MEMORANDUM

TO: JUDIE ZIMOMRA, CITY MANAGER

FROM: SYLVIA EDWARDS, FINANCE DIRECTOR

DATE: AUGUST 18, 2009

RE: REVISIONS TO JULY 21, 2009 DRAFT BUDGET

The following FY09 budget amendments approved on July 21, 2009 are reflected in the August 18, 2009 draft budget document:

- Sewer Fund – decreased FY09 ending fund balance by $50,096; decreased FY10 beginning fund balance by $50,096 – SBA market value adjustment.
- Beach Parking Fund – decreased FY09 ending fund balance by $33,877; decreased FY10 beginning fund balance by $33,877 – Indirect cost increase from the mid year indirect cost study.
- Governmental Funds – increased FY09 ending fund balance by $2,852; increased FY10 beginning fund balance by $2,852 – miscellaneous adjustments between governmental funds.

Changes to FY10 budget since July 21, 2009 include:

- Ballfield Maintenance Fund – Interlocal governmental revenues have been reduced by $129,500; transfers from the General Fund have been reduced by $59,110; expenditures have been reduced by $174,272. These changes are the result of ongoing negotiations with Lee County and Lee County School Board.
- Capital Acquisition Fund – decreased end user computer upgrade expenditures by $19, 500, decreased transfer from General Fund by $19,500.
- Beach Parking Fund/General Fund – method change by TDC from indirect cost reimbursement to direct cost reimbursement – decreased General Fund revenue by $94,779; decreased General Fund expenditures by $74,465; decreased Sewer Fund expenditures by $32,027; $94,779 of Beach Parking expenditures were moved from indirect cost to personnel services.

Total revisions decreased the July 21, 2009 budget by $306,956 (excludes transfers between funds).

ATTACHMENTS:

Schedule of Changes to the FY10 Budget Subsequent to 7-21-09

#

City of Sanibel

2nd Draft Annual Budget

FY 2009-10

August 18, 2009

City of Sanibel
Principal Officers

City Council

Mick Denham, Mayor
Kevin Ruane, Vice-Mayor
Marty Harrity
Jim Jennings
Peter Pappas

City Manager
Judith Ann Zimomra

City Attorney
Kenneth B. Cuyler, Esq.

City Clerk
Pamela Smith

Department Directors

Administrative Services Director	Jim Isom
Building Official	R. Harold Law Jr.
Chief of Police	William Tomlinson
Finance Director	Sylvia Edwards, CPA
Information Services Director	Bert Smith
Natural Resources Director	Robert K. Loflin, Ph.d.
Planning Director	James C. Jordan, Jr
Public Works Director/City Engineer	Gates Castle
Recreation Director	Christopher Deal

Contact
800 Dunlop Road
Sanibel, Florida 33957
(239) 472-3700
www.mysanibel.com

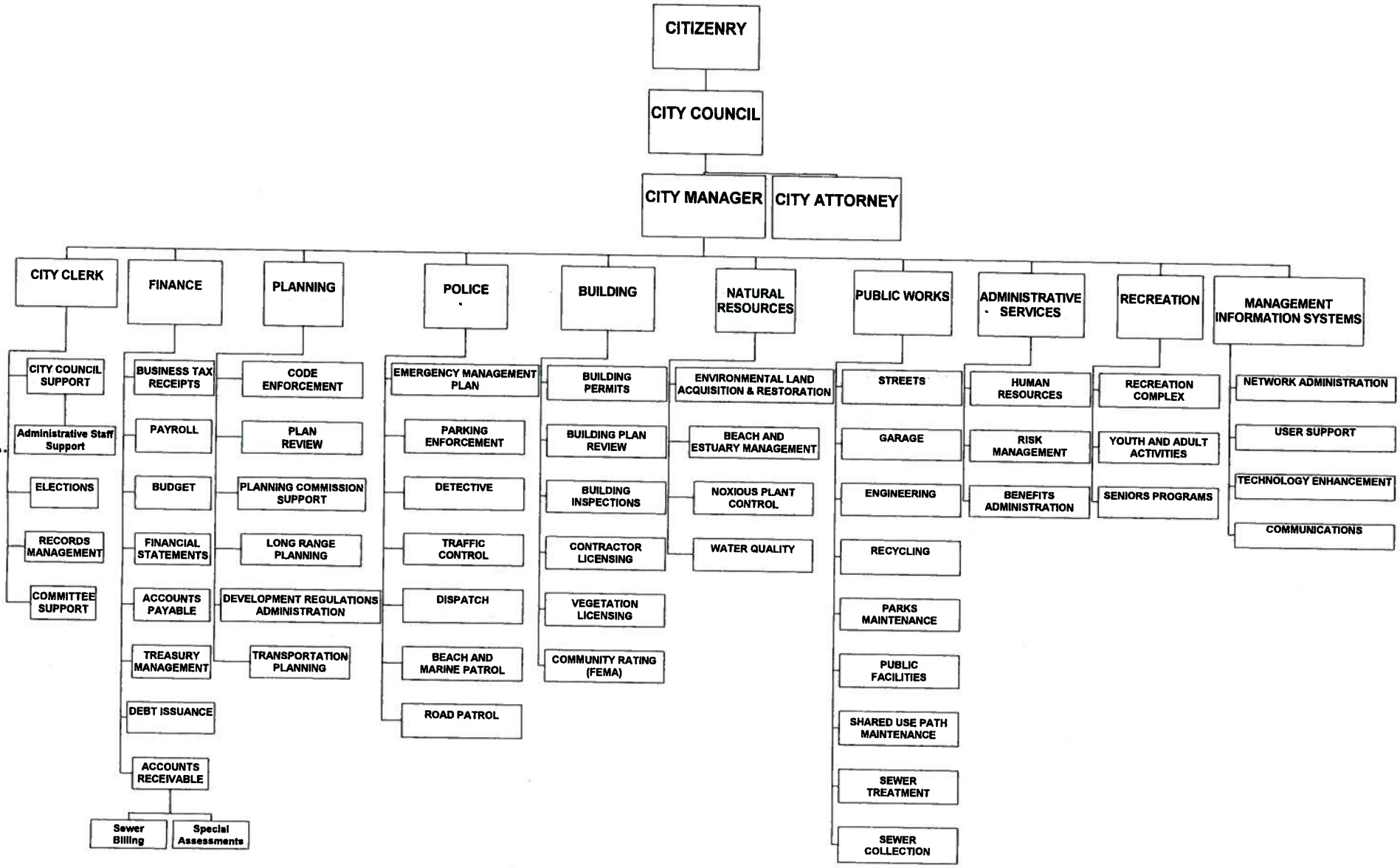
City of Sanibel, Florida

Fiscal Year 2010 Budget

Table of Contents

Organization Chart	i
GFOA Distinguished Budget Presentation Award	ii
Sanibel Vision Statement	iv
Budget Message	vii
Budget Summary	1
Governmental Funds Budget	13
Proprietary Funds Budget	111
Supplemental Schedules	136
Appendix	367

CITY OF SANIBEL ORGANIZATIONAL CHART - 2010



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Sanibel

Florida

For the Fiscal Year Beginning

October 1, 2008

President

Executive Director

This Page has been left blank intentionally.

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 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.

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.

This Page has been left blank intentionally.

Budget Message

This Page has been left blank intentionally.

NUMBERS IN THIS MEMO ARE FROM THE JULY 21, 2009 DRAFT BUDGET; AUGUST 18, 2009 CHANGES WILL BE INCORPORATED IN SEPTEMBER 5, 2009 BUDGET MESSAGE

MEMORANDUM

DATE: July 21, 2009

TO: Sanibel City Council

FROM: Judie Zimomra, City Manager

SUBJECT: Distribution of Draft Year 2010 Budget and Resolution Establishing Tax Year 2009 Millage Rate

Attached is a draft budget for fiscal year 2010. This budget is drafted on the following assumptions:

- The current economic climate has not reached bottom; that no recovery or turnaround is imminent and thus none is included in our budget calculations;
- That we will continue to re-configure our operations to work within reduced resources; including evaluating opportunities for additional contract services, downsizing the work-force through attrition, reducing benefit expenses by shifting our work force from full-time to part-time employees;
- We will continue to adhere to strict fiscal discipline throughout the organization;
- Our long-term economic viability and property values are tied to our core quality of life services.

The highlights of the DRAFT budget are:

- Property taxes have been reduced by 2.5%;
- The governmental operating budget has been reduced by 4%;
- Full-time employees have been reduced from 141 in FY07 to 126 in FY10 through attrition;
- City salaries remain flat for the second consecutive year;
- Total debt will be reduced by approximately $6.2 million dollars;
- City staff has renegotiated 28 existing contracts for services to lower rates;
- The Public Works Department will be downsized with the implementation of contract mowing of right-of-way berms;
- Classes included with membership at the Recreation Center will be expanded from 18 to 44 and recreation center membership will be all-inclusive other than tennis, swim, yoga and karate lessons;

- All City fees are held flat with the exception of a 2.9% reduction in residential refuse collection rates, an increase in the recreation center's weekly visitor membership rates, and the scheduled 3% sewer and reclaimed water indexing;
- With no environmental or natural disaster in the final quarter of FY09 total designated reserves will be approximately $6.3 million;
- An additional $50,000 will be allocated to the sewer fund's reserve for disasters;
- $1.6 million will be invested in capital improvements.

