



# MEMORANDUM

**TO:** City Council and Citizens of the City of Sanibel

**FROM:** Judie Zimomra, City Manager

**SUBJECT:** Fiscal Year 2009-10 Annual Budget

Presented herein is the final, adopted annual budget for fiscal year 2009-2010. As adopted, the annual budget totals \$49,836,357.

The annual budget was prepared based 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 adopted budget are:

- Property tax revenues for operating expenditures have been reduced by 7.89%;
- Full-time employees have been reduced from 141 in FY07 to 125 in FY10 through attrition;
- City salaries remain flat for the second consecutive year;
- Total debt has been reduced by approximately \$9 million dollars;
- City staff has renegotiated 28 existing contracts for services to lower rates;
- The Public Works Department has been downsized with the implementation of contract mowing of right-of-way berms;
- Classes included with membership at the recreation center have been 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, the scheduled 3% sewer rate indexing and the 18% reclaimed water rate increase;

- With no environmental or natural disaster in the final quarter of FY09 designated reserves of \$5,700,000 have been carried forward to FY10;
- An additional \$50,000 is allocated to the sewer fund's reserve for disasters;
- \$2.1 million is invested in general government capital improvements. This includes \$520,500 of capital projects that are rolled over from the previous year.

## **INTRODUCTION**

The fiscal year 2010 annual budget totals \$49,836,357 and is broken down as follows:

<b><u>USES OF FUNDS</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2009</u></b>	
		<b><u>as Adopted</u></b>	<b><u>as Amended</u></b>
Governmental Funds			
Operating	\$35,433,203	\$28,671,684	\$34,875,483
Capital	<u>3,476,884</u>	<u>5,263,955</u>	<u>5,712,972</u>
Total Governmental	38,910,087	33,935,639	40,588,455
Enterprise Funds	<u>10,926,270</u>	<u>5,710,422</u>	<u>13,363,797</u>
Total Adopted Budget	<u>\$49,836,357</u>	<u>\$39,646,061</u>	<u>\$53,952,252</u>

The FY10 adopted budget is greater than the FY09 adopted budget due to projected greater beginning fund balances in FY10 (\$23,378,472) 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. Additionally, the final FY09 budget amendment increased revenue by \$1,476,581 and decreased expenditures by \$75,545.

FY 2009 budget amendments through September 30, 2009 total \$14,181,465. 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 \$1,086,953 of unbudgeted FEMA reimbursements, new grant funds of \$1 million in the beach parking fund, 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), additional gas tax receipts of \$311,710, an additional \$350,036 of parking receipts in the beach parking fund, and additional licensing and permit revenue of \$176,071 in the building department.

The adopted budget is funded by a millage rate of 2.1561 which is .1846 (-7.89%) 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. 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 change 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. Following is the FY10 budget calendar:

**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 <b>Set Proposed Tax (millage) Rate for 2009 and date, time and place of first Public Hearing.</b>
Saturday	September 5, 2009	9:00 a. m. <b>First Budget Public Hearing</b> – Discussion and adoption of tentative millage and tentative FY 2010 budget
Tuesday	September 15, 2009	5:01 p.m. <b>Second and Final Budget Public Hearing</b> Discussion and adoption of final 2009 millage rate and FY 2010 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 (new), the majority vote maximum millage rate allowed, and the two-thirds vote maximum millage rate allowed.

The FY10 adopted operating millage rate of 2.1561 is .1846 (-7.89%) 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 2.1561 will bring in \$9,751,355 of tax revenue versus \$10,586,242 with the rolled-back rate of 2.3407, a difference of \$834,887.

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 an adopted tax (millage) rate for tax year 2009:

<u>Minimum Vote Required to Levy Proposed Millage</u>	<u>Maximum Millage Rate</u>
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

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:

<u>Debt Service Description</u>	<u>Millage Rate</u>
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 were reviewed for GASB Statement No. 54 compliance. The process also identified 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.

