

City of Sanibel

Draft Budget
FY 2011-12

Presented July 19, 2011

City of Sanibel, Florida



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City of Sanibel, Florida



City of Sanibel
Principal Officers

City Council

Kevin Ruane, Mayor
Mick Denham, Vice-Mayor
Doug Congress
Marty Harrity
Jim Jennings

City Manager
Judith Ann Zimomra, M.P.A., J.D.

City Attorney
Kenneth B. Cuyler, Esq.

City Clerk
Pamela Smith, MMC

Department Directors

Administrative Services Director
Building Official
Chief of Police
Finance Director
Information Services Director
Natural Resources Director
Planning Director
Public Works Director/City Engineer
Recreation Director, Acting

James R. Isom
R. Harold Law Jr.
William Tomlinson
Sylvia Edwards, CPA
Albert Smith, Jr.
Robert K. Loflin, Ph.d.
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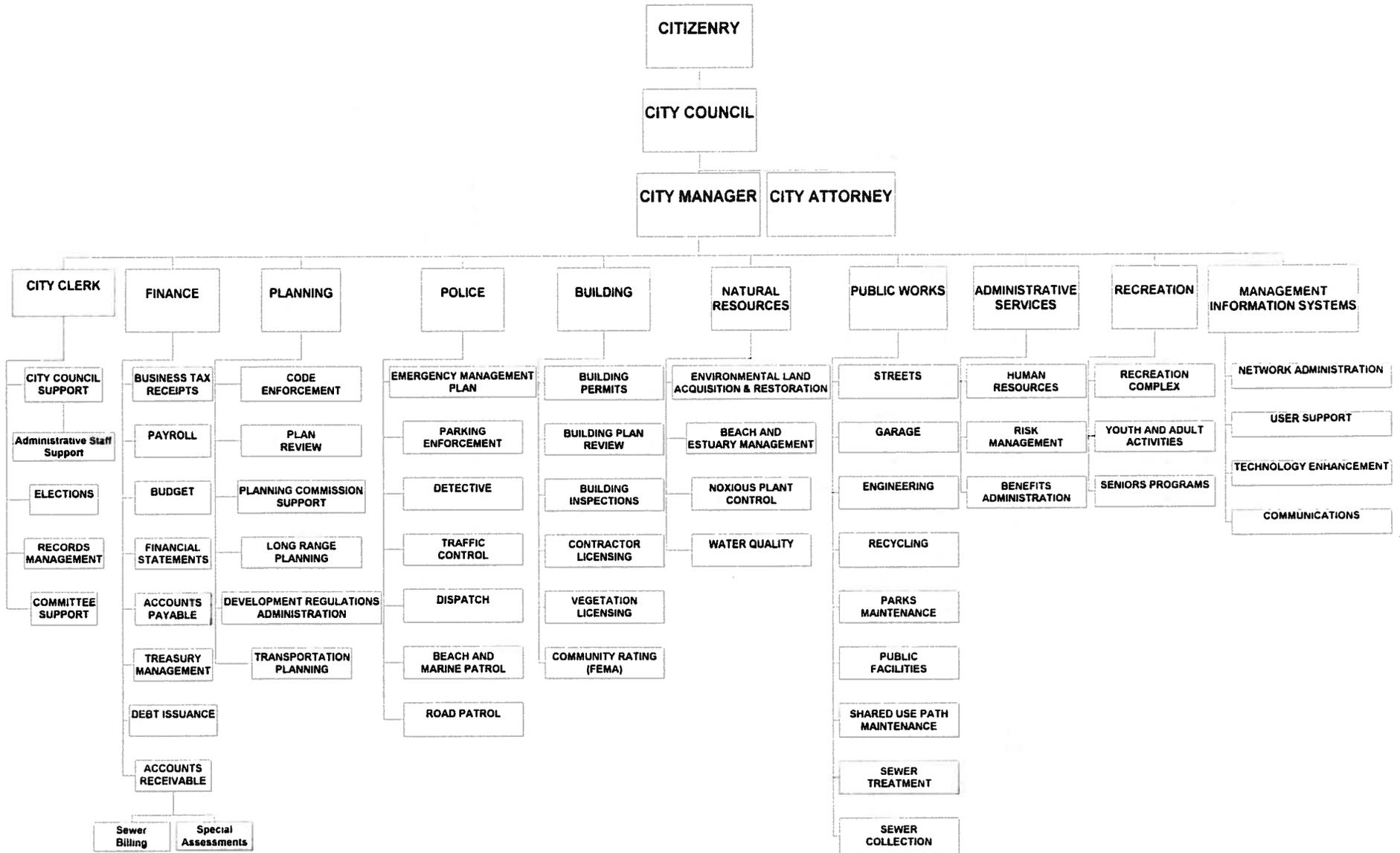
City of Sanibel, Florida

Fiscal Year 2012 Budget

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CITY OF SANIBEL ORGANIZATIONAL CHART - FY 2011-2012





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Sanibel
Florida**

For the Fiscal Year Beginning

October 1, 2010



President

Executive Director

City of Sanibel, Florida



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Vision Statement

Background

The barrier island of Sanibel comprises a wide variety of natural and altered environments. The community of Sanibel strives to sustain ecological balance and preserve and restore natural settings for residents, visitors, and wildlife. The people of Sanibel are sustained by the beauty and health of the island's natural and restored habitats, and they rely on the coordinated vigilance of residents, government, and private enterprise to protect and enhance these habitats. Over the first two decades of the community's existence as a city, a tenuous balance has been maintained between development and preservation; and between regulatory control and the rights and privileges of individuals. Government and not-for-profit institutions have helped sustain the balance by purchasing and restoring to natural conditions substantial areas of open space and threatened habitats.

Limited new development and redevelopment will occur over the next twenty years. However, growth limits and locations are well established, as are regulations to minimize harm to the natural environment and to the community's character.

The specter of rampant development has diminished as the community has matured. Nevertheless, unwanted changes are occurring; visitation increases as new "attractions" are developed; beaches and refuge areas are becoming stressed by overuse; traffic congestion is turning to gridlock; and formerly "green" scenic corridors are becoming urbanized and commercialized. These and other conditions and trends cause residents to realize that, unless protected, their island's historic and cherished way of life is in jeopardy.

To provide a sense of direction for the future, this Vision Statement, is a confirmation of the community's shared values and goals, to guide future decisions.

Sanctuary

Sanibel is and shall remain a barrier island sanctuary, one in which a diverse population lives in harmony with the island's wildlife and natural habitats. The Sanibel community must be vigilant in the protection and enhancement of its sanctuary characteristics.

The City of Sanibel will resist pressures to accommodate increased development and redevelopment that is not consistent with the Sanibel Plan, including this Vision Statement.

The City of Sanibel will guard against, and where advisable, oppose human activities in other jurisdictions that might harm the island's sensitive habitats, including the island's surrounding aquatic ecosystems.

Community

Sanibel is and shall remain a small town community whose members choose to live in harmony with one another and with nature; creating a human settlement distinguished by its diversity, beauty, uniqueness, character and stewardship.

Diversity: The City of Sanibel cherishes its cultural, social, ecological, and economic diversity, and will endeavor to maintain it.

City of Sanibel, Florida

Beauty: The City of Sanibel will foster quality, harmony and beauty in all forms of human alteration of the environment. The community aesthetic is defined as a casual style; one which is adapted to a relaxed island quality of life and respectful of local history, weather, culture and natural systems.

Uniqueness: The City of Sanibel chooses to remain unique through a development pattern which reflects the predominance of natural conditions and characteristics over human intrusions. All forms of development and redevelopment will preserve the community's unique small town identity.

Character: The City of Sanibel chooses to preserve its rural character in its setting within an urbanizing county. "Auto-urban" development influences will be avoided. The commercialization of natural resources will be limited and strictly controlled.

Stewardship: In keeping with the foregoing principles, the City of Sanibel affirms a land ethic and recognizes landholding-both public and private-as a form of stewardship, involving responsibilities to the human and natural communities of the island and its surroundings, and to future generations.

Attraction

The Sanibel community recognizes that its attractiveness to visitors is due to the island's quality as sanctuary and as community. The City of Sanibel will welcome visitors who are drawn by, and are respectful of, these qualities; it will resist pressures to accommodate visitor attractions and activities that compromise these qualities.

Hierarchy of Values

This three-part statement of the community's vision of its future is a hierarchy; one in which the dominant principle is Sanibel's sanctuary quality. Sanibel shall be developed as a community only to the extent to which it retains and embraces this quality of sanctuary. Sanibel will serve as attraction only to the extent to which it retains its desired qualities as sanctuary and community.

City of Sanibel, Florida



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City of Sanibel, Florida

Budget Message

City of Sanibel, Florida



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MEMORANDUM

DATE: July 19, 2011

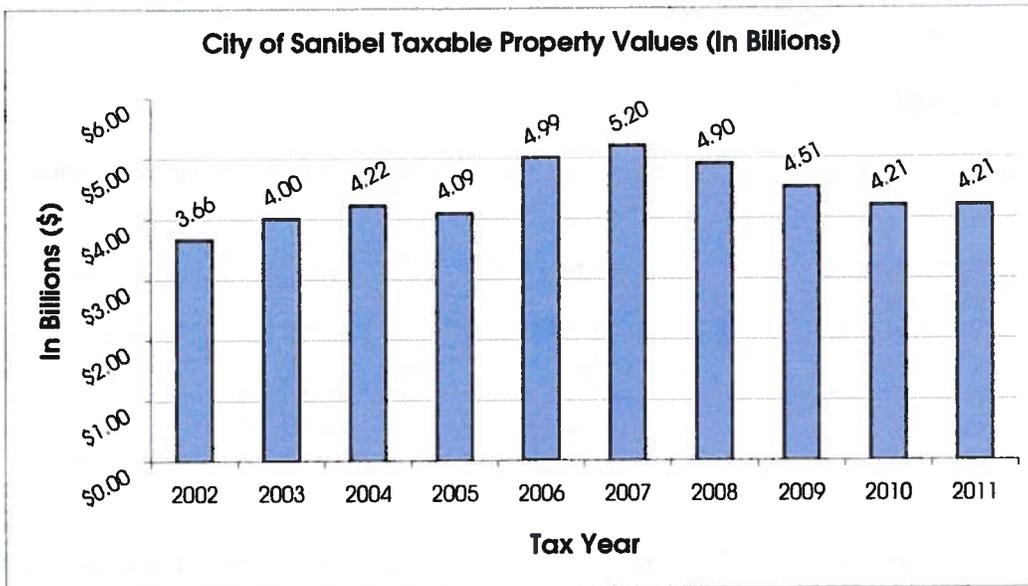
TO: City Council and Citizens of the City of Sanibel

FROM: Judie Zimomra, City Manager

SUBJECT: Fiscal Year 2011-12 Draft Budget

The attached document presents a draft budget for FY12. As presented, the draft budget totals \$46,766,179. The budget is presented at a millage rate of 2.1561 which is .0032% less than the roll-back rate of 2.1630. The roll-back rate is the millage rate that generates the same amount of revenue as the current millage, after adjusting for new construction. The City of Sanibel's property value for FY12 (2011 tax year) is \$4,206,941,772. This is .0992% (less than one-tenth of one percent) lower than the FY11 (2010 tax year) value of \$4,211,120,410.

The table below illustrates property values on Sanibel over the past decade. From FY08 (tax year 2007) to FY12 governmental expenditures have decreased by \$1,435,694 (or - 7.140%). FY08 governmental expenditures were \$20,107,969 compared to FY12 \$18,672,275 (adjusted for one-time pension liability pay down of \$2,552,016).



The highlights of the draft budget are:

- Proposed millage of 2.1561 is .0032% less than the rolled-back rate;
- Full-time employees have been reduced from 142 in 2007 to 114 in FY12 through attrition;

- City salaries remain flat for the fourth consecutive year;
- Health care costs for City employees are contained at current levels;
- Pay down the City’s pension plans unfunded actuarial accrued liability (UAAL) by \$2,552,016;
- The draft budget assumes the City will spend \$3,743,908 in disaster, insurance deductible, environmental and contingency reserves between now and the end of our current year. To date \$94,076 has been utilized of the \$6,390,000 in reserves;
- The draft budget assumes the City will spend \$6,390,000 in reserves for these same purposes in FY12;
- The draft budget includes the scheduled 3% sewer and reclaimed water rate indexing. As the draft budget is discussed City Council will be considering issues related to sewer debt and proposed sewer projects;
- With the exception of the sewer rates, all other City fees are held flat;
- Coverage for business income is increased to cover actual loss of business revenue such as sewer fund revenue, from \$110,000 to \$5,000,000 and extra expense insurance which pays expenses that would not have been incurred if there had been no direct physical loss or damage, is increased from \$50,000 to \$2,000,000;
- The allowance for undercollections in the general fund has been returned to its historical 4% from the 5% adopted in FY09-11, as collections have continued to exceed 96%;
- \$2.8 million is allocated toward general government capital improvements. This includes \$1.0 million of capital projects rolled over from the prior years and \$1.8 million for new projects.