INTRODUCTION

As drafted, the attached FY10 budget reduces the governmental funds operating budget of $32,561,713 (general, special revenue and debt service funds) compared to the adopted FY2009 budget of $33,935,639 by $1,373,926 (-4.0%).

The fiscal year 2010 draft budget totals $43,173,956 and is broken down as follows:

		FY 2009	
USES OF FUNDS	FY 2010	as Adopted	as Amended
Governmental Funds			
Operating	$29,624,829	$28,671,684	$33,575,572
Capital	2,936,884	5,263,955	5,896,445
Total Governmental	32,561,713	33,935,639	39,472,017
Enterprise Funds	10,612,243*	5,710,422	13,063,857
Total Draft Budget	$43,173,956	$39,646,061	$52,535,874

* Required by generally accepted accounting principles

The FY10 draft budget is greater than the FY09 adopted budget due to projected greater beginning fund balances in FY10 ($16,544,494) than in FY09 ($13,163,614). The amended FY09 budget is greater than the FY09 adopted budget due to FY08 audited ending fund balances being $9.1 million greater than budgeted and are reflected in the amended total.

FY 2009 budget amendments through June 2, 2009 total $12,889,814. These amendments include the roll forward of $3.3 million of fund balance in the general fund and a $5.3 million increase to beginning fund balance in the sewer fund. The sewer fund increase is due to the reclassification from previously restricted net assets to unrestricted net assets in accordance with generally accepted accounting principles. Additionally, the City received $879,249 of unbudgeted FEMA reimbursements, new grant funds of $1 million in the beach parking fund and the acceptance of funding, after the beginning of the fiscal year, for recurring expenses such as the $979,210 received from the Lee County Tourist Development Council (TDC).

The draft budget is funded by a millage rate of 2.2808 which is .0599 (-2.56%) mills less than the rolled-back rate. The rolled-back rate is the rate that will result in the same amount of tax being collected as in the prior year, adjusted for new construction. As drafted, the average City of Sanibel property owner's non-voted property tax will be 2.56% less than last year. The section directly below discusses millage rates and laws

enacted during Florida's 2007 and 2008 legislative sessions.

Placement of divisions, program and funds within the budget changes substantially in FY10 due to Government Accounting Standards Board mandated accounting and reporting requirements, issued in February 2009. A detailed description of these mandated accounting changes is detailed further in this memorandum in the section entitled Statement No. 54 of the Governmental Accounting Standards Board (GASB).

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

The annual 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. The budget calendar is as follows:

BUDGET CALENDAR
FISCAL YEAR 2010 BUDGET ADOPTION
CITY OF SANIBEL, FLORIDA

Tuesday	July 21, 2009	Regular Council Meeting – Draft budget is distributed to Council. Adoption of Resolution to **Set Proposed Tax (millage) Rate for 2009 and date, time and place of first Public Hearing.**
Saturday	September 5, 2009	9:00 a. m. **First Budget Public Hearing** – Discussion and adoption of tentative millage and tentative FY 2010 budget
Tuesday	September 15, 2009	5:01 p.m. **Second and Final Budget Public Hearing** Discussion and adoption of final 2009 millage rate and FY 2010 budget

On July 21, 2009 City Council will be considering Resolution 09-080 to establish the proposed operating tax (millage) rate for tax (calendar) year 2009, which generates ad-valorem (property) taxes for the proposed FY10 draft budget. The resolution also establishes the three (3) voted debt service millage rates and establishes the date, time and place of the first budget hearing pursuant to Truth in Millage (T.R.I.M.) legislation.

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 (new), the majority vote maximum millage rate allowed, and the two-thirds vote maximum millage rate allowed.

The FY10 proposed operating millage rate of 2.2808 is .0599 (-2.56%) mills less than the rolled-back rate of 2.3407. It is below the adjusted rolled-back rate of 2.5982 and the majority vote maximum millage rate of 2.6632. A rate of 2.2808 will bring in $10,315,334 of tax revenue versus $10,586,242 with the rolled-back rate of 2.3407, a difference of $270,908.

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. In FY10 this rate is 2.3407.

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 FY10 this rate is 2.5982.

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 FY10 the growth rate percentage is 2.5% and the majority vote millage rate is 2.6632.

The two-thirds vote maximum millage rate allowed is the majority vote rate increased by ten (10%) percent. In FY10 this rate is 2.9295.

The following table identifies the minimum vote of Council required to levy a proposed tax (millage) rate for tax year 2009:

Minimum Vote Required to Levy Proposed Millage	Maximum Millage Rate
Majority vote of Council (3/5)	2.6632
Two-thirds vote of Council (4/5)	2.9295
Unanimous vote of Council (5/5)	10.0000
Referendum of Voters	10.0000

2.6632 is the maximum millage rate which may be levied by a majority vote of Council. If City Council establishes a proposed tax rate greater than 2.3407 mills the City will be required to advertise a notice of tax increase. The draft budget, however, is funded with the millage rate of 2.2808 mills or a tax decrease.

In addition to the operating millage rate discussed above, the three (3) previously voter approved debt service millage rates required to meet debt FY10 debt service obligations are:

Debt Service Description	Millage Rate
Sewer Voted Debt Service	0.2856
Land Acquisition Voted Debt Service	0.0561
Recreation Center Voted Debt Service	0.1172

Statement No. 54 of the Governmental Accounting Standards Board (GASB)

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54. One of the objectives of this Statement is to clarify existing governmental fund type definitions to improve the comparability of governmental fund financial statements and help financial statement users to better understand the purposes for which governments have chosen to use particular funds for financial reporting.

All of the City's funds have been reviewed for GASB Statement No. 54 compliance. The process also included identifying specific revenue sources that are restricted or committed for specific purposes.

Governmental fund types include the general fund, special revenue funds, capital project funds, debt service funds and permanent funds. Currently the City does not report any permanent funds. *Permanent funds* are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the government or its citizenry.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The City has six debt service funds.

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Five of the City's sixteen capital project funds were reclassified as special revenue funds. Repair and maintenance expenditures budgeted in the transportation capital project fund (Fund 301) are now budgeted in the transportation special revenue fund (new Fund 101). The changes are recapped in the following table:

Previous Fund #	Fund Name	New Fund #	Reason for Reclassification
316	Brazilian Pepper Control Program	116	Expenditures are not capital outlays
317	Environmentally Sensitive Land Restoration	117	Expenditures are not capital outlays
329	Shell Harbor Canal Dredging Special Project fund	129	Expenditures are not capital outlays
341	Sanibel Estates Canal Trimming Special Assessment Project Fund	141	Expenditures are not capital outlays
342	Sanibel Isles/Water Shadows Dredging Special Assessment Project Fund	142	Expenditures are not capital outlays
301	Transportation Capital Projects	301/101	Capital asset expenditures budgeted in Fund 301; Repair and maintenance expenditures budgeted in Fund 101.

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The terms *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

Including the six new special revenue funds previously mentioned the FY10 budget contains twenty-two (22) special revenue funds. One of the twenty-two will discontinue being reported as a special revenue fund and will be reported in the general fund. Specific restricted or committed revenue sources/or discontinuance of specific restricted or committed revenue sources were identified in instituting the special revenue funds' financial reporting changes.

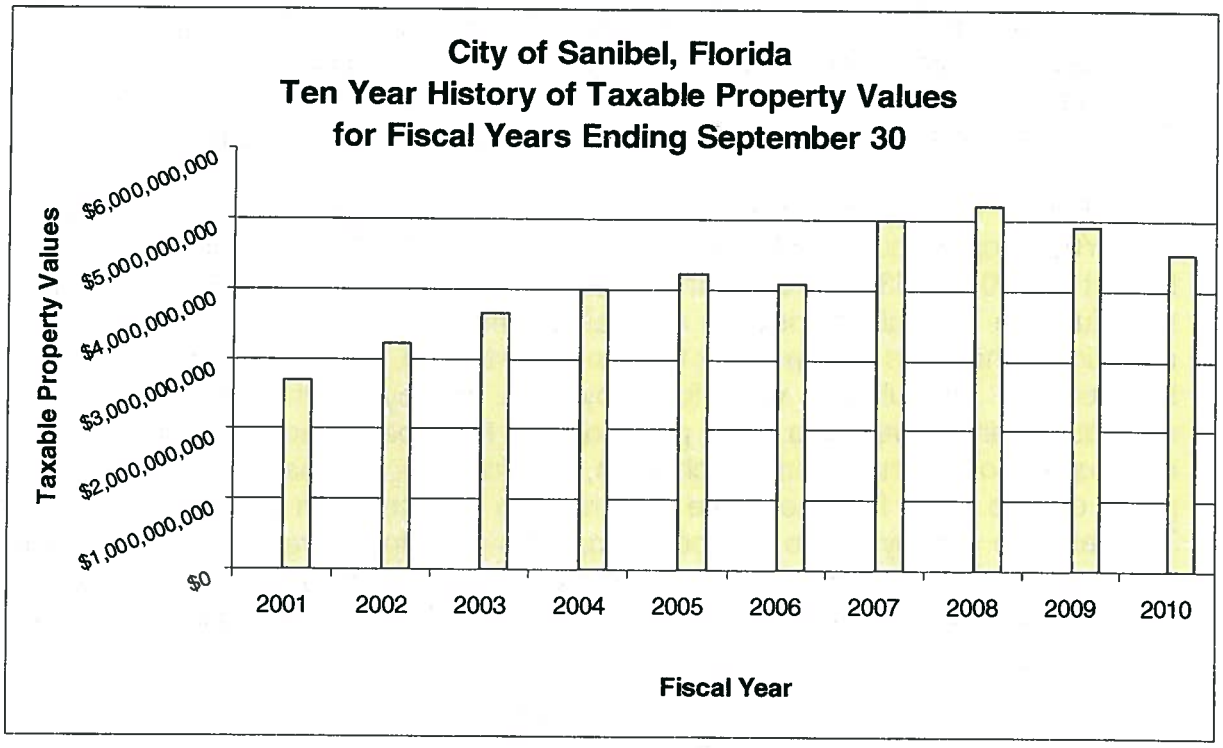
Fund	Fund Name	Revenue Source	Expenditure transfers
*101	Transportation Fund	Local option gas tax and $0.05 local option gas tax	From general fund public works department's streets division and capital project fund repairs and maintenance
116	Brazilian Pepper Control Program	Grants/City	From capital project fund
117	Environmentally Sensitive Land Restoration	Grants, donations, City	From capital project fund
129	Shell Harbor Canal Dredging Special Project fund	Homeowners Associations	From capital project fund
141	Sanibel Estates Canal Trimming Special Assessment Project Fund	Homeowners special assessments	From capital project fund
142	Sanibel Isles/Water Shadows Dredging Special Assessment Project Fund	Homeowners special assessments and City	From capital project fund
**170	Recreation Center Fund	Membership and user fees	From general fund seniors recreation program
***180	Below Market Rate Housing	No specific revenue source	Financial reporting transferred to the general fund

