered current sources of revenue, capital projects, and City operations. Through prioritization, some projects and programs have been restored, while others (underground power) are deferred.

The Fiscal Year 2007 budget provides \$150,000 to start a Teen Center on the island. \$95,000 will be carried forward to the 2008 budget and used to acquire a modular building at Mackle Park for the Teen Center and upgrade restroom facilities at the Mackle Park Community Center. The balance of 2007 funds will be carried forward to capital contingency.

In the 2008 budget, \$885,466 will be transferred from the Electric Franchise Fund to the General Fund and \$50,000 will be removed from the 2008 election allocation as a result of Council's actions Monday night, providing a total of \$935,466 in additional funds for the General Fund for next year. Those funds will be budgeted as follows:

1. Teen Center operating budget	\$ 55,800
2. 4 th of July Fireworks	40,000
3. Christmas Island Style	7,500
4. Community Events	8,000
5. Community Band Concerts	5,000
6. YMCA – Swimming Lessons	16,000
7. Authors/Artists Funding	8,000
8. Art League – Visiting Artists	6,000
9. "Silly Celebration"	10,000
10. Bikeways Capital Project	50,000
11. Canal Dredging Capital Project	100,000
12. Street Improvements Capital Project	50,000
13. Increase Capital Improvement Fund Contingency (Future emergency allocations)	579,166

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In the Electric Franchise Fund for 2008, \$1,800,000 in franchise fee revenues will be used to fund the transfer of \$885,466 to the General Fund and pay street lighting expenses of \$350,000. The \$400,000 budget for decorative street lights on Collier Boulevard from Winterberry Drive to Collier Court will be divided between Fiscal Years 2008 and 2009. The cash flow balance of \$364,534 will be used to retire the current \$2 million deficit in this fund in approximately six years.

The change in use of franchise fee funds will require an ordinance change to the franchise agreement between the City of Marco Island and Lee County Electric Cooperative.

ATTACHMENTS:

- Revised Budget Summary
- Revised Spending Cap Calculation
- Revised Capital Improvements Budget Summary
- Revised Electric Franchise Fee Fund Summary

Forms: BudgetBalance2008