INTRODUCTION

The fiscal year 2012 draft budget totals \$46,766,179 and is broken down as follows:

| <u>USES OF FUNDS</u> | <u>FY 2012</u> | <u>FY 2011</u> | |
|-----------------------------|-----------------------|--------------------------|--------------------------|
| | | <u>as Adopted</u> | <u>as Amended</u> |
| Governmental Funds | | | |
| Operating | \$31,676,497 | \$28,336,528 | \$36,421,735 |
| Capital | <u>2,835,081</u> | <u>3,748,660</u> | <u>3,628,040</u> |
| Total Governmental | 34,511,576 | 32,085,188 | 40,049,775 |
| Enterprise Funds | <u>12,254,603</u> | <u>11,973,920</u> | <u>14,814,355</u> |
| Total Draft Budget | <u>\$46,766,179</u> | <u>\$44,059,108</u> | <u>\$54,864,130</u> |

The FY12 draft budget is \$2.7 million greater than the FY11 adopted budget due to the assumption that the City will pay down \$2.6 million of the pension plans’ unfunded actuarial accrued liabilities (UAAL). The payments will decrease each plan’s UAAL by fifteen percent (15%); General Employees’ Pension Plan by \$1,632,907 and the Municipal Police Officers’ Retirement Trust Fund by \$919,109. Although included in the FY12 budget, these expenditures will be bought back to Council for payment approval in FY12.

The FY11 amended budget is higher than the FY11 adopted budget due to: 1) \$6,042,136

of reserves for disasters, insurance deductibles, environmental initiatives and contingencies contained in the FY10 budget were not expended and so were rolled-forward to FY11; 2) after completion of the FY10 audit \$2.3 million of FY10 ending fund balance was rolled-forward to FY11, 3) \$382,760 for various projects spanning fiscal years was also rolled-forward, 4) grants are not included in the budget until they are received, instead they are added to the budget through a budget amendment; in FY11 to date the City has received \$1.8 million in grant awards.

Examples of grants received in FY11 include the approximately \$1 million dollars received from the Lee County Tourist Development Council (TDC) for beach maintenance.

TRUTH IN MILLAGE (T.R.I.M.)

The draft budget is prepared by City staff and presented to City Council for deliberation at two public hearings held in accordance with the state-defined Truth In Millage (T.R.I.M.) calendar, which each Florida local government follows. Following is the FY12 budget calendar:

BUDGET CALENDAR
FISCAL YEAR 2012 BUDGET ADOPTION
CITY OF SANIBEL, FLORIDA

| | | |
|----------|--------------------|---|
| Tuesday | July 19, 2011 | Regular Council Meeting – Draft budget is distributed to Council. Adoption of Resolution to Set Proposed Tax (millage) Rate for 2011 and date, time and place of first public hearing. |
| Saturday | September 10, 2011 | 9:00 a. m. First Budget Public Hearing – Discussion and adoption of tentative millage and tentative FY 2012 budget |
| Tuesday | September 20, 2011 | 5:01 p.m. Second and Final Budget Public Hearing Discussion and adoption of final 2011 millage rate and FY 2012 budget |

With the changes to Florida law enacted during the 2007 and 2008 legislative sessions the City is required to calculate four millage rates: the rolled-back rate (as in prior years), the adjusted rolled-back rate, the majority vote maximum millage rate allowed, and the two-thirds vote maximum millage rate allowed.

The FY12 draft operating millage rate of 2.1561 is .0032% below the rolled-back rate of 2.1630. The rolled-back rate is defined as the millage rate that will bring in the same amount of dollars as the current year millage after adjusting for new construction. The dollar value of tax collections does not increase or decrease, except that taxes are collected on new construction. The rolled-back rate is below the adjusted rolled-back rate of 2.8209 and the majority vote maximum millage rate of 2.8364.

The adjusted rolled-back rate is calculated by using the prior year's majority vote maximum millage rate and dollars the Council could have levied, not the rate it did levy. In FY12 this rate is 2.8209. Taxes levied at a 2.8209 millage rate would generate \$11,867,362.

The majority vote maximum millage rate allowed is the adjusted rolled-back rate plus the adjustment for growth in Florida’s per capita personal income. For FY12 Florida’s per capita personal income increased .55% and the majority vote millage rate is 2.8364. Taxes levied at a 2.8364 millage rate would generate \$11,932,570.

The two-thirds vote maximum millage rate allowed is the majority vote rate increased by ten (10%) percent. In FY12 this rate is 3.1200. Taxes levied at a 3.1200 millage rate would generate \$13,125,658.

The following table identifies the minimum vote of Council required to levy a draft tax (millage) rate for tax year 2011:

BASED ON JULY 1, 2011, DR-420 CERTIFICATION OF TAXABLE VALUE OF \$4,206,941,772

| Vote Required | Millage Rate Description | Maximum Millage Rate |
|---|-----------------------------------|-----------------------------|
| Majority vote of Council (3/5) | Majority Vote Maximum Rate | 2.8364 |
| Majority vote of Council (3/5) | Rolled-back Rate | 2.1630 |
| Two-thirds vote of Council (4/5) | 2/3 Vote Maximum Rate | 3.1200 |
| Unanimous vote of Council (5/5) | Maximum Millage Rate | 10.0000 |
| Referendum of Voters | Limited to 2 years | >10.0000 |

In addition to the operating millage rate discussed above, the three (3) previously voter approved debt service millage rates required to meet FY12 debt service obligations are:

| Debt Service Description | Millage Rate |
|--------------------------------------|---------------------|
| Sewer Voted Debt Service | 0.2428 |
| Land Acquisition Voted Debt Service | 0.0599 |
| Recreation Center Voted Debt Service | 0.1263 |

Draft Budget Overview

The City’s assessed property value for FY12 (2011 tax year) is \$4,206,941,772. This is .0992% lower than the FY11 (2010 tax year) of \$4,211,120,410.

The City’s governmental funds revenue is budgeted to be \$16,819,178 in FY12 with \$4,443 less in ad valorem tax receipts than budgeted in FY11, \$132,646 more in other taxes including local option gas taxes, a \$41,721 increase in charges for services and \$262,094 less in grant revenue. Revenue figures include receipts from taxes, licenses and permits, intergovernmental revenue, charges for services, fines and forfeitures and miscellaneous revenues.

A table showing all governmental funds revenue sources (general, special revenue, debt service and capital project fund) is below:

| Revenue Source | FY2012* | FY2011** | FY2010*** | FY2009*** | FY2008*** |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Taxes | \$12,141,916 | \$11,788,289 | \$12,467,645 | \$13,273,773 | \$14,207,175 |
| Licenses & Permits | \$ 1,493,602 | \$ 1,497,091 | \$ 1,646,764 | \$1,663,887 | \$1,766,263 |
| Intergovernmental | \$ 843,229 | \$1,039,502 | \$ 1,520,872 | \$2,831,634 | \$1,947,650 |
| Charges for Service | \$1,922,000 | \$2,021,728 | \$ 2,184,329 | \$2,213,391 | \$ 2,378,285 |
| Fines & Forfeitures | \$ 51,850 | \$ 58,873 | \$ 83,542 | \$ 102,626 | \$ 80,831 |
| Miscellaneous | \$ 366,580 | \$ 548,536 | \$ 596,761 | \$ 415,098 | \$ 827,817 |
| Total | \$16,819,178 | \$16,954,019 | \$18,499,913 | \$20,500,409 | \$21,208,021 |
| *Budgeted **Estimated ***Audited | | | | | |

With the exception of intergovernmental revenues (primarily grants), that will be added to the budget if and when they are received, governmental revenues are budgeted to be predominantly flat between FY11 and FY12.

City-wide FY12 operating expenditures of \$28,580,502 have been increased by \$85,096 (.0032%) from the FY11 amended budget of \$28,495,406. The FY11 figure includes the new \$1.1 million Phase IV sewer expansion project; adjusting for this shows a \$1,150,096 (4.2%) increase in total expenditures between the two years. The FY12 budget includes a \$2,552,016 payment against the unfunded actuarial accrued liabilities in the City's two pension plans; this increase is offset by a decline of \$1,338,127 in special fund and capital project expense including: 1) the completion of the remaining \$75,000 in the algae research grant in FY11; 2) the completion of the \$850,000 replacement of the Lindgren Blvd. box culvert; 3) reduction in transportation fund expenditures of which \$71,500 is a reduction in repair and maintenance expense; and \$90,000 was for one-time equipment purchase made in FY11 and; 3) \$251,627 in one-time capital projects.

The FY12 budget includes 114 full-time employees, a decrease of four positions from FY11 and 28 full-time positions since 2007. City-wide, part-time positions increase by .30 FTE in FY12. Vacant positions filled in FY11 in the planning department, utility fund and beach parking fund were hired at lower rates than their predecessors, work less than a full work week and do not earn benefits.

As drafted, the budget holds wages flat for a fourth year. With new hires accepting a lower hourly rate than departing employees and the attrition of positions, total wages paid in FY12 are budgeted to be \$274,069 less than the amended FY11 budget (from \$7,460,055 to \$7,185,986).

Cafeteria benefits, including health, dental and long-term disability insurance are also budgeted without an increase while workers' compensation expense is flat based on the FY10 final audit.

The total contribution required for the employees' retirement plans for FY12 will increase by \$444,309 from \$1,991,759 to \$2,436,068 (22.3%).

The City's contribution to the General Employees' Pension Plan (defined benefit plan, DBP) will increase \$111,183 (or 7.7%) from \$1,442,506 in FY11 to \$1,553,689 in FY12. The increase in the general employees' defined benefit plan cost since FY09 is \$577,873 (or 59.2%) from \$975,816. Council passed an ordinance modifying the defined benefit plan in March 2011. The amended plan provided an opt-out provision for current active plan members. Fifty-one (or 64.6%) members of the defined benefit plan opted out and elected to participate in the City's amended defined contribution plan (DCP). Twenty-eight employees remained in the defined benefit plan. New hires are automatically enrolled in the DBP but have 30 days from date of hire to opt out and participate in the defined contribution plan.

The required City contribution for the defined benefit plan consists of three components, normal costs, administrative costs and the unfunded actuarial accrued liability (UAAL). The plan's annual normal costs are service credits earned each year by the plan's active members. Administrative costs include expense items such as legal, investment fees, investment management fees, insurance, training, and trustee education. Each year an annual amount is required to reduce the UAAL. The UAAL is increased when plan benefits are enhanced and not fully funded in year of enhancements, when plan assumptions or cost methods are changed to a more conservative method, or when the plan fails to meet its assumptions for items such as investment return, turnover and early retirement. The UAAL is decreased when plan benefits are reduced, when plan assumptions or cost methods are changed to a riskier method, or when the plan exceeds its assumptions for items such as investment return, turnover and early retirement.

The General Employees' DBP's normal and administrative costs for FY12 are \$148,977. In the FY12 budget this cost is allocated to the active members' departments/funds as a percentage of the active members' base pay. The UAAL cost for FY12 is \$1,404,712. In the FY12 budget this cost is allocated based on all vested members' departments/funds as a percentage of historical base pay. Vested membership includes retirees, terminated vested, DROP participants and active members.

The cost for the defined contribution plan for FY12 is budgeted at \$242,766. This represents 7.5% of the participating members' base pay and is allocated to the members' departments/funds. The City will match the first 5% of base pay contributed by the participants at 100% and match the next 5% of base pay contributed by the participants at 50%. A mandatory 5% contribution of base pay is required by the participants additional contributions up to a maximum contribution of 10% of base pay is voluntary.

The City's contribution to the Municipal Police Officers' Retirement Trust Fund (defined benefit plan) for FY12 has increased by \$90,360 (16.5%) from \$549,253 to \$639,613. Since FY09 the City contribution to the police pension has increased \$136,181 (or 27.1%) from \$503,432.