*The local option gas tax and the $0.05 local option gas tax revenue sources in Fund 101, Transportation, are restricted to expenditures by Florida Statute 336.025.
**Many of the seniors programs are included in the membership fee program or individual program fees are collected and reported in Fund 170. Beginning with FY10 the seniors' program expenditures will be budgeted in special revenue Fund 170 in order to match expenditures to revenue source
***Fund 180 does not have a specific revenue source. Discontinue reporting as special revenue fund and report in general fund.

Pursuant to GASB Statement No. 54 the *general fund* should be used to account for and report all financial resources not accounted for and reported in another fund.

Draft Budget Overview

The City's number one source of revenue is property tax. There are two values used to calculate property tax revenue, the tax (millage) rate, previously discussed, and the value of real and personal property within the City of Sanibel as determined by the Lee County property appraiser. The total taxable assessed value in the City of Sanibel decreased by 7.88% compared to the previous year, from $4,898,244,150 to $4,511,855,600. Over the past two years total taxable assessed values have decreased 13.2%, from $5,196,712,970 to $4,511,855,600. With the addition of new construction of $10,826,620, the gross taxable property value for tax (calendar) year 2009 is $4,522,682,220, a decrease of 7.67% from tax (calendar) year 2008.



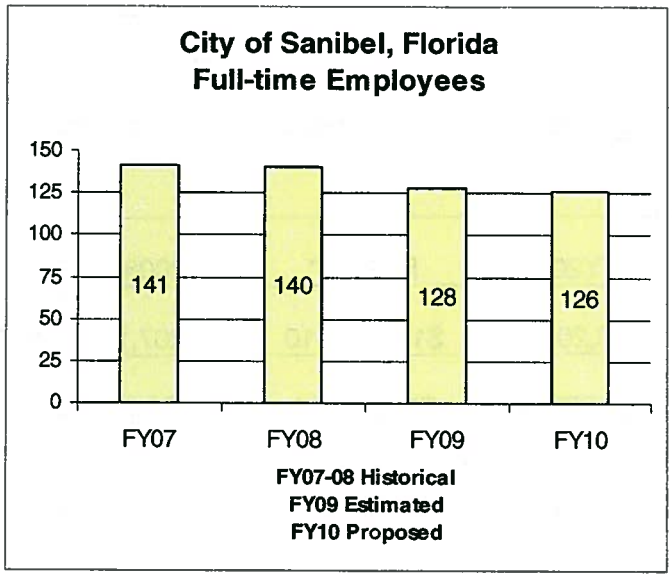
A table showing all governmental funds revenue sources (general, special revenue, debt service and capital project fund) is below:

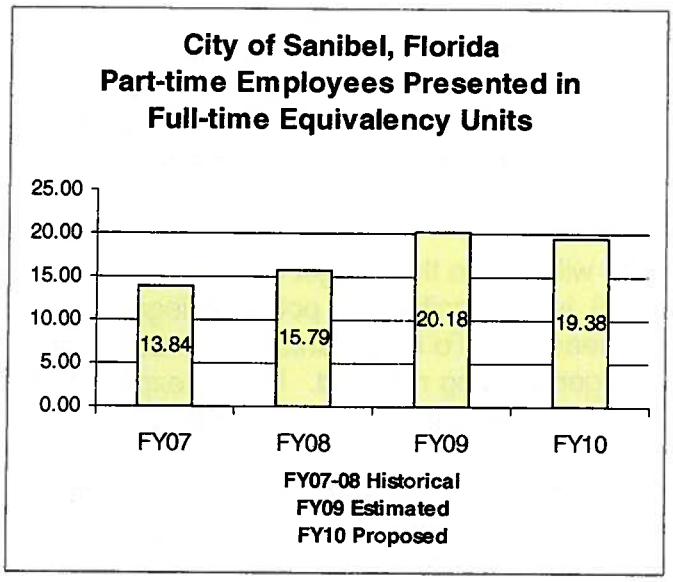
Revenue Source	FY2010*	FY2009*	FY2008**	FY2007**	FY2006**
Taxes	$13,201,698	$13,432,610	$14,207,175	$15,646,513	$12,800,270
Licenses & Permits	$1,370,941	$1,420,941	$1,766,263	$1,223,080	$1,586,168
Intergovernmental	$1,158,485	$1,650,431	$1,947,650	$6,949,347	$6,165,314
Charges for Service	$1,938,903	$1,662,795	$ 2,378,285	$2,024,869	$2,148,659

Fines & Forfeitures	$ 69,100	$ 67,800	$ 80,831	$ 265,828	$ 176,406
Miscellaneous	$ 197,055	$ 478,341	$ 827,817	$1,668,933	$1,456,089
Total	$17,936,182	$18,712,918	$21,208,021	$27,778,570	$24,332,906
*Budgeted ** Audited					

In recognition of current economic conditions, the FY 2010 draft budget has been prepared anticipating decreasing revenues. Revenue accruing to the general fund through the recapture of indirect cost charges from two special revenue funds and two enterprise funds is $1,173,562, decreased from the FY09 amended budget of $1,201,083, reflecting the findings in the mid-year cost report. Development permit fees show a slight decline based on the expectation of less development activity. FY10 revenue generated from the recreation fund's charges for services is estimated at $275,000. Interest earnings are budgeted to be $75,000 in FY10, lower than the FY09 amended budget of $176,771 and actual receipts in FY08 of $226,496 and FY07 receipts of $838,663.

The City's FY10 operating expenditures have been reduced by $3,544,921 (-12.8%) from the FY09 adopted budget of $27,691,783 and by $6,819,670 from the FY09 amended budget of $30,966,532 (22.0%). In FY10 two full-time positions and one and one third (1.3) full-time equivalent positions are being eliminated. This is in addition to the 7% reduction in the City's full-time work force in FY09 to date. Since October 1, 2008, the City has reduced the full-time work force by nine employees through attrition including separations and retirements. The positions that have been vacated include: the police aide supervisor, an engineering technician, a police aide, a dispatcher, and three full-time police officers. The full-time police officers were replaced with part-time sworn officers. The part-time employees do not receive benefits including retirement. Since October 1, 2006 to date the City of Sanibel's full-time work-force, including the enterprise funds, has been reduced from 141 to 128 full-time employees. The FY10 budget includes 126 full-time employees.





As drafted, the budget holds wages flat for a second year. This wage containment also applies to all staff members not covered by a union agreement. Additionally, department heads have reduced operating expenditures and Council has deferred capital projects. These reductions are intended to allow for the continuation of the provision of basic municipal services that impact Sanibel property values.

At the request of the Florida Division of Retirement, pension plans across the state, including the City's General Employees Pension Trust and Municipal Police Officers' Pension Trust have changed the funding method and amortization periods for funding the Unfunded Actuarial Accrued Liability (UAAL). Previously, funding requirements for pension plan valuations disclosed a specific dollar amount. As of FY10 the City must fund the percentage of payroll (projection funding method) rather than a specific dollar amount. Pursuant to the Florida Division of Retirement all governmental entities must use this method. Beginning in FY10 the City will contribute 23.5% of base payroll to the General Employees Pension Trust and 29.7% of pensionable compensation to the Municipal Police Officers' Pension Trust. The UAAL amortization periods for gains and losses experienced by the plan and for method or assumption changes by the plan have been accelerated. Additions and/or reductions to the UAAL will be amortized as follows:

	Existing Liability	Liability increases/decreases on and after 10/1/2008
Gains and losses experienced by the plan	From 30 yrs to 20 yrs	10 yrs
Methods/Assumptions changes made by the plan	Remains at 30 yrs	20 yrs
Amendments to plan benefits	Remains at 30 yrs	30 yrs

Experience during the last 12 months of both plans' fiscal year has been less

favorable than the Plan's actuarial assumptions including investment returns falling short of each plan's respective assumption and lower turnover. Due to the actuarial experience and accelerated UAAL amortization schedule the City's pension plans contribution is budgeted to increase by $356,489 for the General Employees Pension Trust and $134,074 for the Municipal Police Officer's Pension Trust in FY10. Currently City Council, in conjunction with the pension boards, is evaluating long-term options and alternatives for each plan.