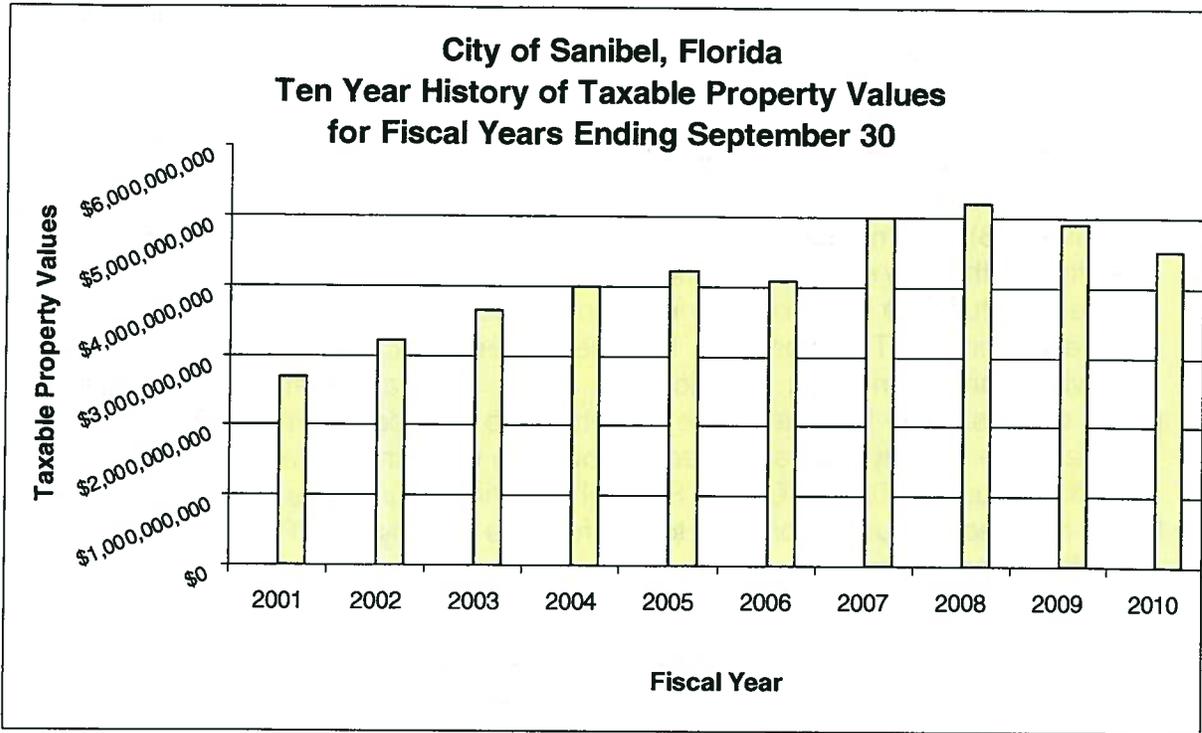
Fund	Fund Name	Revenue Source	Expenditure transfers
*101	Transportation Fund	Local option gas tax and \$0.05 local option gas tax	From general fund Public Works Department's Streets Division and capital project fund repairs and maintenance
116	Brazilian Pepper Control Program	Grants/City	From capital 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.

### **Adopted 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 \$4,503,672,390. Over the past two years total taxable assessed values have decreased 13.3%, from \$5,196,712,970 to \$4,503,672,390. With the addition of new construction of \$10,826,620, the gross taxable property value for tax (calendar) year 2009 is \$4,514,499,010, a decrease of 7.8% from tax (calendar) year 2008.



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

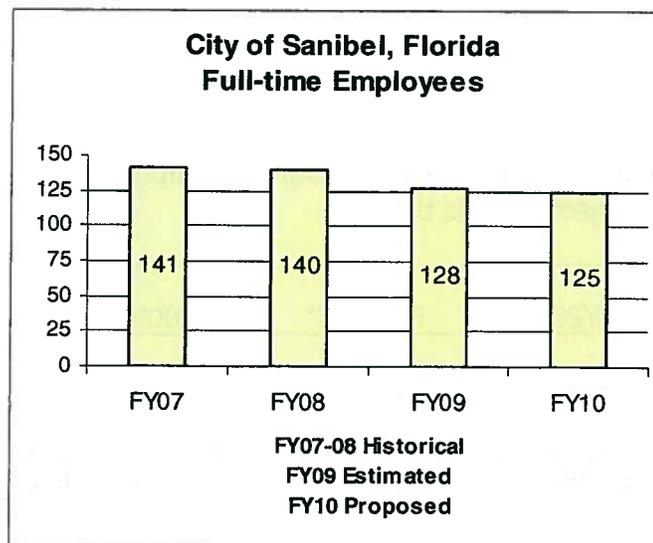
Revenue Source	FY2010*	FY2009**	FY2008***	FY2007***	FY2006***
Taxes	\$12,637,720	\$13,432,610	\$14,207,175	\$15,646,513	\$12,800,270
Licenses & Permits	\$ 1,369,385	\$1,420,941	\$1,766,263	\$1,223,080	\$1,586,168
Intergovernmental	\$1,574,022	\$1,650,431	\$1,947,650	\$6,949,347	\$6,165,314
Charges for Service	\$1,844,124	\$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
<b>Total</b>	<b>\$17,691,406</b>	<b>\$18,712,918</b>	<b>\$21,208,021</b>	<b>\$27,778,570</b>	<b>\$24,332,906</b>