Budget Funds

The FY12 draft budget includes projections for each of the two (2) fund groups, governmental and enterprise. Within the governmental group, there are four (4) types of funds. These four fund types are the general fund, special revenue funds, debt service funds and capital project funds.

Governmental Funds

- General Fund** - The general fund is the principal fund of the City and is used to account for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund. General fund activities are funded principally by property taxes, intergovernmental revenues, licenses and permits, charges for services and miscellaneous revenues, which include public contributions and interest earnings.

The fiscal year 2012 draft budget totals \$26,210,054 and is broken down as follows:

SOURCES OF FUNDS

| | <u>FY 2012</u> | <u>FY 2011</u> | |
|-------------------------|---------------------|---------------------|---------------------|
| | | <u>as Adopted</u> | <u>as Amended</u> |
| Beginning Fund Balance | \$13,249,346 | \$10,058,580 | \$16,392,222 |
| Operating Revenues | 13,323,531 | 13,308,506 | 13,508,381 |
| Other Financing Sources | <u>(362,823)</u> | <u>(453,729)</u> | <u>(453,729)</u> |
| Total Draft Budget | <u>\$26,210,054</u> | <u>\$22,913,357</u> | <u>\$29,446,874</u> |

USES OF FUNDS

| | <u>FY 2012</u> | <u>FY 2011</u> | |
|----------------------------|---------------------|---------------------|---------------------|
| | | <u>as Adopted</u> | <u>as Amended</u> |
| Operating Expenditures | \$13,035,674 | \$10,058,030 | \$10,177,234 |
| Non-operating Expenditures | 9,282,402 | 9,308,096 | 9,218,021 |
| Ending Fund Balance | <u>3,891,979</u> | <u>3,547,231</u> | <u>10,051,620</u> |
| Total Draft Budget | <u>\$26,210,054</u> | <u>\$22,913,357</u> | <u>\$29,446,874</u> |

Sources of Funds:

FY12 beginning fund balance of \$13,249,346 is lower than the FY11 amended beginning fund balance of \$16,392,222, a difference of \$3,142,876. The difference reflects the assumption in the FY11 budget that the City will expend \$3,743,908 on disasters, insurance deductibles, environmental initiatives and contingencies by September 30, 2011. To date the City has utilized \$94,076 of the \$6,390,000 budgeted reserves. Additionally FY11 expenditures are estimated to be \$462,556 less than the amended budget, increasing the amount of funds available for FY12.

Operating revenues are budgeted to decrease by \$184,850 (-1.4%) in FY12; from

\$13,508,381 in the FY11 amended budget to \$13,323,531 in FY12, with the following changes:

First, communications services tax receipts are budgeted to be \$17,948 lower in FY12 and in line with actual FY11 receipts;

Second, grant revenue will decrease by \$110,762 as existing grants are completed and new grants have not yet been received

Third, FY12 development permit fees are budgeted to be \$40,000 lower at \$180,000 than FY11 permit fees of \$220,000 due to hiatus in permits pulled;

Finally, indirect cost revenue is budgeted to be \$1,000,000 in FY12, \$23,694 less than in FY11 as staff adjusts direct charges to various funds thereby reducing the amount of indirect costs and associated revenue.

Uses of Funds:

Operating expenditures in FY12 of \$13,035,674 are \$2,858,440 (21.9%) higher than the FY11 amended budget of \$10,177,234. There are three reasons for the increases.

First, the FY12 budget assumes that the City will pay down \$2,552,016 of the unfunded liabilities in the General Employees' Pension Plan (\$1,632,907) and the Municipal Police Officers' Retirement Trust Fund (\$919,109).

Second, the FY12 personal services budget (\$7,603,791) increases by \$157,704 from FY11 (\$7,446,087), with higher retirement costs in both plans partially offset by reductions in other staff costs such as FICA and cafeteria benefits. Retirement expense increases by \$393,573 from \$1,254,598 in FY11 to \$1,648,571 in FY12. Wages are reduced by \$194,579 from \$4,391,665 in FY11 to \$4,197,086 in FY12, FICA is reduced by \$15,465 and cafeteria benefit costs are reduced by \$7,377.

Third, department operating expenditures are budgeted to be \$436,577 more in FY12 than in the FY11 amended budget, as the \$195,000 Brazilian pepper project that was previously found in a special revenue fund is moved to the general fund in FY12 to conform to GASB Statement 54 accounting requirements.

General fund FTE's are reduced by 2.76 in FY12. The police department is eliminating three full-time sworn officer positions, with benefits. It is also eliminating a .5 FTE dispatcher position and adding 1 full-time dispatcher position. This reduces the police department FTE's by 2.5 FTE (from 35.72 to 33.22).

The planning department is reducing its part time planner positions by .3 FTE.

These salary changes reduce FY12 salary expense to the general fund by \$194,579

from the FY11 amended budget, from \$4,391,665 to \$4,197,086. The City contribution for the Municipal Police Officers' Pension Trust is increased by \$103,784 (the net increase in the Police DBP is \$90,360 due to a decrease in the Beach Parking Fund Police DBP costs of \$13,424). The City contribution for the General Employees' retirement plans is budgeted to increase by \$290,189.

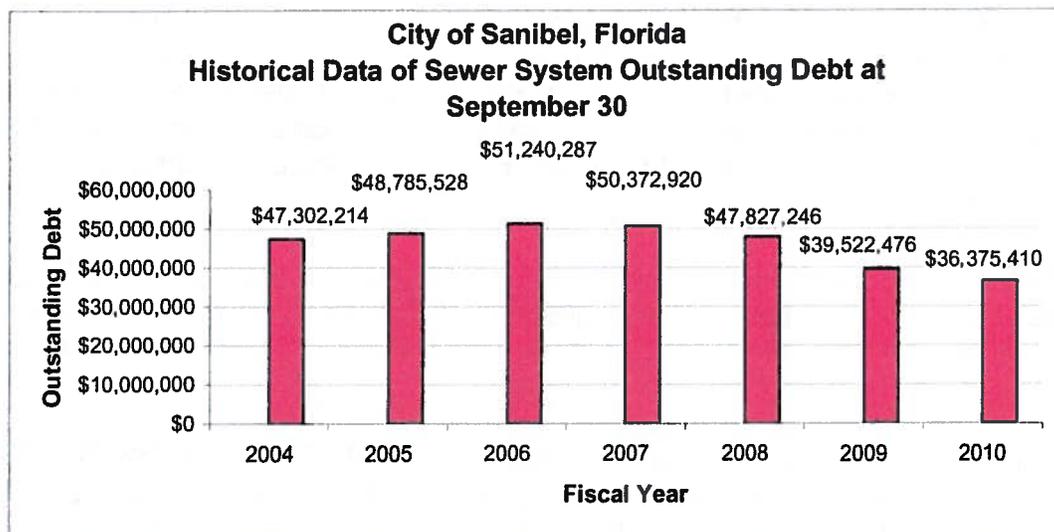
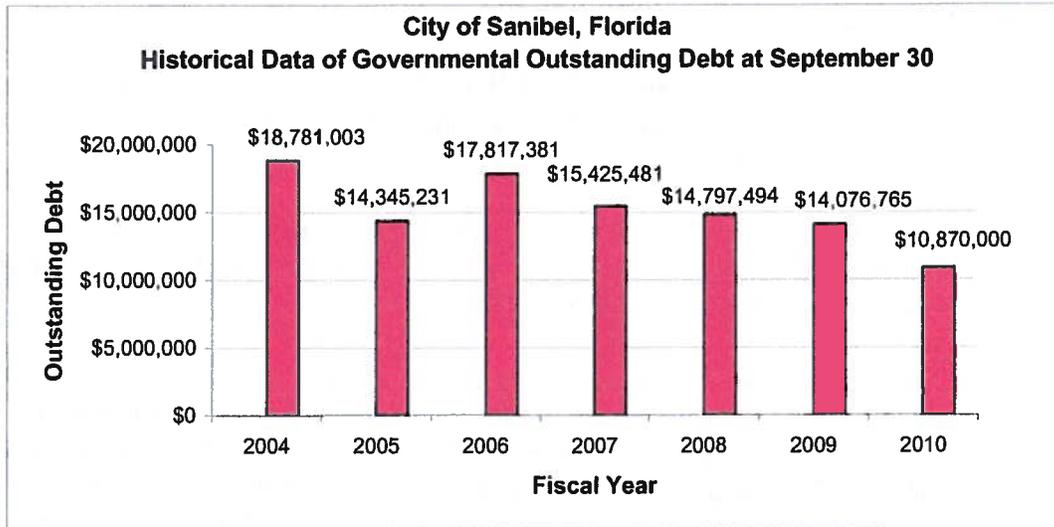
In FY12 governmental reserves of \$3,743,908 are budgeted to be expended on disasters, insurance deductibles, environmental initiatives and contingencies. To date, \$94,076 of the FY11 \$6,390,000 has been utilized.

- **Special Revenue** - Special revenue funds are legally restricted to the use for which the revenue is granted or contributed to the City. Total FY12 special revenue funds are budgeted at \$7.7 million. This is \$798,942 less than the FY11 amended budget of \$8.5 million. The decrease is attributable to: 1) completion of the remaining \$75,000 in the algae research grant in FY11; 2) \$359,122 less in transportation fund expenditures of which \$71,500 is a reduction in repair and maintenance expense, \$90,000 is for improvements completed in FY11, \$200,000 is for one-time transfer out for the Lundgren box culvert project in FY11; 3) FY11 \$220,000 Brazilian pepper program's budget is reduced to \$195,000 and moved to the general fund in FY12; 4) one-time expenditure for \$50,000 crime scene vehicle in the federal forfeiture fund in FY11; and, 5) \$40,634 FY11 expenditures for canal dredging not required in FY12.

Building Department expenditures increase by \$41,592 (6.6%) from \$630,849 to \$672,441. The department is requesting \$5,200 for a new .10 FTE inspector position, part-time, as needed, without benefits. Retirement costs increase by \$32,561 in FY12.

Recreation Department expenditures increase by \$38,594 (2.07%) from \$1,863,171 to \$1,901,765 and the Center 4 Life program expenditures increase by \$9,599 (6.5%) from \$147,734 to \$157,333.

- **Debt Service Funds** - Debt service funds are used to account for the accumulation of resources for and the payment of principal and interest on long-term debt. In FY10 the City prepaid \$2.2 million of debt. As of September 30, 2010, the City's governmental funds' outstanding debt was \$10,870,000; enterprise fund (sewer system) debt was \$36,375,410.



If approved by City Council at the July 19, 2011 regular City Council meeting, the City will pay down the principal on the Sewer System’s Florida State Revolving Fund (SRF) Loan Number CS120835080 by \$2,000,000 in FY11. The annual debt service payment on the SRF loan will decrease by approximately \$218,000. The term limit will remain the same maturing in 2022. The estimated interest savings is \$408,000. One million dollars will come from the Sewer Fund’s unrestricted cash and \$1,000,000 will be an interfund loan from the General Fund. This will increase the interfund loan between the General Fund and Sewer Fund from \$1,750,000 to \$2,750,000. The current repayment schedule will be modified to decrease the annual repayment amount and extend the term from five remaining annual payments of \$350,000 to ten annual payments of \$275,000.

The FY11 estimated actual General Fund’s restricted fund balance would increase by \$1,075,000 (\$1,000,000 interfund loan plus \$75,000 decrease in annual payment) from \$1,403,016 to \$2,478,016 and the reserves expected to be spent will decrease by

\$1,075,000 from \$3,743,908 to \$2,668,908. FY12 budgeted restricted fund balance will increase from \$1,053,016 to \$2,203,016 and available for appropriation in subsequent fiscal year will decrease by \$75,000 from \$622,899 to \$547,879.

The Sewer System's unrestricted net assets will decrease by \$1,000,000 in the FY11 estimated actual from \$1,975,794 to \$975,794 and the FY12 budgeted unrestricted net assets will decrease by \$707,000 (\$1,000,000 pay down netted with \$218,000 decrease in SRF annual debt service payments and \$75,000 decrease in interfund loan annual repayment) from \$1,466,026 to \$759,026.

Capital Project Funds – Capital project funds account for all resources used for the acquisition and/or construction of major capital facilities. Capital project expenditures are budgeted at \$2.8 million, a \$844,877 decrease from the amended FY 2011 budget.