Also in FY10 the City will reduce the budget for legal services. The budget was increased substantially in FY06 in recognition of potential legal issues related to water quality impacting Sanibel's beaches. To date Sanibel has not had to expend large funds for this purpose and the budget is being reduced. If legal expense becomes necessary Council may transfer funds to this department from its contingencies or ending fund balance.

Finally, in accordance with GASB Statement 54 the public works department's street's division and the recreation department's seniors program will be moved from the general fund and placed within special revenue funds, and the below market rate housing program will be moved into the general fund. These moves will align dedicated revenues with expenditures. There will be no additional cost to the City's general fund resulting from these moves as special revenue sources and expenditures previously reported in the general fund or capital project funds will now be reported in special revenue funds.

Historically, the City of Sanibel has been financially well served by the fiscal discipline to create and protect reserves. Reserves may be either designated or undesignated by Council. If undesignated they are also known as funds available for appropriation in subsequent fiscal years. As drafted, the total FY10 budget for designated reserves is $640,000; while funds available for appropriation in subsequent fiscal years in the general fund are budgeted to be $6,008,243. Funds available for appropriation in subsequent fiscal years may be designated for a specific purpose by City Council at any time. Fund balances in special revenue funds, capital project funds and debt service funds are, by fund type, classified as designated reserves.

Budget Funds

The FY2010 draft budget includes revised 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 pubic contributions and interest earnings.

As mentioned above, in FY10 the public works department's street's division and the seniors program will be moved from the general fund and placed within special revenue funds and the below market rate housing program will be moved into the general fund. These moves will align dedicated sources of funds with their uses. Additionally, city-wide services that were previously charged to individual departments will be combined with city-wide insurance expense in what was the insurance department but will become the insurance/other general government department. This will allow city-wide services that may not have been consistent year to year to appear in one place and reduce distortion to individual department budgets.

Four major changes will reduce general fund FY10 revenues by $2.4 million from the FY09 amended budget. First, $1,250,000 in gas taxes will move to the new special revenue fund; second, $879,246 in FEMA reimbursements were received in FY09 while no reimbursements are budgeted for FY10; third, the City received $199,896 in grants in the general fund in FY09; no grants have yet been received for FY10 and finally, interest earnings are budgeted to be $75,000 in FY10, lower than the FY09 amended budget of $176,771 and actual receipts in FY08 of $226,496 and $838,663 in FY07.

FY10 general fund expenditures are budgeted to be $24.6 million, a $3.8 million decrease (-13.3%) from the FY 2009 amended budget of $28.4 million. Operating expenditures account for $1.37 million of this reduction; $1.0 million coming from the transfer of the public works department's streets division and $129,962 due to combining the seniors program and the recreation department in Fund 170. These decreases are offset by the $259,544 addition to the general fund of the below market rate housing program. The remaining $418,092 reduction is in operating expenses for other general fund departments. As part of this reduction the planning department is eliminating one full-time position, including benefits.

In recognition of fiscal prudence, FY10 reserves are budgeted to be $590,000. If FY09 budgeted reserves of $6.3 million are not expended the unexpended reserves will be incorporated into FY09 ending fund balance, FY10 beginning fund balance and FY10 ending fund balance. Council may choose to add the additional available funds to FY10 reserves at any time.

Council may choose to budget more than $590,000 in reserves in FY10. While this will reduce the FY10 available for appropriation in subsequent years, as drafted, of $6,008,243 by the amount of the additional reserves, if the FY09 reserves are not expended the funds will be incorporated into FY09 ending fund balance, FY10 beginning fund balance and FY10 ending fund balance. Council may choose to add the additional available funds to FY10 reserves at any time.

Transfers to other funds are increasing by $1,756,441, from $2,269,234 to

$4,025,675. Actual transfers in FY08 were $5,593,669 and $4,551,214 in FY07. $1.1 million of the increase is due to the transfer of the public works department's streets division to a special revenue fund, $579,246 new transfer from the general fund (formerly from business tax receipts fund) to the capital outlay and acquisition fund and $150,300 to the ballpark maintenance fund (a transfer was not required in FY09).

- **Special Revenue** - Special revenue funds are legally restricted to the use for which the revenue is granted or contributed to the City. Total special revenue funds are budgeted at $8.4 million. This is $1.3 greater than the amended FY 2009 budget. The increase is attributable to moving $1.25 million of local option gas taxes from the general fund for transportation purposes.

  The building and recreation departments, the public works department's streets division, and the senior program's operating budgets are included in special revenue funds. Local option gas taxes are required to be used exclusively for transportation activities; accounting for these revenues in a special revenue fund segregates both the revenues and expenditures. Likewise, building department permit fees are used exclusively for permitting and inspection activities so accounting for these revenues in a special revenue fund keeps revenue and expenditures from being commingled in the general fund. The recreation center was moved to a special revenue fund from the general fund in FY08 when it began collecting membership fees.

  Expenditures in the public works department's streets division are budgeted to be $2.3 million. One full-time position, with benefits, will be eliminated in FY10 and mowing work will be outsourced. Estimated savings are $17,781. Beginning in FY10, to conform to Government Accounting Standards Board (GASB) Statement 54, repair and maintenance, operating supply and road materials supplies that were previously charged to capital projects Fund 301 will be reclassified and charged to the transportation fund. The new transportation fund will show an increase for these operating items equal to the amount of the decrease in capital outlays. General fund costs will not increase as a result of this change as funds previously transferred to a capital project fund will now be transferred to the special revenue fund.

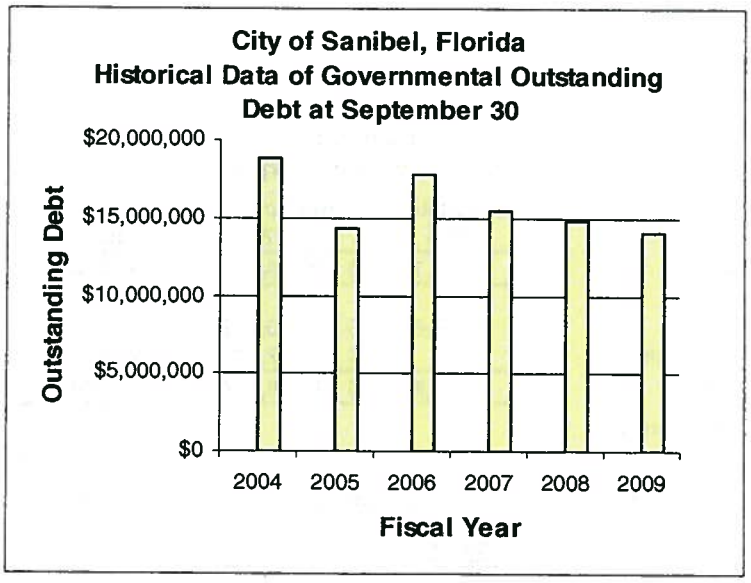
  Building department expenditures will decrease by $913, from $583,558 to $582,645. Recreation department expense is budgeted to increase by $73,202 (4.28%) from $1,710,368 to $1,783,570 and senior's program expense will increase by $1,990 (1.5%).

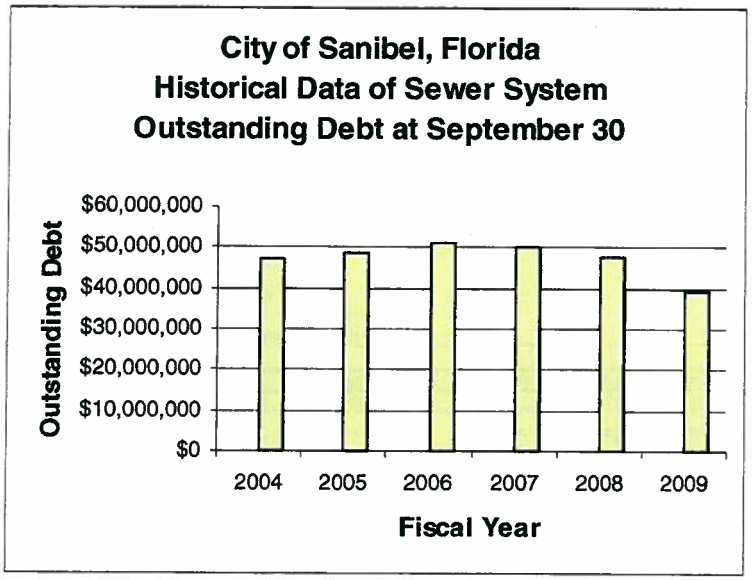
- **Debt Service Funds** - Debt service funds are used to account for the accumulation of resources for and the payment of principal and interest on long-term debt. As of September 30, 2009, the outstanding debt of the City's governmental funds is projected to be $14,079,151 and $39,574,809 in the enterprise (sewer system) fund pending Council's approval on July 21, 2009 of the

pay off of SRF loan #835060. A schedule of the City's total debt, including the purpose of the debt, the interest rate, maturity date and the pledged revenue follows:

CITY OF SANIBEL, FLORIDA
SCHEDULE OF PROJECTED OUTSTANDING DEBT at September 30, 2009

Original Amount	Purpose	Interest Rate	Year of Final Maturity	Estimated Principal Balance at 9/30/09	Average Annual P & I Debt Service	Pledged Revenue Source
Operating Budget						
$ 3,190,000	Land Acquisition (Gulfside/Boat Ramp)	5.00%	2020	1,556,072	187,477	Franchise & Occupational
$ 1,250,000	Land Acquisition (Paulsen)	4.98%	2012	327,656	120,260	Any non-ad valorem revenue
$ 3,825,000	Land Acquisition (Pond Apple Park) Voted Debt	2.0% to 4.75%	2031	3,260,000	237,945	GO-Voted Debt Service Ad Valorem Taxes
$ 8,350,000	Recreation Facility Voted Debt	4.0% to 4.35%	2036	7,875,000	542,311	GO-Voted Debt Service Ad Valorem Taxes
$ 1,082,000	Suntrust Note #59-BMRH-Woodhaven	3.35%	2019	721,334	91,145	Any non-ad valorem revenue
$ 650,000	Suntrust Note #42-BMRH-Casa Mariposa	4.21%	2014	257,418	59,033	Any non-ad valorem revenue
$ 88,817	Capital lease (backhoe)	4.75%	2018	81,671	11,365	Any non-ad valorem revenue
			Operating Total:	$ 14,079,151	$ 1,249,536	
Sewer System Enterprise Fund						
$ 5,620,000	Series 3000B Sewer Refunding Bonds	2.0% to 3.9%	2021	$ 4,030,000	$ 415,839	User Fees
$ 5,722,696	State Revolving Loan-Phase I SRF # 504P	3.18%	2020	3,548,334	400,292	Special Assessments, Ad valorem taxes and User Fees
$ 5,136,352	State Revolving Loan-Phase 3A WWG # 511	2.68%	2023	4,814,505	358,134	Special Assessments, Ad valorem taxes and User Fees
$ 7,040,440	State Revolving Loan-Phase 3B WWG # 512	3.40%	2026	6,310,326	492,730	Special Assessments, Ad valorem taxes and User Fees
$ 16,593,392	State Revolving Loan-Plant SRF # 5080	3.08%	2022	10,798,739	1,040,098	User Fees & Connection Fees
$ 6,180,728	State Revolving Loan-Phase 2B SRF # 5090	3.08%	2022	3,778,884	354,955	Special Assessments, Ad valorem taxes and User Fees
$ 8,501,591	State Revolving Loan-Phase 2C WWG # 510	3.12%	2023	6,294,021	594,367	Special Assessments, Ad valorem taxes and User Fees
			Sewer Total:	$ 39,574,809	$ 3,656,415	





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 $1.6 million, a $2.5 million decrease from the amended FY 2009 budget. The single largest reason for this decrease is the $1,350,000 transfer of items previously classified as capital outlay to repair and maintenance, operating supply and road materials supplies in the transportation fund as discussed in the special revenue portion of this message. Additional transfers of $425,000 have been budgeted to other new special revenue funds, and $255,000 of one-time projects was completed in FY09. The remaining decrease comes from postponing new capital projects to future years. 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 FY06	Audited FY07	Audited FY08	Estimated FY09	Proposed FY10
Total Capital Outlays	**$ 3,833,700**	**$ 13,529,139**	**$ 2,824,732**	**$ 3,838,252**	**$ 1,606,609**
One-time Projects:					
Recreation Center	$ 1,135,855	$ 10,720,543	$ 1,738,638	$ -	$ -
Periwinkle Road & Bikepath		$ 557,463	$ 279,010	$ -	$ -
Total One-time Projects	**$ 1,135,855**	**$ 11,278,006**	**$ 2,017,648**	**$ -**	**$ -**
GASB 54 mandated transfers from capital project funds	$ -	$ -	$ -	$ 1,678,563	$ -
Total Projects and Transfers	**$ 1,135,855**	**$ 11,278,006**	**$ 2,017,648**	**$ 1,678,563**	**$ -**
Capital Outlays w/out Special Projects and Transfers	**$ 2,697,845**	**$ 2,251,133**	**$ 807,084**	**$ 2,159,689**	**$ 1,606,609**

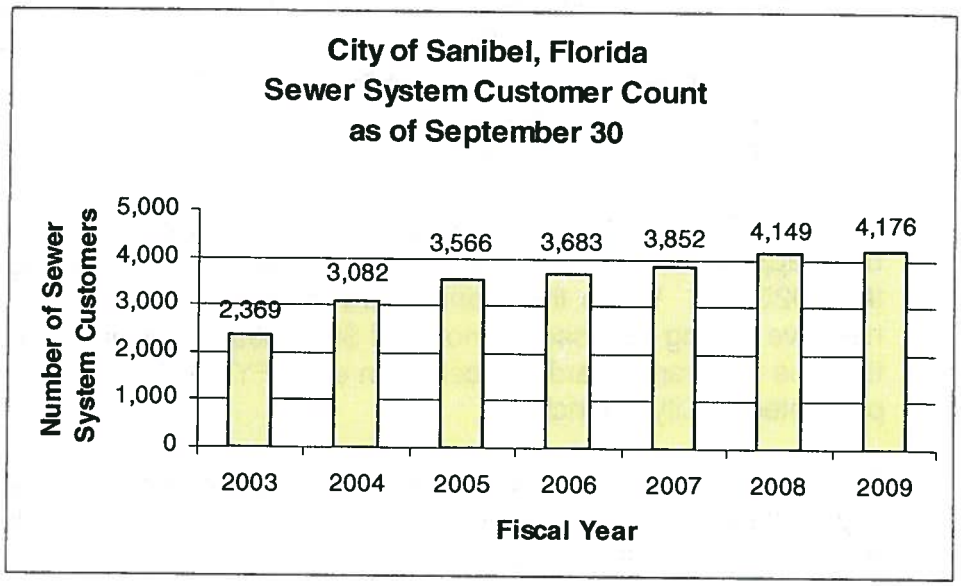
Enterprise Funds

- **Sanibel Sewer System Funds** – The Sanibel sewer system budget is decreasing from $9.7 million to $9.2 million. The $549,767 decrease includes a $128,126 (5.8%) decrease in operating expenses, a $647,400 (-43%) decrease in capital outlays due to delays and rescheduling, a $89,770 increase in personal services and a $535,574 reduction in debt service payments (pending City Council's approval to pay off SRF loan #835060).

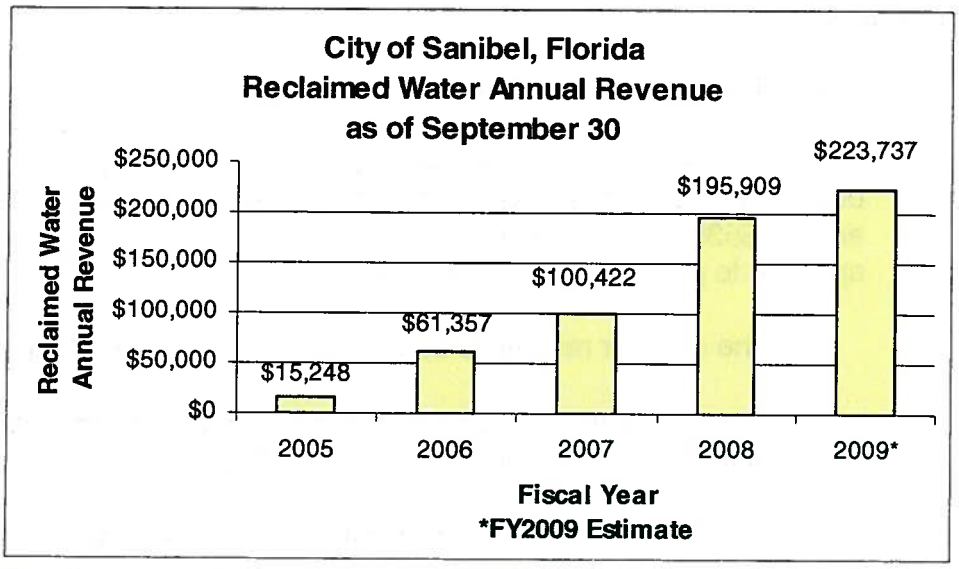
    - The disaster reserve is budgeted to increase from $200,000 to $250,000;

    - The negative unrestricted FY 2009 ending fund balance of $79,384 is budgeted to become a positive $742,238 in FY10;

    - User fees at the 3% indexing rate have been determined to be sufficient to fund operations and meet bond coverage requirements per the annual update to the financial feasibility study performed by GAI Consultants in May 2009;



    - Reclaimed water proposed revenue for FY10 is $208,320 compared to FY06 revenue of $61,357. The increase in reclaimed water revenue is attributable to an increase in customers and an increase in the reclaimed water rate. User fees include the annual 3% indexing. City Council is currently considering options for the reclaimed water rates.



- **Beach Parking Fund** – The budgeted operating expense of the beach parking fund is decreasing from $3.2 million to $2.0 million in FY 2010 with the completion of capital projects which included $510,000 for boat ramp restrooms, $210,000 for marine patrol dock, $134,500 dune walkover replacement and $110,000 for various beach maintenance equipment. In addition one part-time position is budgeted to be eliminated in FY10. The beach parking fund's detailed 5-year capital improvement plan (CIP) in included at the back of the budget document.

  A $925,300 grant from the Lee County Tourist Development Council (TDC) has been applied for and tentatively approved. As drafted, the budget does not include the $925,300. When the grant award is received in fiscal year 2010, the FY10 negative ending net assets amount of $675,399 will revert to a positive balance. At the time the grant award is received in early FY 2010, a budget amendment will be presented to City Council.

  On July 10, 2009 TDC voted to change its methodology for reimbursing direct labor expenditures. Between now and September the beach parking budget will be modified to reflect the change.

