

**ORDINANCE 15-22**

**AN ORDINANCE ADOPTING THE FINAL BUDGET FOR THE CITY OF MARCO ISLAND, EXCLUSIVE OF DEPENDENT TAXING DISTRICTS, FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2015 AND ENDING SEPTEMBER 30, 2016; APPROPRIATING FUNDS FOR OPERATING EXPENSES OF THE CITY OF MARCO ISLAND 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 THE RETIREMENT OF THE OUTSTANDING BONDS AND OTHER FIXED OBLIGATIONS OF THE CITY FOR AND DURING THE FISCAL YEAR COMMENCING OCTOBER 1, 2015 AND ENDING SEPTEMBER 30, 2016 PROVIDING FOR BUDGET CONTROL POLICIES; PROVIDING FOR INCORPORATION, CONFLICT AND SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

**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 workshop and special called meeting on the fiscal year 2015-2016 budget on August 3, 2015; and

**WHEREAS**, the 2015 Tax Assessment Roll for the City of Marco Island has been prepared, equalized and certified, showing:

**Total Taxable Value of Real and Personal Property: \$8,619,964,889; and**

**WHEREAS**, the process of the adoption of 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-Rate, certain public notices, public hearings, format of required ordinances

**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, 2015 and ending September 30, 2016 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, 2016 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 by a vote of 7-0 to replace Resolution No. 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 sets forth 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 are approved via resolution from time to time during the course of the fiscal year through the approval of the City Council by voice vote. 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 during the year. A Budget Re-Appropriation Ordinance, 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, 2015 the unpaid purchase orders, outstanding contracts, and other commitments for Fiscal Year 2014-15. 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. In an effort 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 ordinance and/or re-appropriation ordinance. Initially, the existence of the circumstances must be declared by a five-sevenths majority vote of all of the 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 the 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 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. Incorporation, Conflict and Severability**

- A. It is the intention of the City Council and it is hereby ordained that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of Marco Island, Florida, and that the sections of this Ordinance may be renumbered or re-lettered and that the word "ordinance" may be changed to "section", "article" or other appropriate word.
- B. All sections or parts of sections of the Marco Island City Code of Ordinances, all City of Marco Island resolutions or parts of resolutions made applicable by City Charter in conflict herewith are hereby repealed to the extent of such conflict.

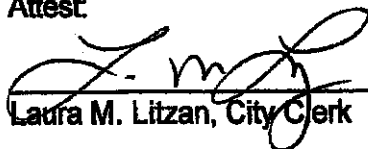
C. If any word, phrase, clause, subsection or section of this Ordinance is for any reason held unconstitutional or invalid by any court of competent jurisdiction, the invalidity thereof shall not affect the validity of any remaining portions of this Ordinance.

**Section 9. Effective Date.** This Ordinance shall take effect immediately upon adoption at second reading.

First Reading (tentatively adopted) passed in open and regular session through roll call vote by the City Council of the City of Marco Island, Florida, this 9<sup>th</sup> day of September 2015.

Second Reading passed in open and regular session through roll call vote by the City Council of the City of Marco Island, Florida, this 21<sup>st</sup> day of September 2015.

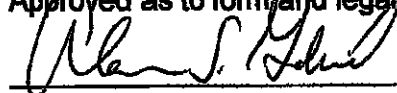
Attest

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

CITY OF MARCO ISLAND, FLORIDA

BY   
\_\_\_\_\_  
Larry Sacher, Chairman

Approved as to form and legal sufficiency:

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

**BUDGET SUMMARY**  
 City of Marco Island - Fiscal Year 2015-2016  
 Exhibit A

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	ENTERPRISE FUNDS	INTERNAL FUNDS	TOTAL BUDGET
<b>ESTIMATED REVENUES:</b>							
Taxes:	17,029,195		792,430				17,029,195
Ad Valorem Taxes	2,0468						782,430
Ad Valorem Taxes (Voted Debt)	0.0983						33,457,125
Charges for Services	1,601,825	1,322,500		100,000	30,532,800		5,154,605
Intergovernmental Revenue	5,054,605			760,730			11,845,290
Other Revenues	222,000	10,000	2,000	860,730	9,337,520	1,513,040	66,278,645
<b>TOTAL SOURCES</b>	23,907,625	1,332,500	794,430	4,614,215	39,870,320	1,513,040	21,086,255
Interfund Transfers In	5,341,850	1,891,290	1,332,480	6,501,905	15,139,550	2,177,720	33,294,185
Fund Balances/Reserves	29,249,475	3,223,790	3,888,865	11,976,850	70,618,325	3,680,760	122,648,085
<b>TOTAL REVENUES, TRANSFERS AND BALANCES</b>							
<b>EXPENDITURES/EXPENSES:</b>							
General Government	3,712,710						3,712,710
Growth Management	543,445						543,445
Public Safety	10,824,660	1,320,000			420,215		12,144,880
Parks & Recreation	889,705						1,309,920
Public Works	2,788,225						2,788,225
Debt Service			2,126,920				17,364,375
Capital Projects				4,714,215			13,454,215
Water & Sewer					12,805,660		12,805,660
Internal Services	18,758,745	1,320,000	2,126,920	4,714,215	37,203,330	1,513,040	65,636,250
<b>TOTAL EXPENDITURES/EXPENSES</b>	5,148,880	12,500		760,730	17,805,540		23,727,650
Interfund Transfers Out	5,341,850	1,891,290	1,761,965	6,501,905	15,609,455	2,177,720	33,294,185
Fund Balances/Reserves	29,249,475	3,223,790	3,888,865	11,976,850	70,618,325	3,680,760	122,648,085
<b>TOTAL APPROPRIATED EXPENDITURES AND RESERVES</b>							

THE TENTATIVE, ADOPTED, AND/OR FINAL BUDGETS ARE ON FILE IN THE OFFICE OF THE ABOVE MENTIONED TAXING AUTHORITY AS A PUBLIC RECORD.