Investments in technology are being made to maximize productivity, including: 1) store and access documents and media from networked servers using the Internet, with data secured but accessible to employees from anywhere there is an Internet connection; 2) continue the integration of the City's existing system of 60 cameras located at Lighthouse Park, the Recreation Center and other City locations into a single system that will allow immediate access by law enforcement; 3) replace computer aided dispatch and field reporting modules to enhance police officers' remote capabilities and 4) complete the process, which began in FY11, of replacing the government-wide accounting, utility billing and community development software.

The draft budget includes a detailed 5-year capital improvement plan (CIP), the first year of which is included in the annual budget.

| City of Sanibel Schedule of Capital Outlays (Does Not Include Enterprise Funds) | | | | | | |
|---|----------------------|---------------------|-------------------|-------------------|-----------------------|---------------------|
| | Audited FY07 | Audited FY08 | Audited FY09 | Audited FY10 | Estimated FY11 | Proposed FY12 |
| Capital Outlay | \$ 13,529,139 | \$ 2,824,732 | \$ 581,497 | \$ 761,546 | \$ 3,628,040 | \$ 1,625,049 |
| One-time Projects: | | | | | | |
| Recreation Center | \$ 10,720,543 | \$ 1,738,638 | \$ - | \$ 30,744 | | |
| Periwinkle Road & Bikepath | \$ 557,463 | \$ 279,010 | | | | |
| Dixie Beach Road Project | | | \$ 194,855 | \$ 83,432 | \$ 75,250 | |
| Replace Lindgren Blvd. box culvert | | | | \$ 105,493 | \$ 850,000 | |
| Tarpon Bay Road | | | | \$ 56,480 | \$ 200,000 | \$ 250,000 |
| Replace City Hall roof | | | | \$ 3,500 | \$ 300,000 | |
| Relocate police server room | | | | \$ 12,433 | \$ 200,975 | |
| Dunlop/Wooster shared-use path | | | | | \$ 300,000 | \$ 100,000 |
| Rabbit Road shared-use path | | | | | \$ 3,500 | \$ 296,500 |
| Dixie Beach shared-use path | | | | | | \$ 200,000 |
| Bailey Road shared-use path | | | | | | \$ 150,000 |
| Kings Crown to lighthouse beach lot | | | | | | \$ 600,000 |
| Total One-time Projects | \$ 11,278,006 | \$ 2,017,648 | \$ 194,855 | \$ 292,082 | \$ 1,929,725 | \$ 1,596,500 |
| Roll forwards from FY11 to FY12 | | | | | \$ (1,158,114) | \$ 1,158,114 |
| Capital Outlays w/out One-time Projects and Reclassed Projects | \$ 2,251,133 | \$ 807,084 | \$ 386,642 | \$ 469,464 | \$ 540,201 | \$ 1,186,663 |

Enterprise Funds

- **Sanibel Sewer System Funds** – The Sanibel Sewer System’s budget decreases from \$9.7 million to \$8.5 million. The \$1,227,540 decrease includes \$70,497 in operating expenditures, \$129,959 for debt service and a \$1.1 million decrease in capital outlays for Phase IV sewer expansion.

The disaster reserve increases from \$300,000 to \$400,000;

User fees at the 3% indexing rate have been determined to be sufficient to fund operations and meet bond coverage requirements per the annual updated financial feasibility study.

- **Beach Parking Fund** – Budgeted operating expense in the beach parking fund is decreasing by \$353,671 from \$3.3 million to \$2.9 million in FY12.

Personal services decrease by \$35,481 between years, operating expense decreases by \$73,990 from \$1,100,883 to \$1,026,893 and capital projects decrease by \$244,200. Capital projects completed in FY11 include \$90,000 for Bailey Beach restoration and \$102,000 for dune walkover replacement. The \$100,000 allocated for restoration of the historical Sanibel lighthouse will be expended in FY11 with an additional \$200,000 budgeted for FY12. The beach parking fund’s detailed 5-year capital improvement plan (CIP) is included in the budget document.

A \$898,000 grant from the Lee County Tourist Development Council (TDC) has been applied for and tentatively approved. As drafted, the budget does not include the \$898,000. When the grant award is received in fiscal year 2012, the FY12 negative ending net assets amount of \$620,223 will become positive. At the time the grant award is received in early FY 2012, a budget amendment will be presented to City Council.

Fund Balances

The general fund beginning fund balance is projected to be \$13,249,346 on October 1, 2011. This is a \$3,190,766 increase from the FY11 adopted beginning fund balance and a \$3,142,876 decrease from the FY11 amended beginning fund balance.

The decrease from the amended beginning fund balance is based on the assumption that the City will incur \$3,743,908 in expense for disaster, insurance deductibles, environmental initiatives and contingencies before September 30, 2011. To date, \$94,076 of the FY11 reserves have been utilized.

Reserves for FY11 and FY12 are below:

| RESERVES | FY2010-11 | | | FY2011-12 |
|---------------------------------------|---------------------------|---------------------------|-----------------------------|------------------|
| | ADOPTED BUDGET | AMENDED BUDGET | ESTIMATED ACTUAL | PROPOSED |
| Reserve for Contingencies | 275,000 | 205,924 | 205,924 | 275,000 |
| Reserve for Environmental Initiatives | 1,300,000 | 1,275,000 | 1,275,000 | 1,300,000 |
| Reserve for Insurance Deductibles | 315,000 | 315,000 | 315,000 | 315,000 |
| Reserve for Disasters | 4,500,000 | 4,500,000 | 1,947,984 | 4,500,000 |
| Total Reserves | 6,390,000 | 6,295,924 | 3,743,908 | 6,390,000 |

The fund balances in the special revenue, debt service and capital project funds are restricted for use in the project for which the funding sources were provided. Therefore, there is not a relevant pattern, or comparison to previous years to be discussed.

Conclusion

We have prepared a draft budget which continues to constrict the size of our full-time municipal work force while not increasing our tax rates. We are prepared to discuss all financial issues with City Council as we review the budget but especially the issues related to debt and the financing of future sewer capital projects.

CITY OF SANIBEL
FISCAL YEAR 2011-12 ANNUAL BUDGET
SUMMARY OF DECREASES FROM PRIOR FISCAL YEAR
IN PROPOSED BUDGET

If Funding
Source is Ad Valorem Taxes, Millage Rate Annual Cost per \$100,000 Property Valuation Annual Cost to Average Residential Taxpayer

Description Decreases Funding Source

Departmental Recommendations
GENERAL FUND

| | Description | Decreases | Funding Source | Millage Rate | Annual Cost per \$100,000 Property Valuation | Annual Cost to Average Residential Taxpayer |
|----|--|---------------------|-------------------------|--------------------|--|---|
| 1 | Legislative Medical services reallocated to general services | \$ (100) | Ad Valorem Taxes | (0.0000) | \$ (0.00) | \$ (0.01) |
| 2 | Legislative No election scheduled | \$ (13,000) | Ad Valorem Taxes | (0.0031) | \$ (0.31) | \$ (1.67) |
| 3 | Legislative Previous allocation for water quality issues eliminated from the budget | \$ (25,000) | Ad Valorem Taxes | (0.0059) | \$ (0.59) | \$ (3.22) |
| 4 | Legislative One-time purchase of chairs for Council in FY11 | \$ (4,000) | Ad Valorem Taxes | (0.0010) | \$ (0.10) | \$ (0.51) |
| 5 | MIS Reduce services in FY12 | \$ (91) | Ad Valorem Taxes | (0.0000) | \$ (0.00) | \$ (0.01) |
| 6 | MIS Reduce charges in FY12 | \$ (2,500) | Ad Valorem Taxes | (0.0006) | \$ (0.06) | \$ (0.32) |
| 7 | Finance Reduce business tax mailing postage | \$ (1,000) | Ad Valorem Taxes | (0.0002) | \$ (0.02) | \$ (0.13) |
| 8 | Planning Increase employee physicals \$200; reduce engineering services by \$500 based on current fiscal year | \$ (300) | Ad Valorem Taxes | (0.0001) | \$ (0.01) | \$ (0.04) |
| 9 | Planning Reduction to other current charges based on current fiscal year | \$ (600) | Ad Valorem Taxes | (0.0001) | \$ (0.01) | \$ (0.08) |
| 10 | Planning Decreased operating supplies funding based on current fiscal year expenditures | \$ (1,000) | Ad Valorem Taxes | (0.0002) | \$ (0.02) | \$ (0.13) |
| 11 | General Government Reduce shared copier expense | \$ (6,600) | Ad Valorem Taxes | (0.0016) | \$ (0.16) | \$ (0.85) |
| 12 | Police Eliminate iguana control program | \$ (23,650) | Ad Valorem Taxes | (0.0056) | \$ (0.56) | \$ (3.04) |
| 13 | Police Maintenance (-\$400); Squadroom Copier (-\$228); Lee Public Radio Use (-\$500) | \$ (548) | Ad Valorem Taxes | (0.0001) | \$ (0.01) | \$ (0.07) |
| 14 | Natural Resources Flatwoods restoration grant completed in FY11 | \$ (5,515) | Ad Valorem Taxes | (0.0013) | \$ (0.13) | \$ (0.71) |
| 15 | Natural Resources Air potato grant partially completed in FY11 | \$ (430) | Ad Valorem Taxes | (0.0001) | \$ (0.01) | \$ (0.06) |
| 16 | Public Works Elimination of hosting fee for fleet maintenance software | \$ (1,500) | Ad Valorem Taxes | (0.0004) | \$ (0.04) | \$ (0.19) |
| 17 | Public Works Professional engineer license fees are paid biennially. Addition of membership in Flood Plain Managers Associations | \$ (560) | Ad Valorem Taxes | (0.0001) | \$ (0.01) | \$ (0.07) |
| 18 | Public Works No machinery or equipment purchases | \$ (13,500) | Ad Valorem Taxes | (0.0032) | \$ (0.32) | \$ (1.74) |
| 19 | Public Works One-time pass-through contribution to Trails in Motion in FY11 | \$ (1,000) | Ad Valorem Taxes | (0.0002) | \$ (0.02) | \$ (0.13) |
| 20 | Public Facilities Eliminate emergency generator rental at City | \$ (7,004) | Ad Valorem Taxes | (0.0017) | \$ (0.17) | \$ (0.90) |
| 21 | Public Facilities No shell proposed for non-beach parks | \$ (1,000) | Ad Valorem Taxes | (0.0002) | \$ (0.02) | \$ (0.13) |
| 22 | Historical Museum FY11 CDBG grant complete | \$ (20,238) | Ad Valorem Taxes | (0.0048) | \$ (0.48) | \$ (2.60) |
| | Total General Fund Recommendations | \$ (129,136) | Ad Valorem Taxes | \$ (0.0307) | \$ (3.07) | \$ (16.62) |

Attachment A
Summary of Decreases From Prior Fiscal Year
In Proposed Budget

CITY OF SANIBEL
 FISCAL YEAR 2011-12 ANNUAL BUDGET
 SUMMARY OF DECREASES FROM PRIOR FISCAL YEAR
 IN PROPOSED BUDGET

| | | | | If Funding Source is Ad Valorem Taxes, Millage Rate | Annual Cost per \$100,000 Property Valuation | Annual Cost to Average Residential Taxpayer |
|-----------------------------------|------------|---|---------------------|---|--|---|
| Description | | Decreases | Funding Source | | | |
| RECREATION CENTER FUND | | | | | | |
| 23 | Recreation | Majority of FY11 fingerprinting results are valid for 5 years, fewer are required in FY12 | \$ (2,100) | Ad Valorem Taxes | (0.0005) | \$ (0.05) \$ (0.27) |
| 24 | Recreation | Decrease in transportation with fewer products shipped | \$ (1,500) | Ad Valorem Taxes | (0.0004) | \$ (0.04) \$ (0.19) |
| 25 | Recreation | HVAC training for staff eliminated due to contracted monitoring service | \$ (2,200) | Ad Valorem Taxes | (0.0005) | \$ (0.05) \$ (0.28) |
| 26 | Recreation | Decrease in office supply use and GE card reorders | \$ (2,000) | Ad Valorem Taxes | (0.0005) | \$ (0.05) \$ (0.26) |
| 27 | Recreation | Parking lot striping required biennially | \$ (1,250) | Ad Valorem Taxes | (0.0003) | \$ (0.03) \$ (0.16) |
| 28 | Recreation | FY12 grants less than FY11 | \$ (7,995) | Ad Valorem Taxes | (0.0019) | \$ (0.19) \$ (1.03) |
| | | Total Recreation Fund Recommendations | \$ (17,045) | Ad Valorem Taxes | \$ (0.0041) | \$ (0.41) \$ (2.19) |
| BUILDING DEPARTMENT FUND | | | | | | |
| 29 | Building | Less other contractual service | \$ (100) | Building Department Fees | - | \$ - \$ - |
| 30 | Building | Decrease repair and maintenance usage | \$ (30) | Building Department Fees | - | \$ - \$ - |
| 31 | Building | Less usage of printing more use of Internet | \$ (500) | Building Department Fees | - | \$ - \$ - |
| 32 | Building | Purchase fewer office supplies | \$ (150) | Building Department Fees | - | \$ - \$ - |
| 33 | Building | Reduce needs to operate office | \$ (100) | Building Department Fees | - | \$ - \$ - |
| | | Total Building Fund Recommendations | \$ (880) | | \$ - | \$ - \$ - |
| BALLFIELD MAINTENANCE FUND | | | | | | |
| 34 | Recreation | Adjust trash pick up | \$ (1,110) | 1/3 School Board, 1/3 Lee County, 1/3 City | (0.0001) | \$ (0.01) \$ (0.05) |
| 35 | Recreation | Able to borrow form sod cutter Lee County | \$ (700) | 1/3 School Board, 1/3 Lee County, 1/3 City | (0.0001) | \$ (0.01) \$ (0.03) |
| | | Total Ballfield Recommendations | \$ (1,810) | | \$ (0.0001) | \$ (0.01) \$ (0.08) |
| | | Total Departmental Recommendations | \$ (148,871) | | \$ (0.0349) | \$ (3.49) \$ (18.89) |