Fund Balances

The general fund beginning fund balance is projected to be $10,876,391 on October 1, 2009. This is a $1,468,260 increase from the FY09 adopted beginning fund balance and a $1,783,654 decrease from the FY09 amended beginning fund balance. Fund balances fluctuate when reserves estimated to be expended in a given year are not. The FY09 reserves of $6.3 million that are estimated to be expended will increase FY10 beginning fund balance to the extent the funds are not expended. The FY10 beginning fund balance would thus be $6.3 million greater than the budgeted $10.8 million. To be fiscally prudent this draft budget assumes the FY09 reserves will be fully expended. However, if a disaster does not occur prior to the public meetings in September Council may elect

to move these reserves from FY09 to FY10 as has been past practice.

Estimated designated reserves for FY09 and FY10 are:

	FY2008-09			FY2009-10	
DESIGNATED RESERVES	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED ACTUAL	*PROPOSED IF SPENT	OPTION IF NOT SPENT
Reserve for Contingencies	275,000	507,119	275,000	275,000	275,000
Reserve for Environmental Initiatives	1,200,000	1,200,000	1,200,000	-	1,200,000
Reserve for Classification Adj's	6,997	6,997	6,997	-	-
Reserve for Insurance Deductibles	315,000	308,649	308,649	315,000	315,000
Reserve for Disasters	4,500,000	4,500,000	4,500,000	-	4,500,000
Total Designated Reserves	**6,296,997**	**6,522,765**	**6,290,646**	**590,000**	**6,290,000**

*Budgeted in FY10 Draft Budget

Projected beginning fund balances for fiscal years 2011-2014, assuming $6.29 million of reserves are expended in FY09, are below:

Fiscal Year	Projected Beginning Fund Balance
2011	$9,543,568
2012	$6,921,516
2013	$3,413,917
2014	$2,685,558

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.

Next steps

The City of Sanibel encourages public participation in the decision making process, including the discussions related to the municipal budget and City operations. In addition to the public hearing scheduled at 9:00 a.m. on Saturday, September 5, 2009, there will be a **final public hearing on the annual budget at 5:01 p.m. on Tuesday, September 15, 2009.** Citizens who cannot attend the meetings are encouraged to provide their comments and input to City Council via email addressed to sancouncil@mysanibel.com or via US Mail to Sanibel City Council, 800 Dunlop Road, Sanibel, FL 33957. City Council gives serious consideration to all comments received from the public.

Conclusion

Staff has drafted this budget as a framework to guide us as we operate in a challenging economic climate. We recognize that we must remain disciplined and continue to quickly pivot as required to operate within existing resources. We anticipate additional joint sacrifice may be required before the sun sets on fiscal year 2010. We, City Council, the citizenry and city staff, will best meet the challenge of the current economy by working together towards our common goal of maintaining Sanibel as a quality community to live, work and visit.

CITY OF SANIBEL
FISCAL YEAR 2009-10 ANNUAL BUDGET
SUMMARY OF DECREASES FROM PRIOR FISCAL YEAR
IN PROPOSED BUDGET

Attachment A

Summary of Decreases From Prior Fiscal Year

In Proposed Budget

Departmental Recommendations

GENERAL FUND

		Description	Decreases	Funding Source	If Funding Source is Ad Valorem Taxes, Millage Rate	Annual Cost per $100,000 Property Valuation	Annual Cost to Average Residential Taxpayer
1	Legislative	Reduce overtime	$ (800)	Ad Valorem Taxes	(0.0002)	$ (0.02)	$ (0.11)
2	Legislative	Comprehensive certified property appraisal in FY09 not required in FY10	$ (13,250)	Ad Valorem Taxes	(0.0029)	$ (0.29)	$ (1.78)
3	Legislative	Yearly update to FY09 property appraisal update less than budgeted	$ (2,500)	Ad Valorem Taxes	(0.0006)	$ (0.06)	$ (0.34)
4	Legislative	No City election in FY10	$ (32,000)	Ad Valorem Taxes	(0.0071)	$ (0.71)	$ (4.30)
5	Legislative	Reduce travel	$ (5,000)	Ad Valorem Taxes	(0.0011)	$ (0.11)	$ (0.67)
6	Legislative	Reduce printing	$ (500)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.07)
7	Legislative	Eliminate fireworks	$ (4,700)	Ad Valorem Taxes	(0.0010)	$ (0.10)	$ (0.63)
8	Legislative	Reduce operating supplies	$ (500)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.07)
9	Administration	Eliminate overtime	$ (3,000)	Ad Valorem Taxes	(0.0007)	$ (0.07)	$ (0.40)
10	Administration	Reduce all professional services but flu shots	$ (2,850)	Ad Valorem Taxes	(0.0006)	$ (0.06)	$ (0.38)
11	Administration	Reduce travel	$ (10,488)	Ad Valorem Taxes	(0.0023)	$ (0.23)	$ (1.41)
12	Administration	Reduce Fed Ex and postage costs	$ (4,000)	Ad Valorem Taxes	(0.0009)	$ (0.09)	$ (0.54)
13	Administration	Move copy rental expense to Other General Govemment Department for city-wide	$ (22,000)	Ad Valorem Taxes	(0.0049)	$ (0.49)	$ (2.96)
14	Administration	Move repair and maintenance expense to Other General Government Department for city-wide services	$ (4,000)	Ad Valorem Taxes	(0.0009)	$ (0.09)	$ (0.54)
15	Administration	Reduce printing	$ (1,000)	Ad Valorem Taxes	(0.0002)	$ (0.02)	$ (0.13)
16	Administration	Reduce promotional activites; eliminate fitness reimbursement	$ (2,000)	Ad Valorem Taxes	(0.0004)	$ (0.04)	$ (0.27)
17	Administration	Reduce office supplies	$ (500)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.07)
18	Administration	Reduce books, subscriptions and	$ (2,000)	Ad Valorem Taxes	(0.0004)	$ (0.04)	$ (0.27)
19	MIS	Reduce overtime	$ (1,400)	Ad Valorem Taxes	(0.0003)	$ (0.03)	$ (0.19)
20	MIS	Reduce professional services; fewer projects need outside assistance	$ (54,700)	Ad Valorem Taxes	(0.0121)	$ (1.21)	$ (7.36)
21	MIS	Eliminate other contractual services	$ (600)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.08)
22	MIS	Reduce travel	$ (5,800)	Ad Valorem Taxes	(0.0013)	$ (0.13)	$ (0.78)
23	MIS	Change department communications to more accurately reflect fixed costs	$ (3,700)	Ad Valorem Taxes	(0.0008)	$ (0.08)	$ (0.50)
24	MIS	Reduce postage	$ (300)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.04)
25	MIS	Reduce storage costs through consolidation	$ (7,720)	Ad Valorem Taxes	(0.0017)	$ (0.17)	$ (1.04)
26	MIS	Reduce maintenance costs	$ (17,800)	Ad Valorem Taxes	(0.0039)	$ (0.39)	$ (2.39)
27	MIS	Eliminate fitness reimbursement	$ (500)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.07)
28	MIS	Reduce operating supplies	$ (6,000)	Ad Valorem Taxes	(0.0013)	$ (0.13)	$ (0.81)
29	MIS	Less specialized equipment needed in FY10	$ (1,800)	Ad Valorem Taxes	(0.0004)	$ (0.04)	$ (0.24)

CITY OF SANIBEL
FISCAL YEAR 2009-10 ANNUAL BUDGET
SUMMARY OF DECREASES FROM PRIOR FISCAL YEAR
IN PROPOSED BUDGET

		Description	Decreases	Funding Source	If Funding Source is Ad Valorem Taxes, Millage Rate	Annual Cost per $100,000 Property Valuation	Annual Cost to Average Residential Taxpayer
30	Finance	Reduce overtime	$ (1,000)	Ad Valorem Taxes	(0.0002)	$ (0.02)	$ (0.13)
31	Finance	Eliminate medical co-pays; reduce fee for yearly indirect cost study; eliminate mid-year update of indirect cost study; move auction fee for GovDeals to Other General Government Department for city-wide services	$ (11,800)	Ad Valorem Taxes	(0.0026)	$ (0.26)	$ (1.59)
32	Finance	Reduce accounting and auditing services with FEMA reimbursement work paid for in FY09	$ (35,273)	Ad Valorem Taxes	(0.0078)	$ (0.78)	$ (4.75)
33	Finance	Reduce printing	$ (1,330)	Ad Valorem Taxes	(0.0003)	$ (0.03)	$ (0.18)
34	Finance	Eliminate fitness reimbursement	$ (500)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.07)
35	Finance	Move bank service charge fees to Other General Government Department for city-	$ (17,441)	Ad Valorem Taxes	(0.0039)	$ (0.39)	$ (2.35)
36	Finance	Reduce operating supplies	$ (50)	Ad Valorem Taxes	(0.0000)	$ (0.00)	$ (0.01)
37	Finance	Move new FY09 expense for RealtyTrac to Other General Government Department for city-wide services	$ (620)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.08)
38	Legal	Reduce legal professional services	$ (92,635)	Ad Valorem Taxes	(0.0205)	$ (2.05)	$ (12.46)
39	Planning	Eliminate medical copays	$ (1,000)	Ad Valorem Taxes	(0.0002)	$ (0.02)	$ (0.13)
40	Planning	Reduce professional services for redevelopment	$ (16,000)	Ad Valorem Taxes	(0.0035)	$ (0.35)	$ (2.15)
41	Planning	Eliminate living allowance for director	$ (19,800)	Ad Valorem Taxes	(0.0044)	$ (0.44)	$ (2.66)
42	Planning	Reduce travel	$ (3,000)	Ad Valorem Taxes	(0.0007)	$ (0.07)	$ (0.40)
43	Planning	Reduce office supplies	$ (3,250)	Ad Valorem Taxes	(0.0007)	$ (0.07)	$ (0.44)
44	Planning	Change department communications to more accurately reflect fixed costs	$ (100)	Ad Valorem Taxes	(0.0000)	$ (0.00)	$ (0.01)
45	Police	FY09 special report from Foster and Foster for City Council not repeated in FY10	$ (3,250)	Ad Valorem Taxes	(0.0007)	$ (0.07)	$ (0.44)
46	Police	Eliminate iguana program	$ (40,000)	Ad Valorem Taxes	(0.0088)	$ (0.88)	$ (5.38)
47	Police	Reduce out of town travel	$ (16,820)	Ad Valorem Taxes	(0.0037)	$ (0.37)	$ (2.26)
48	Police	Decrease cell phone issuance and transfer radio user fee to repair and maintenance	$ (16,399)	Ad Valorem Taxes	(0.0036)	$ (0.36)	$ (2.21)
49	Police	Reduce office supplies with recycling	$ (1,125)	Ad Valorem Taxes	(0.0002)	$ (0.02)	$ (0.15)
50	Police	Reduce operating supplies with a decrease in fuel prices	$ (34,889)	Ad Valorem Taxes	(0.0077)	$ (0.77)	$ (4.69)
51	Police	Reduce books, publications with resources available on-line	$ (2,276)	Ad Valorem Taxes	(0.0005)	$ (0.05)	$ (0.31)