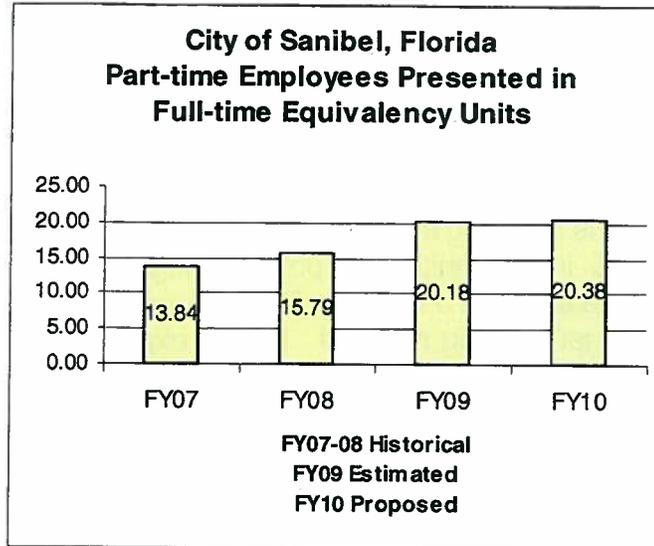
\*Adopted \*\*Estimated \*\*\*Audited

In recognition of current economic conditions, the FY 2010 adopted 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 \$1,078,783, decreased from the FY09 amended budget of \$1,223,562, reflecting the findings in the mid-year cost report. Development permit fees show a decline based on the expectation of less development activity. FY10 revenue generated

from the recreation fund's charges for services is estimated at \$277,000. 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 (\$25,730,615) have been reduced by \$1,961,168 (-7.1%) from the FY09 adopted budget of \$27,691,783 and by \$2,487,904 (-8.8%) from the FY09 amended budget of \$28,218,519. In FY10 three full-time positions and one and one third (1.3) full-time equivalent positions are eliminated. This is in addition to the 8.5% reduction in the City's full-time work force in FY09. 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. Between October 1, 2006 through FY09 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 125 full-time employees.





As adopted, 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 \$358,151 for the General Employees Pension Trust and \$74,238 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 is reducing 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 adopted, the total FY10 budget for designated reserves is \$6,340,000; while funds available for appropriation in subsequent fiscal years in the general fund are budgeted to be \$5,579,012. 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 adopted 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.

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.

Five major changes reduce general fund FY10 revenues by \$3.1 million from the FY09 amended budget. First, ad valorem revenue collections are reduced by \$834,877, second, \$1,250,000 in gas taxes will move to the new special revenue fund; third, \$879,246 in FEMA reimbursements were received in FY09 while no reimbursements are budgeted for FY10; fourth, the City received \$199,896 in grants in the general fund in FY09; one grant for \$39,450 has 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.

The general fund's FY10 adopted budget is \$29.8 million, a \$600,000 increase (2%) from the FY 2009 amended budget of \$29.2 million. Operating expenditures are reduced \$1.5 million with \$1.2 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 \$169,731 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 and reclassifying another full-time position to part-time, without benefits.

In FY10 governmental reserves are budgeted to be \$6,290,000.

Transfers to other funds are increasing by \$1,485,588, from \$2,480,093 to \$3,965,681. Actual transfers in FY08 were \$5,593,669 and \$4,551,214 in FY07. \$1.35 million of the increase is due to the transfer of the Public Works Department's Streets Division to a special revenue fund and a \$536,746 transfer from the general fund (formerly from business tax receipts fund) to the capital outlay and acquisition fund.

- **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 \$9 million. This is \$1.19 million 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 as well as the

transfer of the streets division into the transportation fund.

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 \$2.6 million. One full-time position, with benefits, is eliminated in FY10 and mowing work is 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 are being reclassified and charged to the transportation fund. The new transportation fund shows an increase for these operating items equal to the amount of the decrease in capital outlays. General fund costs do not increase as a result of this change as funds previously transferred to a capital project fund are now transferred to the special revenue fund.