Attachment A
 Summary of Decreases From Prior Fiscal Year
 In Proposed Budget

CITY OF SANIBEL

FISCAL YEAR 2011-12 ANNUAL BUDGET

SUMMARY OF INCREASES FROM PRIOR FISCAL YEAR
IN PROPOSED BUDGET

If Funding
Source is Ad Valorem
Taxes, Millage Rate
Annual Cost per \$100,000
Property Valuation
Annual Cost to Average
Residential Taxpayer

| Department | Description | Cost | Funding Source | Millage Rate | Property Valuation | Annual Cost to Average Residential Taxpayer |
|-------------------------------------|--|-----------|------------------|--------------|--------------------|---|
| Departmental Recommendations | | | | | | |
| GENERAL FUND | | | | | | |
| 1 Legislative | Data phone or cell phone monthly allowance | \$ 4,900 | Ad Valorem Taxes | 0.0012 | \$ 0.12 | \$ 0.63 |
| 2 Legislative | Increase part-time salary for three months | \$ 5,654 | Ad Valorem Taxes | 0.0013 | \$ 0.13 | \$ 0.73 |
| 3 Administration | Additional funds allocated to professional development. | \$ 9,112 | Ad Valorem Taxes | 0.0022 | \$ 0.22 | \$ 1.17 |
| 4 Administration | Increase in repair and maintenance costs for postage machine | \$ 500 | Ad Valorem Taxes | 0.0001 | \$ 0.01 | \$ 0.06 |
| 5 MIS | Munis implementation charges | \$ 14,337 | Ad Valorem Taxes | 0.0034 | \$ 0.34 | \$ 1.84 |
| 6 MIS | Comcast fiber Internet connectivity and speed increase planned next FY | \$ 14,906 | Ad Valorem Taxes | 0.0035 | \$ 0.35 | \$ 1.92 |
| 7 MIS | New annual servcies for Dell servers, IFSS video PM, Cisco network HW | \$ 16,740 | Ad Valorem Taxes | 0.0040 | \$ 0.40 | \$ 2.15 |
| 8 Finance | Software conversion charges | \$ 3,000 | Ad Valorem Taxes | 0.0007 | \$ 0.07 | \$ 0.39 |
| 9 Finance | Reinstate shredding service | \$ 390 | Ad Valorem Taxes | 0.0001 | \$ 0.01 | \$ 0.05 |
| 10 Finance | Staff travel to Munis conference | \$ 950 | Ad Valorem Taxes | 0.0002 | \$ 0.02 | \$ 0.12 |
| 11 Finance | Add data plans for two employees at \$50/mo; add phone reimbursement for senior accountant at \$90/mo; reduce long-distance | \$ 2,880 | Ad Valorem Taxes | 0.0007 | \$ 0.07 | \$ 0.37 |
| 12 Finance | Increase in copier rental cost | \$ 400 | Ad Valorem Taxes | 0.0001 | \$ 0.01 | \$ 0.05 |
| 13 Finance | Add Munis conference registration for two employees; reduce other registrations | \$ 125 | Ad Valorem Taxes | 0.0000 | \$ 0.00 | \$ 0.02 |
| 14 Finance | Increased cost for office supplies | \$ 300 | Ad Valorem Taxes | 0.0001 | \$ 0.01 | \$ 0.04 |
| 14 Legal | Increase of \$25/mo for AT&T Data | \$ 300 | Ad Valorem Taxes | 0.0001 | \$ 0.01 | \$ 0.04 |
| 15 Legal | Increase cost/purchases | \$ 220 | Ad Valorem Taxes | 0.0001 | \$ 0.01 | \$ 0.03 |
| 16 Planning | Code Enforcement Office conducting inspections on weekends and employees attending continuing education classes and seminars | \$ 5,000 | Ad Valorem Taxes | 0.0012 | \$ 0.12 | \$ 0.64 |
| 17 Planning | Increased office supply funding based on current fiscal year expenditures. | \$ 500 | Ad Valorem Taxes | 0.0001 | \$ 0.01 | \$ 0.06 |
| 18 Planning | Full-time employee memberships due this year | \$ 500 | Ad Valorem Taxes | 0.0001 | \$ 0.01 | \$ 0.06 |
| 19 General Government | Increase property appraisals \$2,500; increase license monitoring \$600 | \$ 3,100 | Ad Valorem Taxes | 0.0007 | \$ 0.07 | \$ 0.40 |
| 20 General Government | Move promotional acitivites previously found in a special revenue fund; expense is offset by revenue | \$ 1,000 | Ad Valorem Taxes | 0.0002 | \$ 0.02 | \$ 0.13 |
| 21 Police | Binder, Pens paper, Clips | \$ 68 | Ad Valorem Taxes | 0.0000 | \$ 0.00 | \$ 0.01 |
| 22 Police | Fuel estimated at \$4.50 per gallon at an estimated 6,175 gallons | \$ 23,152 | Ad Valorem Taxes | 0.0055 | \$ 0.55 | \$ 2.98 |
| 23 Recycling | Due to heavy usage extra dumps are required for recycling center dumpster. Decrease in recycling costs for City Hall | \$ 900 | Ad Valorem Taxes | 0.0002 | \$ 0.02 | \$ 0.12 |

Attachment B
 Summary of Increases From Prior Fiscal Year
 In Proposed Budget

CITY OF SANIBEL

FISCAL YEAR 2011-12 ANNUAL BUDGET

SUMMARY OF INCREASES FROM PRIOR FISCAL YEAR
IN PROPOSED BUDGET

| Department | Description | Cost | Funding Source | If Funding Source is Ad Valorem Taxes, Millage Rate | Annual Cost per \$100,000 Property Valuation | Annual Cost to Average Residential Taxpayer |
|-------------------------------|--|-------------------|-------------------------|---|--|---|
| 24 Recycling | Property appraiser administrative and billing fee for solid waste charges on property tax bill | \$ 10,000 | Ad Valorem Taxes | 0.0024 | \$ 0.24 | \$ 1.29 |
| 25 Natural Resources | Brazilian pepper eradication moved from F116 to conform to GASB 34, reduces transfers out of the general fund by an equal amount | \$ 195,000 | Ad Valorem Taxes | 0.0464 | \$ 4.64 | \$ 25.09 |
| 26 Public Works | 4-year service agreement for new plotter | \$ 4,000 | Ad Valorem Taxes | 0.0010 | \$ 0.10 | \$ 0.51 |
| 27 Public Facilities | Increase in floor maintenance costs (carpet cleaning and floor waxing). Increase in miscellaneous items. Reduction in park plantings. Continue conversion of office lights to LED | \$ 2,500 | Ad Valorem Taxes | 0.0006 | \$ 0.06 | \$ 0.32 |
| 28 Public Facilities | Increase in repair costs for City Hall and Civic Center. Increase in elevator service contract cost. Net decrease in A/C preventative maintenance contracts for CH and CC. A/C evaporator cleaning now part of preventative maintenance. | \$ 8,100 | Ad Valorem Taxes | 0.0019 | \$ 0.19 | \$ 1.04 |
| 29 Public Facilities | Building permits and advertising costs for proposed capital projects. Elimination of miscellaneous category. | \$ 1,200 | Ad Valorem Taxes | 0.0003 | \$ 0.03 | \$ 0.15 |
| 30 Public Facilities | Anticipated increase in fuel costs and purchase of LED lights for conversion of office lights. No jackets being purchased. Additional mulch required for Community Park playground | \$ 8,400 | Ad Valorem Taxes | 0.0020 | \$ 0.20 | \$ 1.08 |
| 31 BMRH | Increase grant 3% | \$ 7,651 | Ad Valorem Taxes | 0.0018 | \$ 0.18 | \$ 0.98 |
| 32 Historical Village | Increase FY11 actual insurance 3% | \$ 8,182 | Ad Valorem Taxes | 0.0019 | \$ 0.19 | \$ 1.05 |
| 33 Performing Arts | Increase FY11 actual insurance 3% | \$ 4,021 | Ad Valorem Taxes | 0.0010 | \$ 0.10 | \$ 0.52 |
| | Total General Fund Recommendations | \$ 357,988 | Ad Valorem Taxes | \$ 0.0851 | \$ 8.51 | \$ 46.06 |
| RECREATION CENTER FUND | | | | | | |
| 34 Seniors Program | Increase long distance rates for emergency phone and fax | \$ 240 | Ad Valorem Taxes | 0.0001 | \$ 0.01 | \$ 0.03 |
| 35 Seniors Program | Insurance increases 3% | \$ 664 | Ad Valorem Taxes | 0.0002 | \$ 0.02 | \$ 0.09 |
| 36 Recreation | Addition of: 70/30 Contracts (tennis & karate; offset by revenue), daily weight room and restroom cleaning contract. Increased cost for Vermont Systems RecTrac support contract | \$ 30,244 | Ad Valorem Taxes | 0.0072 | \$ 0.72 | \$ 3.89 |
| 37 Recreation | Increase cost of fuel for recreation department twelve passenger van | \$ 400 | Ad Valorem Taxes | 0.0001 | \$ 0.01 | \$ 0.05 |
| 38 Recreation | Addition of data plan for 2 staff members phones and Ipad data plan | \$ 1,464 | Ad Valorem Taxes | 0.0003 | \$ 0.03 | \$ 0.19 |
| 39 Recreation | Sewer plus 3% | \$ 382 | Ad Valorem Taxes | 0.0001 | \$ 0.01 | \$ 0.05 |
| 40 Recreation | Add business income insurance and theft of money insurance | \$ 1,295 | Ad Valorem Taxes | 0.0003 | \$ 0.03 | \$ 0.17 |
| 41 Recreation | Addition of tile and grout cleaning for restrooms (4 times a year) and wood floor recoating (occurs every other year) | \$ 5,500 | Ad Valorem Taxes | 0.0013 | \$ 0.13 | \$ 0.71 |
| 42 Recreation | Increased advertising opportunities (75th Shell Fair ad, baseball program ad, group sporting events) | \$ 4,115 | Ad Valorem Taxes | 0.0010 | \$ 0.10 | \$ 0.53 |
| 43 Recreation | Addition of volunteer recognition and ASCAP music license for fitness classes | \$ 815 | | | | |
| 44 Recreation | Additional CEU's for staff to maintain land aerobic certifications | \$ 500 | Ad Valorem Taxes | 0.0001 | \$ 0.01 | \$ 0.06 |
| | Total Recreation Fund Recommendations | \$ 45,619 | Ad Valorem Taxes | \$ 0.0107 | \$ 1.07 | \$ 5.76 |