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

CITY OF SANIBEL
FISCAL YEAR 2009-10 ANNUAL BUDGET
SUMMARY OF DECREASES FROM PRIOR FISCAL YEAR
IN PROPOSED BUDGET

		Description	Decreases	Funding Source	If Funding Source is Ad Valorem Taxes, Millage Rate	Annual Cost per $100,000 Property Valuation	Annual Cost to Average Residential Taxpayer
52	SEMP	Decrease number of structural safety inspector physicals	$ (500)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.07)
53	SEMP	Renegotiate contract with weather consultant at a lower price	$ (2,000)	Ad Valorem Taxes	(0.0004)	$ (0.04)	$ (0.27)
54	SEMP	Eliminate travel	$ (1,900)	Ad Valorem Taxes	(0.0004)	$ (0.04)	$ (0.26)
55	SEMP	Reduce hurricane season informational items	$ (700)	Ad Valorem Taxes	(0.0002)	$ (0.02)	$ (0.09)
56	SEMP	Reduce subscriptions	$ (200)	Ad Valorem Taxes	(0.0000)	$ (0.00)	$ (0.03)
57	SEMP	Change department communications to more accurately reflect fixed costs	$ (100)	Ad Valorem Taxes	(0.0000)	$ (0.00)	$ (0.01)
58	Recycling	Decreased recycling and dumpster charges	$ (4,840)	Ad Valorem Taxes	(0.0011)	$ (0.11)	$ (0.65)
59	Recycling	No purchase of recycling magnets	$ (1,000)	Ad Valorem Taxes	(0.0002)	$ (0.02)	$ (0.13)
60	Natural resources	Eliminate medical co-pays	$ (120)	Ad Valorem Taxes	(0.0000)	$ (0.00)	$ (0.02)
61	Natural resources	TDC grant for RECON water quality sampling expires in FY09	$ (73,100)	Ad Valorem Taxes	(0.0162)	$ (1.62)	$ (9.83)
62	Natural resources	Eliminate fitness reimbursement	$ (500)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.07)
63	Natural resources	Fewer books and publications purchased	$ (50)	Ad Valorem Taxes	(0.0000)	$ (0.00)	$ (0.01)
64	Public Works	Reduce overtime	$ (37,991)	Ad Valorem Taxes	(0.0084)	$ (0.84)	$ (5.11)
65	Public Works	Bi-annual bridge inspections completed in	$ (7,000)	Ad Valorem Taxes	(0.0015)	$ (0.15)	$ (0.94)
66	Public Works	Reduce tree trimming and removal	$ (38,650)	Ad Valorem Taxes	(0.0085)	$ (0.85)	$ (5.20)
67	Public Works	Reduce number of transponders and reduce director, assistant director travel	$ (4,010)	Ad Valorem Taxes	(0.0009)	$ (0.09)	$ (0.54)
68	Public Works	Completion of garage door repair; eliminate AUTOCAD support; offset by higher A/C and generator maintenance costs	$ (7,550)	Ad Valorem Taxes	(0.0017)	$ (0.17)	$ (1.02)
69	Public Works	Reduction in solid waste disposal fee	$ (50)	Ad Valorem Taxes	(0.0000)	$ (0.00)	$ (0.01)
70	Public Works	Reduction in projected fuel costs offset by increase in uniform costs	$ (20,200)	Ad Valorem Taxes	(0.0045)	$ (0.45)	$ (2.72)
71	Public Works	Reduce road materials and supplies	$ (2,500)	Ad Valorem Taxes	(0.0006)	$ (0.06)	$ (0.34)
72	Public Facilities	Reduce overtime	$ (5,000)	Ad Valorem Taxes	(0.0011)	$ (0.11)	$ (0.67)
73	Public Facilities	Completion of Gazebo project requires less professional service	$ (4,900)	Ad Valorem Taxes	(0.0011)	$ (0.11)	$ (0.66)
74	Public Facilities	Reduction in janitorial service cost and fewer pressure cleaning and window washings	$ (15,360)	Ad Valorem Taxes	(0.0034)	$ (0.34)	$ (2.07)
75	Public Facilities	Reduction in dumpster service costs	$ (160)	Ad Valorem Taxes	(0.0000)	$ (0.00)	$ (0.02)
76	Public Facilities	Elimination of City Hall grounds maintenance, reduce City Hall repairs	$ (11,895)	Ad Valorem Taxes	(0.0026)	$ (0.26)	$ (1.60)
77	Public Facilities	Reduction in solid waste fees; elimination of building permit fees and title and plate fees for new vehicles	$ (1,350)	Ad Valorem Taxes	(0.0003)	$ (0.03)	$ (0.18)
78	Public Facilities	Reduction in fuel costs and fewer institutional supplies required with a reduced cleaning schedule	$ (8,575)	Ad Valorem Taxes	(0.0019)	$ (0.19)	$ (1.15)

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

CITY OF SANIBEL
FISCAL YEAR 2009-10 ANNUAL BUDGET
SUMMARY OF DECREASES FROM PRIOR FISCAL YEAR
IN PROPOSED BUDGET

		Description	Decreases	Funding Source	If Funding Source is Ad Valorem Taxes, Millage Rate	Annual Cost per $100,000 Property Valuation	Annual Cost to Average Residential Taxpayer
79	Public Facilities	Eliminate road materials and supplies	$ (3,000)	Ad Valorem Taxes	(0.0007)	$ (0.07)	$ (0.40)
80	Public Facilities	Delay solar panels for Community Park restroom and replacement windows for Civic Center	$ (10,000)	Ad Valorem Taxes	(0.0022)	$ (0.22)	$ (1.35)
81	Historical Museum	Reduction in pest control cost offset by increase in annual fire alarm inspection	$ (193)	Ad Valorem Taxes	(0.0000)	$ (0.00)	$ (0.03)
82	Historical Museum	Reduction of phone charges to historical	$ (1,000)	Ad Valorem Taxes	(0.0002)	$ (0.02)	$ (0.13)
83	Performing Arts	Reduce tree trimming and plantings	$ (500)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.07)
84	Performing Arts	Reduce operating supplies	$ (50)	Ad Valorem Taxes	(0.0000)	$ (0.00)	$ (0.01)
85	Performing Arts	Reduce purchase of shell rock for parking lot	$ (600)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.08)
		Total General Fund Recommendations	**$ (795,510)**	**Ad Valorem Taxes**	**$ (0.1759)**	**$ (17.59)**	**$ (107.02)**
	RECREATION CENTER FUND						
86	Seniors Program	Eliminate medical co-pays	$ (100)	Ad Valorem Taxes	(0.0000)	$ (0.00)	$ (0.01)
87	Seniors Program	Reduce travel	$ (269)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.04)
88	Seniors Program	Eliminate one phone and fax line	$ (2,880)	Ad Valorem Taxes	(0.0006)	$ (0.06)	$ (0.39)
89	Seniors Program	Reduce mailings	$ (300)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.04)
90	Seniors Program	Rental expense over budgeted in FY09	$ (1,000)	Ad Valorem Taxes	(0.0002)	$ (0.02)	$ (0.13)
91	Seniors Program	Eliminate monthly social activities	$ (100)	Ad Valorem Taxes	(0.0000)	$ (0.00)	$ (0.01)
92	Seniors Program	Reduce office supplies	$ (365)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.05)
93	Seniors Program	Reduce operating supplies	$ (564)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.08)
94	Seniors Program	Reduce memberships	$ (260)	Ad Valorem Taxes	(0.0001)	$ (0.01)	$ (0.03)
95	Recreation	Reduce overtime	$ (6,000)	Ad Valorem Taxes	(0.0013)	$ (0.13)	$ (0.81)
96	Recreation	Eliminate medical co-pay; reduce drug screening	$ (855)	Ad Valorem Taxes	(0.0002)	$ (0.02)	$ (0.12)
97	Recreation	Reduce Florida Department of Law Enforcement background checks	$ (1,450)	Ad Valorem Taxes	(0.0003)	$ (0.03)	$ (0.20)
98	Recreation	Reduce travel	$ (1,511)	Ad Valorem Taxes	(0.0003)	$ (0.03)	$ (0.20)
99	Recreation	Reduce insurance estimates to match	$ (12,382)	Ad Valorem Taxes	(0.0027)	$ (0.27)	$ (1.67)
100	Recreation	Reduce printing	$ (8,500)	Ad Valorem Taxes	(0.0019)	$ (0.19)	$ (1.14)
101	Recreation	Reduce employment ads ($10,000); eliminate Halloween party ($600), eliminate after school staff retention ($ 4,000) and eliminate summer program Friday snacks ($1,000)	$ (15,600)	Ad Valorem Taxes	(0.0034)	$ (0.34)	$ (2.10)
102	Recreation	Reduce purchase of GE cards, ribbons, ink	$ (1,520)	Ad Valorem Taxes	(0.0003)	$ (0.03)	$ (0.20)
		Total Recreation Fund Recommendations	**$ (53,656)**	**Ad Valorem Taxes**	**$ (0.0119)**	**$ (1.19)**	**$ (7.22)**