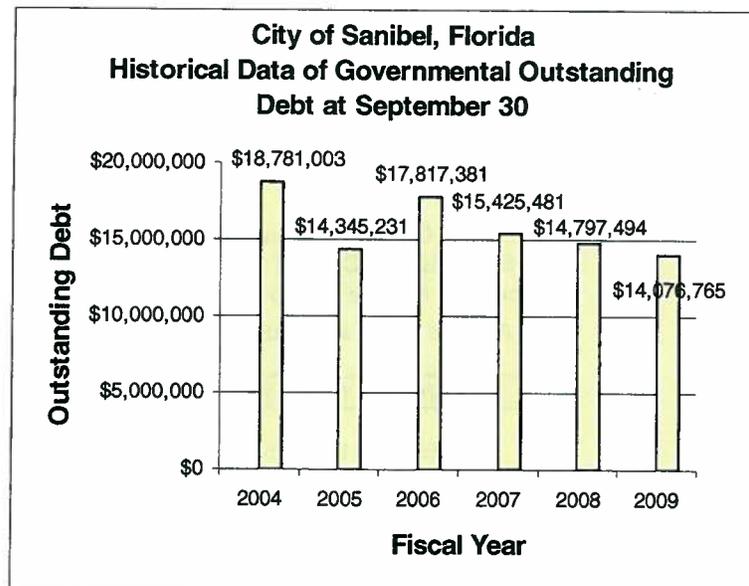
Building Department expenditures increase by \$9,153, from \$578,575 to \$587,728. Recreation Department expenditures increase by \$91,877 (5.32%) from \$1,725,603 to \$1,817,480 and Senior's Program expenditures increase by \$5,196 (4.0%) from \$129,962 to \$135,158.

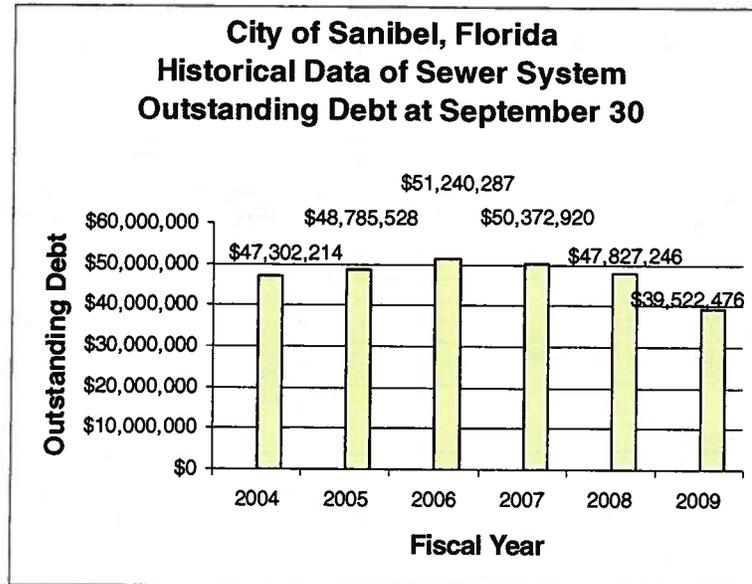
- **Debt Service Funds** - Debt service funds are used to account for the accumulation of resources for and the payment of principal and interest on long-term debt. As of September 30, 2009, the outstanding debt of the City's governmental funds will be \$14,076,765 and \$39,522,476 in the enterprise (sewer system). 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
<b>Operating Budget</b>						
\$ 3,190,000	Land Acquisition (Gulfside/Boat Ramp)	5.00%	2020	1,555,188	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-BMPH-Woodhaven	3.35%	2019	721,335	91,145	Any non-ad valorem revenue
\$ 650,000	Suntrust Note #42-BMPH-Casa Mariposa	4.21%	2014	257,417	59,033	Any non-ad valorem revenue
\$ 88,817	Capital lease (backhoe)	4.75%	2018	80,169	11,365	Any non-ad valorem revenue
<b>Operating Total:</b>				<b>\$ 14,076,765</b>	<b>\$ 1,249,536</b>	

<b>Sewer System Enterprise Fund</b>						
\$ 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	4,750,346	358,134	Special Assessments, Ad valorem taxes and User Fees
\$ 7,040,440	State Revolving Loan-Phase 3B WWG # 512	3.40%	2026	6,322,151	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	6,294,022	594,367	Special Assessments, Ad valorem taxes and User Fees
<b>Sewer Total:</b>				<b>\$ 39,522,476</b>	<b>\$ 3,656,415</b>	