Attachment B
Summary of Increases From Prior Fiscal Year
In Proposed Budget

CITY OF SANIBEL

FISCAL YEAR 2011-12 ANNUAL BUDGET

SUMMARY OF INCREASES FROM PRIOR FISCAL YEAR
IN PROPOSED BUDGET

| Department | Description | Cost | Funding Source | If Funding Source is Ad Valorem Taxes, Millage Rate | Annual Cost per \$100,000 Property Valuation | Annual Cost to Average Residential Taxpayer |
|-----------------------------------|--|-------------------|--|---|--|---|
| BUILDING DEPARTMENT FUND | | | | | | |
| 45 Building | Anticipated increase in costs for AFLAC and Flex One | \$ 3 | Building Department Fees | - | \$ - | \$ - |
| 46 Building | Communications increase | \$ 526 | Building Department Fees | - | \$ - | \$ - |
| 47 Building | Add business income insurance | \$ 259 | Building Department Fees | - | \$ - | \$ - |
| 48 Building | Increase gas cost | \$ 3,500 | Building Department Fees | - | \$ - | \$ - |
| | Total Building Fund Recommendations | \$ 4,288 | | \$ - | \$ - | \$ - |
| BALLFIELD MAINTENANCE FUND | | | | | | |
| 49 Recreation | Playground inspection fee | \$ 500 | 1/3 School Board, 1/3 Lee County, 1/3 City | 0.0000 | \$ 0.00 | \$ 0.02 |
| 50 Recreation | Increase insurance 3% | \$ 712 | 1/3 School Board, 1/3 Lee County, 1/3 City | 0.0001 | \$ 0.01 | \$ 0.03 |
| | Total Ballfield Recommendations | \$ 1,212 | | \$ 0.0001 | \$ 0.01 | \$ 0.05 |
| | Total Departmental Recommendations | \$ 409,107 | | \$ 0.0958 | \$ 9.58 | \$ 51.88 |

Attachment B
 Summary of Increases From Prior Fiscal Year
 In Proposed Budget

Budget Summary

Budget Summary
City of Sanibel - Fiscal Years 2010-2012

| | FY 09-10 Actual | FY 10-11 Adopted | FY 10-11 Proj Actual | FY 11-12 Draft | FY12 Draft to FY11 Adopted Amount of Increase (Decrease) | % Change Tentative To Adopted | FY12 Draft to FY11 Projected Amount of Increase (Decrease) | % Change Tentative To Projected |
|--------------------------------------|--------------------|---------------------|-------------------------|-------------------|--|-------------------------------------|--|---------------------------------------|
| Est Beginning Fund Balance | 26,714,560 | 17,737,602 | 26,436,630 | 20,608,542 | 2,870,940 | 16.19% | (5,828,088) | -22.05% |
| Revenues | | | | | | | | |
| Ad Valorem Taxes | 10,125,469 | 10,903,747 | 10,482,400 | 10,875,106 | (28,641) | -0.26% | 392,706 | 3.75% |
| Other Taxes | 2,342,176 | 2,155,411 | 2,309,515 | 2,288,057 | 132,646 | 6.15% | (21,458) | -0.93% |
| Licenses & Permits | 1,739,674 | 1,560,402 | 1,582,335 | 1,563,602 | 3,200 | 0.21% | (18,733) | -1.18% |
| Intergovernmental Revenue | 2,692,919 | 1,079,241 | 2,256,224 | 1,536,029 | 456,788 | 42.32% | (720,195) | -31.92% |
| Charges for Services | 9,081,832 | 8,504,690 | 9,098,588 | 8,861,337 | 356,647 | 4.19% | (237,251) | -2.61% |
| Fines & Forfeitures | 191,745 | 167,850 | 153,873 | 146,850 | (21,000) | -12.51% | (7,023) | -4.56% |
| Miscellaneous Revenue | 660,742 | 1,445,513 | 1,776,667 | 1,401,070 | (44,443) | -3.07% | (375,597) | -21.14% |
| Non-Revenue | 2,017,908 | 1,100,000 | (78,541) | - | (1,100,000) | 0.00% | 78,541 | -100.00% |
| Reserve for Undercollection | - | (595,347) | - | (514,416) | 80,931 | -13.59% | (514,416) | - |
| Total Revenue | 28,852,465 | 26,321,508 | 27,581,061 | 26,157,636 | (163,872) | -0.62% | (1,423,425) | -5.16% |
| Transfers In | 8,162,213 | 2,995,556 | 3,225,036 | 3,428,586 | 433,030 | 14.46% | 203,550 | 6.31% |
| Total Sources of Funds | 63,729,238 | 47,054,666 | 57,242,727 | 50,194,764 | 3,140,098 | 6.67% | (7,047,963) | -12.31% |
| Expenditures | | | | | | | | |
| Operating Expenditures | | | | | | | | |
| General Government | 4,028,742 | 4,676,013 | 4,448,972 | 7,492,159 | 2,816,146 | 60.23% | 3,043,187 | 68.40% |
| Public Safety | 4,096,086 | 4,809,218 | 4,378,493 | 4,603,868 | (205,350) | -4.27% | 225,375 | 5.15% |
| Physical Environment | 6,935,265 | 6,196,020 | 4,964,008 | 5,086,703 | (1,109,317) | -17.90% | 122,695 | 2.47% |
| Transportation | 5,413,140 | 7,962,334 | 7,937,473 | 8,202,044 | 239,710 | 3.01% | 264,571 | 3.33% |
| Economic Environment | 254,451 | 262,044 | 262,044 | 269,695 | 7,651 | 2.92% | 7,651 | 2.92% |
| Human Services | 1,000 | 1,000 | 1,000 | 1,000 | - | 0.00% | - | 0.00% |
| Culture/Recreation | 2,905,317 | 2,856,084 | 2,927,598 | 2,925,032 | 68,948 | 2.41% | (2,566) | -0.09% |
| Non-Expenditure Disbursements | 5,536,487 | 11,274,585 | 8,496,509 | 11,186,696 | (87,889) | -0.78% | 2,690,187 | 31.66% |
| Total Operating Expenditures | 29,170,488 | 38,037,300 | 33,416,097 | 39,767,198 | 1,729,896 | 4.55% | 6,351,101 | 19.01% |
| Transfers to Other Funds | 8,162,213 | 2,995,555 | 3,218,088 | 3,428,586 | 433,031 | 14.46% | 210,498 | 6.54% |
| Estimated Ending Fund Balance | 26,396,537 | 6,021,811 | 20,608,542 | 6,998,981 | 977,170 | 16.23% | (13,609,561) | -66.04% |
| Total Uses of Funds | 63,729,238 | 47,054,666 | 57,242,727 | 50,194,764 | 3,140,098 | 6.67% | (7,047,963) | -12.31% |

Budget Summary
City of Sanibel - Fiscal Year 2011-2012

| | General Fund | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Enterprise Funds | Total |
|--------------------------------------|-------------------|-----------------------------|--------------------------|------------------------------|---------------------|-------------------|
| Est Beginning Fund Balance | 13,249,346 | 2,885,383 | 287,829 | 1,673,193 | 2,512,791 | 20,608,542 |
| Revenues | | | | | | |
| Ad Valorem Taxes | 9,070,587 | - | 783,273 | - | 1,021,247 | 10,875,106 |
| Other Taxes | 888,057 | 1,400,000 | - | - | - | 2,288,057 |
| Licenses & Permits | 986,000 | 507,602 | - | - | 70,000 | 1,563,602 |
| Intergovernmental Revenue | 652,882 | 190,347 | - | - | 692,800 | 1,536,029 |
| Charges for Services | 1,442,000 | 480,000 | - | - | 6,939,337 | 8,861,337 |
| Fines & Forfeitures | 37,000 | 14,850 | - | - | 95,000 | 146,850 |
| Miscellaneous Revenue | 247,005 | 117,925 | 1,150 | 500 | 1,034,490 | 1,401,070 |
| Non-Revenue | - | - | - | - | - | - |
| Reserve for Undercollection | (362,823) | (1,366) | (39,164) | - | (111,062) | (514,416) |
| Total Revenue | <u>12,960,708</u> | <u>2,709,358</u> | <u>745,259</u> | <u>500</u> | <u>9,741,812</u> | <u>26,157,636</u> |
| Transfers In | - | 2,148,328 | - | 1,280,258 | - | 3,428,586 |
| Total Sources of Funds | <u>26,210,054</u> | <u>7,743,069</u> | <u>1,033,088</u> | <u>2,953,951</u> | <u>12,254,603</u> | <u>50,194,764</u> |
| Expenditures | | | | | | |
| Operating Expenditures | | | | | | |
| General Government | 7,075,496 | - | - | 416,663 | - | 7,492,159 |
| Public Safety | 3,656,427 | 672,441 | - | 275,000 | - | 4,603,868 |
| Physical Environment | 665,512 | - | - | - | 4,421,191 | 5,086,703 |
| Transportation | 721,706 | 2,453,818 | - | 2,091,500 | 2,935,020 | 8,202,044 |
| Economic Environment | 269,695 | - | - | - | - | 269,695 |
| Human Services | - | 1,000 | - | - | - | 1,000 |
| Culture/Recreation | 646,838 | 2,278,194 | - | - | - | 2,925,032 |
| Non-Expenditure Disbursements | 6,390,000 | - | 744,108 | - | 4,052,588 | 11,186,696 |
| Total Operating Expenditures | <u>19,425,673</u> | <u>5,405,453</u> | <u>744,108</u> | <u>2,783,163</u> | <u>11,408,799</u> | <u>39,767,198</u> |
| Transfers to Other Funds | 2,892,402 | 417,314 | - | 118,870 | - | 3,428,586 |
| Estimated Ending Fund Balance | <u>3,891,978</u> | <u>1,920,303</u> | <u>288,980</u> | <u>51,918</u> | <u>845,804</u> | <u>6,998,981</u> |
| Total Uses of Funds | <u>26,210,054</u> | <u>7,743,069</u> | <u>1,033,088</u> | <u>2,953,951</u> | <u>12,254,603</u> | <u>50,194,764</u> |

City of Sanibel Budget Summary

| FISCAL YEAR 2011-12 DRAFT BUDGET | | | | | |
|---------------------------------------|---------|--|--------------------|---------------------|---------------------------|
| | | | GOVERNMENTAL FUNDS | BUSINESS-TYPE FUNDS | TOTAL |
| | | | OPERATING | CAPITAL | TOTAL OPERATING & CAPITAL |
| SOURCES OF FUNDS | | | BUDGET | BUDGET | BUDGET |
| | | | BUDGETS | | |
| EST BEGINNING FUND BALANCE | | | 16,422,558 | 1,673,193 | 18,095,751 |
| REVENUES | 2011 | | | | |
| Taxes | Millage | | | | |
| Ad Valorem -Operating | 2.1561 | | 9,070,587 | - | 9,070,587 |
| Ad Valorem -Voted Debt Land | 0.0599 | | 252,114 | - | 252,114 |
| Ad Valorem -Voted Debt Rec Ctr | 0.1263 | | 531,158 | - | 531,158 |
| Ad Valorem -Voted Debt Sewer | 0.2428 | | - | - | 1,021,247 |
| Other Taxes | | | 2,288,057 | - | 2,288,057 |
| Licenses & Permits | | | 1,493,602 | - | 1,493,602 |
| Intergovernmental Revenue | | | 843,229 | - | 843,229 |
| Charges for Services | | | 1,922,000 | - | 1,922,000 |
| Fines & Forfeitures | | | 51,850 | - | 51,850 |
| Miscellaneous Revenue | | | 366,080 | 500 | 366,580 |
| TOTAL REVENUE | | | 16,818,678 | 500 | 16,819,178 |
| OTHER FINANCING SOURCES | | | | | |
| Capital Contributions | | | - | - | - |
| Debt Proceeds | | | - | - | - |
| Reserve for Undercollection | | | (403,353) | - | (403,353) |
| TOTAL SOURCES OF FUNDS | | | 32,837,882 | 1,673,693 | 34,511,576 |
| USES OF FUNDS | | | | | |
| EXPENDITURES | | | | | |
| General Government | | | 7,075,496 | 416,663 | 7,492,159 |
| Public Safety | | | 4,328,868 | 275,000 | 4,603,868 |
| Physical Environment | | | 665,512 | - | 665,512 |
| Transportation | | | 3,175,524 | 2,091,500 | 5,267,024 |
| Economic Environment | | | 269,695 | - | 269,695 |
| Human Services | | | 1,000 | - | 1,000 |
| Culture/Recreation | | | 2,925,032 | - | 2,925,032 |
| Total Expenditures | | | 18,441,128 | 2,783,163 | 21,224,291 |
| OTHER USES | | | | | |
| Reserve for Contingencies | | | 275,000 | - | 275,000 |
| Reserve for Environmental Initiatives | | | 1,300,000 | - | 1,300,000 |
| Reserve for Insurance Deductibles | | | 315,000 | - | 315,000 |
| Reserve for Disaster/Capital | | | 4,500,000 | - | 4,500,000 |
| Redemption of Long-term Debt | | | 744,108 | - | 744,108 |
| Ending Fund Balance/Ret Earnings | | | 6,101,261 | 51,918 | 6,153,177 |
| Total Other Uses | | | 13,235,369 | 51,918 | 13,287,285 |
| TOTAL USES OF FUNDS | | | 31,676,497 | 2,835,081 | 34,511,576 |