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

Attachment A

Summary of Decreases From Prior Fiscal Year In Proposed Budget

CITY OF SANIBEL
FISCAL YEAR 2009-10 ANNUAL BUDGET
SUMMARY OF DECREASES FROM PRIOR FISCAL YEAR
IN PROPOSED BUDGET

		Description	Decreases	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						
103	Building	Reduce contractual inspection services	$ (1,300)	Building Department Fees	-	$ -	$ -
104	Building	Reduce travel for inspections and education	$ (300)	Building Department Fees	-	$ -	$ -
105	Building	Reduce phone service	$ (1,700)	Building Department Fees	-	$ -	$ -
106	Building	Reduce mailing	$ (100)	Building Department Fees	-	$ -	$ -
107	Building	Reduce fax and copier expense	$ (50)	Building Department Fees	-	$ -	$ -
108	Building	Reduce equipment to service	$ (20)	Building Department Fees	-	$ -	$ -
109	Building	Reduce printing	$ (500)	Building Department Fees	-	$ -	$ -
110	Building	Eliminate fitness reimbursement	$ (950)	Building Department Fees	-	$ -	$ -
111	Building	Reduce indirect cost charges per mid-year	$ (4,983)	Building Department Fees	-	$ -	$ -
112	Building	Reduce office supplies	$ (225)	Building Department Fees	-	$ -	$ -
113	Building	Reduce operating supplies	$ (200)	Building Department Fees	-	$ -	$ -
114	Building	Code books purchased in a prior year	$ (500)	Building Department Fees	-	$ -	$ -
		Total Building Fund Recommendations	**$ (10,828)**		**$ -**	**$ -**	**$ -**
	BALLFIELD MAINTENANCE FUND						
115	Recreation	Reduce operating and personal service expense to reflect non-payment by Lee County School Board and Lee County	$ (214,579)	1/3 School Board, 1/3 Lee County, 1/3 City	(0.0158)	$ (1.58)	$ (9.62)
		Total Ballfield Recommendations	**$ (214,579)**		**$ (0.0158)**	**$ (1.58)**	**$ (9.62)**
		Total Departmental Recommendations	**$ (1,074,573)**		**$ (0.2036)**	**$ (20.36)**	**$ (123.86)**

This Page has been left blank intentionally.

CITY OF SANIBEL

FISCAL YEAR 2009-10 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
	GENERAL FUND						
1	Legislative	Municipal code service increase	$ 5,000	Ad Valorem Taxes	0.0011	$ 0.11	$ 0.67
2	Legislative	Change department communications to more accurately reflect fixed costs	$ 1,750	Ad Valorem Taxes	0.0004	$ 0.04	$ 0.24
3	Legislative	Rental costs not budgeted in FY09	$ 450	Ad Valorem Taxes	0.0001	$ 0.01	$ 0.06
4	Legislative	Costs in FY09 exceeded budget	$ 1,000	Ad Valorem Taxes	0.0002	$ 0.02	$ 0.13
5	Administration	Document destruction and vital records increase	$ 450	Ad Valorem Taxes	0.0001	$ 0.01	$ 0.06
6	Finance	Assistant director professional training every third year	$ 288	Ad Valorem Taxes	0.0001	$ 0.01	$ 0.04
7	Finance	Increase postage costs with May 2009 postage rate	$ 153	Ad Valorem Taxes	0.0000	$ 0.00	$ 0.02
8	Finance	Off-island records store increase	$ 280	Ad Valorem Taxes	0.0001	$ 0.01	$ 0.04
9	Finance	Reduced outside printing requires more supply purchases	$ 500	Ad Valorem Taxes	0.0001	$ 0.01	$ 0.07
10	Legal	Add dependent health/dental insurance	$ 8,925	Ad Valorem Taxes	0.0020	$ 0.20	$ 1.20
11	Legal	Change department communications to more accurately reflect fixed costs	$ 1,400	Ad Valorem Taxes	0.0003	$ 0.03	$ 0.19
12	Legal	Costs in FY09 exceeded budget	$ 100	Ad Valorem Taxes	0.0000	$ 0.00	$ 0.01
13	Legal	Costs in FY09 exceeded budget	$ 100	Ad Valorem Taxes	0.0000	$ 0.00	$ 0.01
13	Police	Radio user fee moved from communications line	$ 11,552	Ad Valorem Taxes	0.0026	$ 0.26	$ 1.55
14	Police	Training registrations increase	$ 1,900	Ad Valorem Taxes	0.0004	$ 0.04	$ 0.26
15	SEMP	Office supply budget required	$ 230	Ad Valorem Taxes	0.0001	$ 0.01	$ 0.03
16	Public Works	Outsource mowing services	$ 67,500	Ad Valorem Taxes	0.0149	$ 1.49	$ 9.08
17	Public Works	Change department communications to more accurately reflect fixed costs	$ 1,360	Ad Valorem Taxes	0.0003	$ 0.03	$ 0.18
18	Public Works	Increase of plotter and printer supplies; purchase of surveying equipment	$ 3,900	Ad Valorem Taxes	0.0009	$ 0.09	$ 0.52
19	Public Works	Increase in engineering classes, offset by reduction in membership fees, elimination of PE classes	$ 760	Ad Valorem Taxes	0.0002	$ 0.02	$ 0.10
20	Public Works	Purchase attachments for backhoe	$ 3,500	Ad Valorem Taxes	0.0008	$ 0.08	$ 0.47
21	Public Facilities	Added portion of City Hall telephone charges	$ 360	Ad Valorem Taxes	0.0001	$ 0.01	$ 0.05
		Total General Fund Recommendations	**$ 111,458**	**Ad Valorem Taxes**	**$ 0.0246**	**$ 2.46**	**$ 14.99**
	RECREATION CENTER FUND						
22	Seniors Program	Increase other contractual serices to add fitness classes	$ 6,165	Ad Valorem Taxes	0.0014	$ 0.14	$ 0.83
23	Recreation	Add land and fitness class instructors ($114,500); increase independent contractors ($5,900); add HVAC preventative maintenance chiller ($5,600); add RecTrac support contract ($3,500); move various repair and maintenance contracts to the repair and maintenenace expense line (-$51,300); remove FY09 grant writing contract (-$15,000)	$ 49,476	Ad Valorem Taxes	0.0109	$ 1.09	$ 6.66

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

Attachment B

Summary of Increases From Prior Fiscal Year

In Proposed Budget

CITY OF SANIBEL

FISCAL YEAR 2009-10 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	Recreation	Increase mailings for membership renewal and invitations to summer camp and after-school program	$ 1,500	Ad Valorem Taxes	0.0003	$ 0.03	$ 0.20
25	Recreation	Increase water and sewer expense	$ 25,919	Ad Valorem Taxes	0.0057	$ 0.57	$ 3.49
26	Recreation	Increase van and trolley rentals, add summer rec rentals and add lift rental for gym	$ 9,050	Ad Valorem Taxes	0.0020	$ 0.20	$ 1.22
27	Recreation	Move repair and maintenance items from other contractual ($40,180) and increase existing repair budget ($ 2,000)	$ 42,180	Ad Valorem Taxes	0.0093	$ 0.93	$ 5.67
28	Recreation	Add HVAC training for staff	$ 675	Ad Valorem Taxes	0.0001	$ 0.01	$ 0.09
29	Recreation	Increase operating supplies	$ 4,300	Ad Valorem Taxes	0.0010	$ 0.10	$ 0.58
30	Recreation	Increase staff training	$ 1,210	Ad Valorem Taxes	0.0003	$ 0.03	$ 0.16
		Total Recreation Fund Recommendations	**$ 140,475**	**Ad Valorem Taxes**	**$ 0.0311**	**$ 3.11**	**$ 18.90**
	BUILDING DEPARTMENT FUND						
31	Building	Increase engineering professional services	$ 712	Building Department Fees	-	$ -	$ -
		Total Building Fund Recommendations	**$ 712**		**$ -**	**$ -**	**$ -**
		Total Departmental Recommendations	**$ 252,645**		**$ 0.0557**	**$ 5.57**	**$ 33.89**

This Page has been left blank intentionally.