The FY12 draft budget assumes the City will spend \$3,743,908 in disaster, insurance deductible, environmental and contingency reserves between now and the end of our current year. To date \$94,076 has been utilized of the \$6,390,000 in reserves

City of Sanibel, Florida



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**CITY OF SANIBEL
FISCAL YEAR 2011-12 DRAFT BUDGET
GOVERNMENTAL FUNDS BUDGET SUMMARY BY FUND TYPE
EXPENDITURES SHOWN BY FUNCTION**

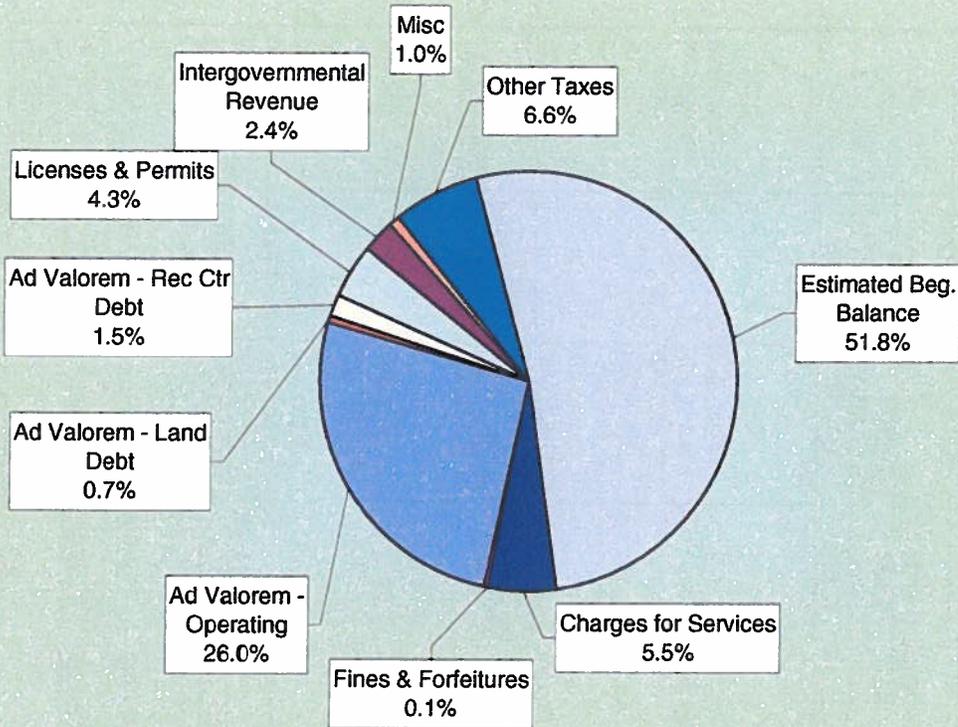
| | | FY 2011-12 GOVERNMENTAL FUNDS BUDGET | | | | | FISCAL YEAR 2011-12 TOTAL | AMENDED GOV'T'L FUNDS BUDGET 20010-11 |
|--------------------------------------|--------------------------------------|---|-----------------------------|--------------------------|------------------------------|------------------------------|------------------------------------|---|
| | | OPERATING BUDGET | | | CAPITAL BUDGET | | | |
| | | GENERAL FUND | SPECIAL REVENUE FUNDS | DEBT SERVICE FUNDS | TOTAL OPERATING BUDGET | CAPITAL PROJECTS FUNDS | | |
| SOURCES OF FUNDS | | | | | | | | |
| <u>EST BEGINNING FUND BALANCE</u> | | 13,249,346 | 2,885,383 | 287,829 | 16,422,558 | 1,673,193 | 18,095,751 | 23,644,596 |
| REVENUES | | | | | | | | |
| | Tax Year 2011 Millage | | | | | | | |
| Taxes | | | | | | | | |
| | 2.1561 | 9,070,587 | - | - | 9,070,587 | - | 9,070,587 | 9,074,577 |
| | 0.0599 | - | - | 252,114 | 252,114 | - | 252,114 | 250,251 |
| | 0.1263 | - | - | 531,158 | 531,158 | - | 531,158 | 533,474 |
| | Other Taxes | 888,057 | 1,400,000 | - | 2,288,057 | - | 2,288,057 | 2,155,411 |
| | Licenses & Permits | 986,000 | 507,602 | - | 1,493,602 | - | 1,493,602 | 1,490,402 |
| | Intergovernmental Revenue | 652,882 | 190,347 | - | 843,229 | - | 843,229 | 1,105,323 |
| | Charges for Services | 1,442,000 | 480,000 | - | 1,922,000 | - | 1,922,000 | 1,880,279 |
| | Fines & Forfeitures | 37,000 | 14,850 | - | 51,850 | - | 51,850 | 47,850 |
| | Miscellaneous Revenue | 247,005 | 117,925 | 1,150 | 366,080 | 500 | 366,580 | 361,141 |
| | TOTAL REVENUE | <u>13,323,531</u> | <u>2,710,724</u> | <u>784,423</u> | <u>16,818,678</u> | <u>500</u> | <u>16,819,178</u> | <u>16,898,708</u> |
| OTHER FINANCING SOURCES | | | | | | | | |
| | Transfers from Other Funds | - | 2,148,328 | - | 2,148,328 | 1,280,258 | 3,428,586 | 3,199,556 |
| | Debt Proceeds | - | - | - | - | - | - | - |
| | Reserve for Undercollection | (362,823) | (1,366) | (39,164) | (403,353) | - | (403,353) | (493,530) |
| | TOTAL OTHER FINANCING SOURCES | <u>(362,823)</u> | <u>2,146,962</u> | <u>(39,164)</u> | <u>1,744,975</u> | <u>1,280,258</u> | <u>3,025,233</u> | <u>2,706,026</u> |
| TOTAL SOURCES OF FUNDS | | <u>26,210,054</u> | <u>7,743,069</u> | <u>1,033,088</u> | <u>34,986,211</u> | <u>2,953,951</u> | <u>37,940,162</u> | <u>43,249,330</u> |
| LESS: TRANSFERS BETWEEN FUNDS | | | | | | | (3,428,586) | (3,199,556) |
| NET SOURCES | | | | | | | <u>34,511,576</u> | <u>40,049,775</u> |

**CITY OF SANIBEL
FISCAL YEAR 2011-12 DRAFT BUDGET
GOVERNMENTAL FUNDS BUDGET SUMMARY BY FUND TYPE
EXPENDITURES SHOWN BY FUNCTION**

| | FY 2011-12 GOVERNMENTAL FUNDS BUDGET | | | | | FISCAL YEAR 2011-12 TOTAL | AMENDED GOV'TL FUNDS BUDGET 20010-11 |
|---|---|--------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|--|---|
| | OPERATING BUDGET | | | CAPITAL BUDGET | CAPITAL PROJECTS FUNDS | | |
| | GENERAL FUND | SPECIAL REVENUE FUNDS | DEBT SERVICE FUNDS | TOTAL OPERATING BUDGET | | | |
| USES OF FUNDS | | | | | | | |
| EXPENDITURES | | | | | | | |
| Operating Expenditures | | | | | | | |
| General Government | 7,075,496 | - | - | 7,075,496 | - | 7,075,496 | 4,295,979 |
| Public Safety | 3,656,427 | 672,441 | - | 4,328,868 | - | 4,328,868 | 4,424,317 |
| Physical Environment | 665,512 | - | - | 665,512 | - | 665,512 | 767,145 |
| Transportation | 721,706 | 2,453,818 | - | 3,175,524 | - | 3,175,524 | 3,312,076 |
| Economic Environment | 269,695 | - | - | 269,695 | - | 269,695 | 262,044 |
| Human Services | - | 1,000 | - | 1,000 | - | 1,000 | 1,000 |
| Culture/Recreation | 646,838 | 2,278,194 | - | 2,925,032 | - | 2,925,032 | 2,961,694 |
| Total Operating Expenditures | 13,035,674 | 5,405,453 | - | 18,441,128 | - | 18,441,128 | 16,024,254 |
| Capital Projects | - | - | - | - | 2,783,163 | 2,783,163 | 3,624,540 |
| TOTAL EXPENDITURES | 13,035,674 | 5,405,453 | - | 18,441,128 | 2,783,163 | 21,224,291 | 19,648,794 |
| NON-OPERATING EXPENDITURES | | | | | | | |
| Reserve for Contingencies | 275,000 | - | - | 275,000 | - | 275,000 | 205,924 |
| Reserve for Environmental Initiatives | 1,300,000 | - | - | 1,300,000 | - | 1,300,000 | 1,275,000 |
| Reserve for Insurance Deductibles | 315,000 | - | - | 315,000 | - | 315,000 | 315,000 |
| Reserve for Disasters | 4,500,000 | - | - | 4,500,000 | - | 4,500,000 | 4,500,000 |
| Transfer to Other Funds | 2,892,402 | 417,314 | - | 3,309,716 | 118,870 | 3,428,586 | 3,199,557 |
| Redemption of Long-Term Debt | - | - | 744,108 | 744,108 | - | 744,108 | 752,038 |
| TOTAL NON-OPERATING EXPENDITURES | 9,282,402 | 417,314 | 744,108 | 10,443,824 | 118,870 | 10,562,694 | 10,247,519 |
| TOTAL APPROPRIATIONS | 22,318,076 | 5,822,767 | 744,108 | 28,884,951 | 2,902,033 | 31,786,985 | 29,896,313 |
| ESTIMATED ENDING FUND BALANCE | 3,891,978 | 1,920,302 | 288,980 | 6,101,261 | 51,918 | 6,153,177 | 13,353,019 |
| TOTAL USES OF FUNDS | 26,210,054 | 7,743,069 | 1,033,088 | 34,986,211 | 2,953,951 | 37,940,162 | 43,249,331 |
| LESS: TRANSFERS BETWEEN FUNDS | | | | | | (3,428,586) | (3,199,556) |
| NET USES | | | | | | 34,511,576 | 40,049,775 |

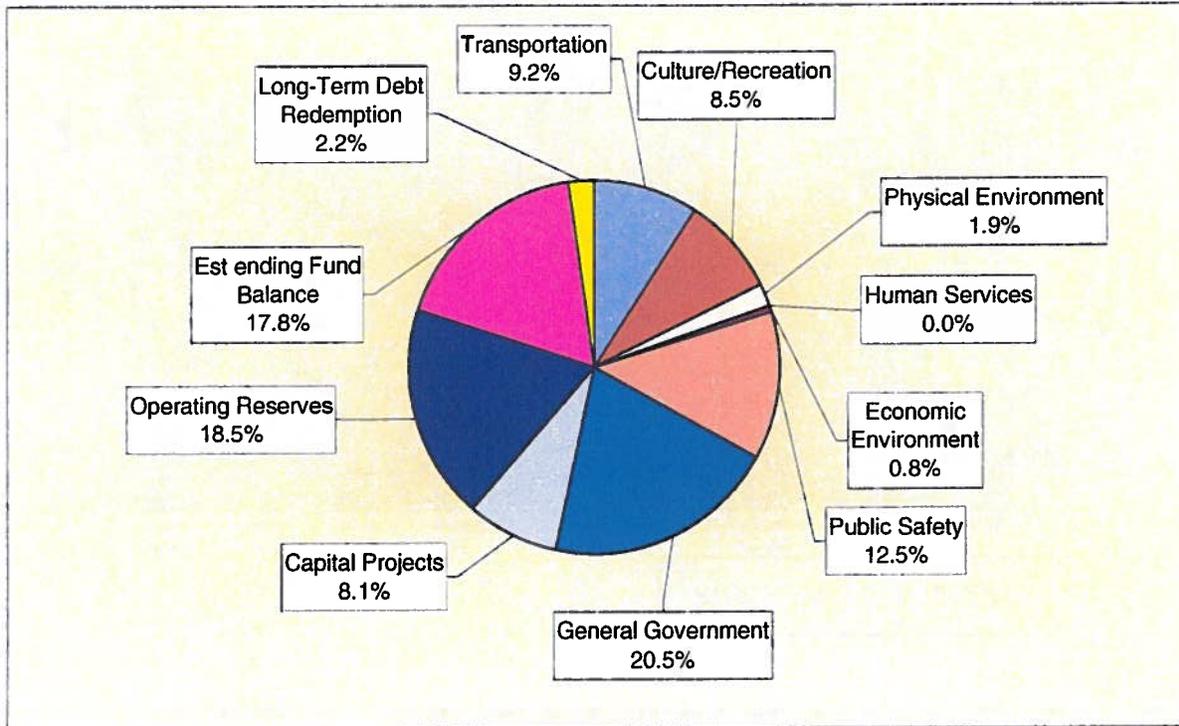
The FY12 draft budget assumes the City will spend \$3,743,908 in disaster, insurance deductible, environmental and contingency reserves between now and the end of our current year. To June 7, 2011 \$94,076 has been utilized of the \$6,390,000 in reserves

CITY OF SANIBEL
WHERE THE MONEY COMES FROM
GOVERNMENTAL FUNDS
Fiscal Year 2011-12



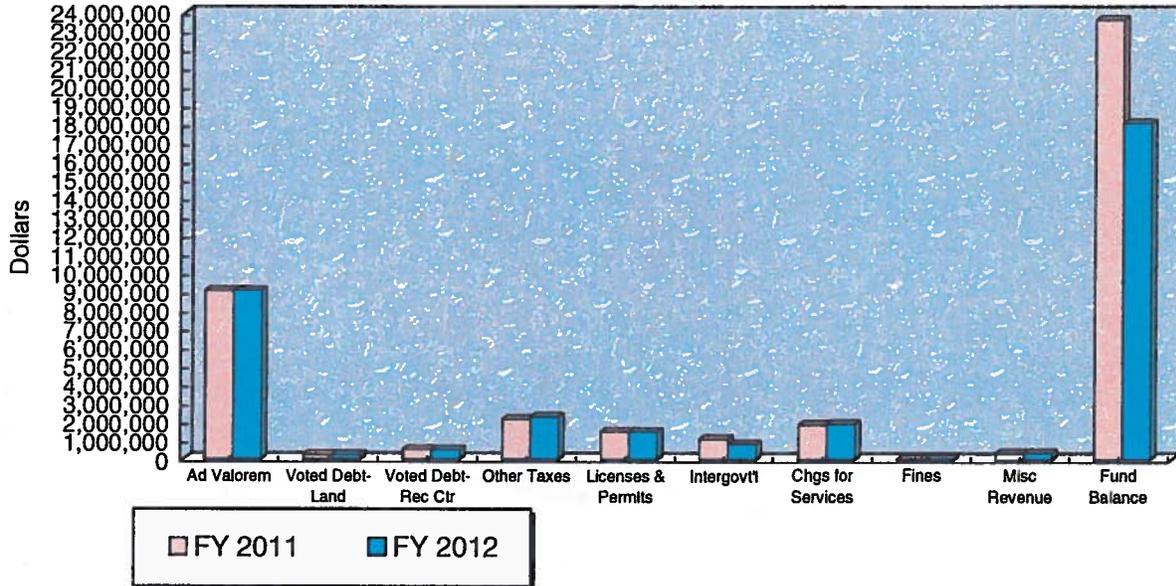
| GOVERNMENTAL FUNDS | | |
|--------------------------------------|----------------------|------------------|
| SOURCES OF FUNDS | AMOUNT | PERCENT OF TOTAL |
| Est . Beginning Fund Balance | \$ 18,095,751 | 51.8% |
| REVENUES | | |
| Ad Valorem Taxes - Operating Millage | \$ 9,070,587 | 26.0% |
| Ad Valorem Taxes - Land Voted Debt | 252,114 | 0.7% |
| Ad Valorem Taxes - Rec Center Debt | 531,158 | 1.5% |
| Other Taxes | 2,288,057 | 6.6% |
| Licenses & Permits | 1,493,602 | 4.3% |
| Intergovernmental Revenue | 843,229 | 2.4% |
| Charges for Services | 1,922,000 | 5.5% |
| Fines & Forfeitures | 51,850 | 0.1% |
| Miscellaneous Revenue | 366,580 | 1.0% |
| TOTAL REVENUE | \$ 16,819,178 | 100.0% |
| Reserve for Undercollection | (403,353) | |
| NET SOURCES OF FUNDS | \$ 34,511,576 | |

**CITY OF SANIBEL
WHERE THE MONEY GOES
GOVERNMENTAL FUNDS
Fiscal Year 2011-12**



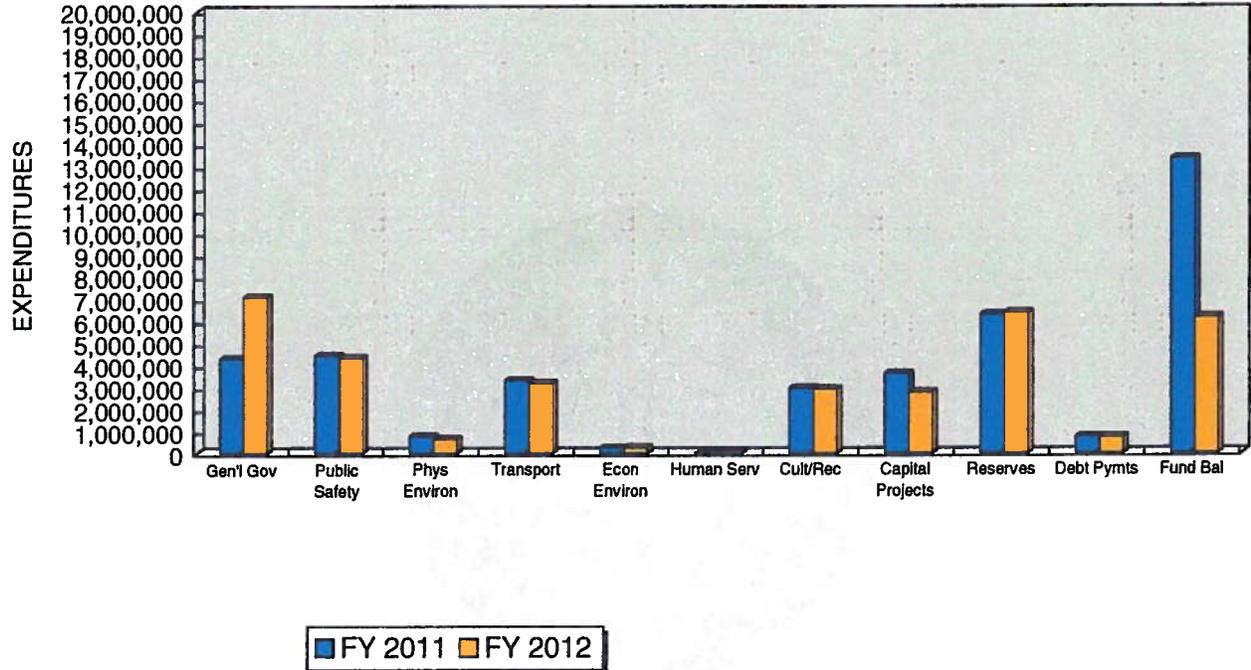
| GOVERNMENTAL FUNDS | | |
|--------------------------------------|-----------------------------|------------------|
| USES OF FUNDS | AMOUNT | PERCENT OF TOTAL |
| OPERATING EXPENSES | | |
| General Government | \$ 7,075,496 | 20.5% |
| Public Safety | 4,328,868 | 12.5% |
| Physical Environment | 665,512 | 1.9% |
| Transportation | 3,175,524 | 9.2% |
| Economic Environment | 269,695 | 0.8% |
| Human Services | 1,000 | 0.003% |
| Culture & Recreation | 2,925,032 | 8.5% |
| TOTAL OPERATING EXPENDITURES | \$ 18,441,128 | |
| OPERATING RESERVES | 6,390,000 | 18.5% |
| CAPITAL PROJECTS and RESERVES | 2,783,163 | 8.1% |
| REDEMPTION OF LONG-TERM DEBT | 744,108 | 2.2% |
| Estimated Ending Fund Balance | <u>6,153,177</u> | 17.8% |
| TOTAL USES OF FUNDS | \$ <u>34,511,576</u> | 100.0% |

**CITY OF SANIBEL
COMPARISON OF SOURCES OF FUNDS
GOVERNMENTAL FUNDS BUDGET**



| | FY 2011 BUDGET AS AMENDED | FY 2012 DRAFT BUDGET | AMOUNT OF INCREASE (DECREASE) | PERCENT CHANGE |
|-----------------------------------|------------------------------|-------------------------|-------------------------------------|-------------------|
| OPERATING SOURCES OF FUNDS | | | | |
| Revenue | | | | |
| Ad Valorem Taxes-Operating | \$ 9,074,577 | \$ 9,070,587 | \$ (3,990) | 0.0% |
| Ad Valorem Taxes-Land DS | \$ 250,251 | \$ 252,114 | \$ 1,863 | 0.7% |
| Ad Valorem Taxes-Rec Ctr DS | \$ 533,474 | \$ 531,158 | \$ (2,316) | -0.4% |
| Other Taxes | \$ 2,155,411 | \$ 2,288,057 | \$ 132,646 | 6.2% |
| Licenses & Permits | \$ 1,490,402 | \$ 1,493,602 | \$ 3,200 | 0.2% |
| Intergovernmental Revenue | \$ 1,105,323 | \$ 843,229 | \$ (262,094) | -23.7% |
| Charges for Services | \$ 1,880,279 | \$ 1,922,000 | \$ 41,721 | 2.2% |
| Fines & Forfeitures | \$ 47,850 | \$ 51,850 | \$ 4,000 | 8.4% |
| Miscellaneous Revenue | \$ 361,141 | \$ 366,580 | \$ 5,439 | 1.5% |
| TOTAL REVENUE | \$ 16,898,708 | \$ 16,819,178 | \$ (79,531) | -0.5% |
| OTHER FINANCING SOURCES | | | | |
| Estimated Beginning Fund Balance | 23,644,596 | 18,095,751 | (5,548,845) | -23.5% |
| TOTAL SOURCES OF FUNDS | 40,543,304 | 34,914,929 | (5,628,376) | -13.9% |
| Reserve for Undercollection | (493,530) | (403,353) | 90,177 | -18.3% |
| NET BUDGET | \$ 40,049,775 | \$ 34,511,576 | \$ (5,538,199) | -13.8% |

**CITY OF SANIBEL
COMPARISON OF USES OF FUNDS
BY FUNCTION
GOVERNMENTAL FUNDS**



| | FY 2011 BUDGET AS AMENDED | FY 2012 DRAFT BUDGET | AMOUNT OF INCREASE (DECREASE) | PERCENT CHANGE |
|-------------------------------------|------------------------------|-------------------------|-------------------------------------|-------------------|
| USES OF FUNDS by Function | | | | |
| Expenditures | | | | |
| General Government | \$ 4,295,979 | \$ 7,075,496 | \$ 2,779,517 | 64.7% |
| Public Safety | 4,424,317 | 4,328,868 | (95,449) | -2.2% |
| Physical Environment | 767,145 | 665,512 | (101,631) | -13.2% |
| Transportation | 3,312,076 | 3,175,524 | (136,551) | -4.1% |
| Economic Environment | 262,044 | 269,695 | 7,651 | 2.9% |
| Human Services | 1,000 | 1,000 | - | 0.0% |
| Culture/Recreation | 2,961,694 | 2,925,032 | (36,662) | -1.2% |
| Total Operating Expenditures | \$ 16,024,254 | \$ 18,441,128 | \$ 2,416,874 | 15.1% |
| Capital Projects | \$ 3,624,540 | \$ 2,783,163 | \$ (841,377) | -23.2% |
| Reserve for Contingency & Capital | 6,295,924 | 6,390,000 | 94,076 | 1.5% |
| Redemption of Long-term Debt | 752,038 | 744,108 | (7,930) | -1.1% |
| Ending Fund Balance | 13,353,019 | 6,153,177 | (7,199,842) | -53.9% |
| NET BUDGET | \$ 40,049,775 | \$ 34,511,576 | \$ (5,538,199) | -13.8% |

City of Sanibel, Florida



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