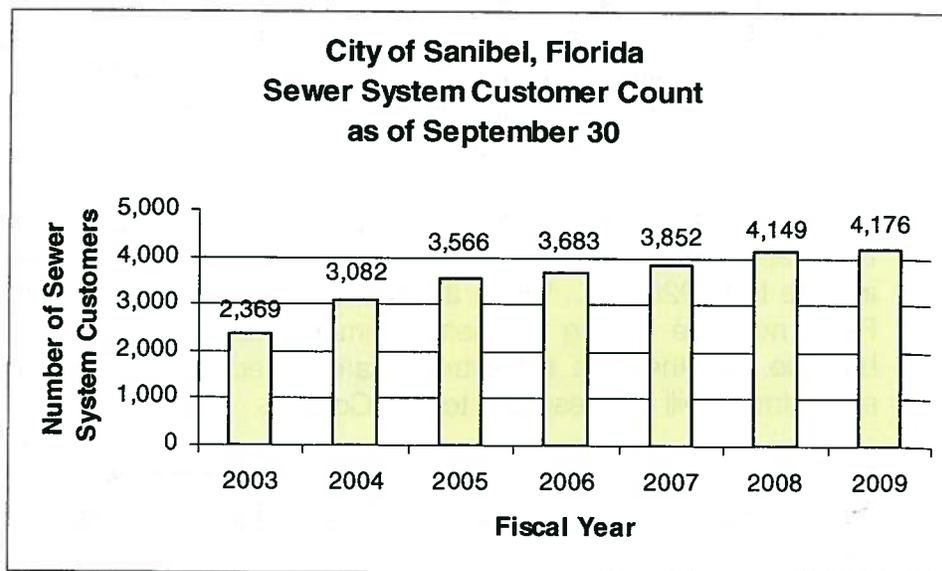
**Capital Project Funds** – Capital project funds account for all resources used for the acquisition and/or construction of major capital facilities. Capital project expenditures are budgeted at \$2.1 million, a \$1.9 million decrease from the amended FY 2009 budget. The single largest reason for this 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 are budgeted to other new special revenue funds, and \$255,000 of one-time projects were completed in FY09. The adopted 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)**

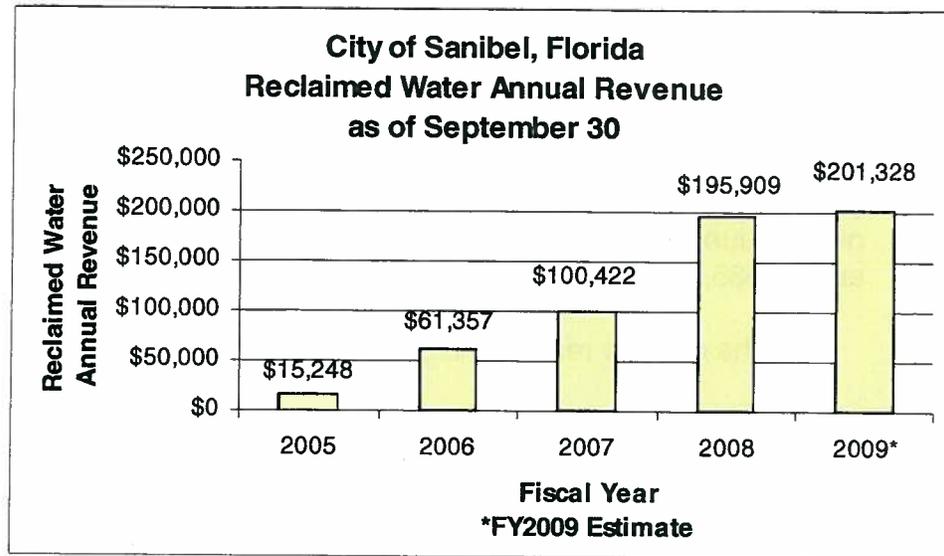
	Audited FY06	Audited FY07	Audited FY08	Estimated FY09	Proposed FY10
<b>Total Capital Outlays</b>	<b>\$ 3,833,700</b>	<b>\$ 13,529,139</b>	<b>\$ 2,824,732</b>	<b>\$ 3,838,252</b>	<b>\$ 1,606,609</b>
<b>One-time Projects:</b>					
Recreation Center	\$ 1,135,855	\$ 10,720,543	\$ 1,738,638	\$ -	\$ -
CHR Land Purchase					
Community Park Land					
Leisure Acres Land					
Periwinkle Road & Bikepath		\$ 557,463	\$ 279,010	\$ -	\$ -
<b>Total One-time Projects</b>	<b>\$ 1,135,855</b>	<b>\$ 11,278,006</b>	<b>\$ 2,017,648</b>	<b>\$ -</b>	<b>\$ -</b>
GASB 54 mandated reclass from capital project funds to operating funds	\$ -	\$ -	\$ -	\$ 1,678,563	\$ -
<b>Total one-time &amp; reclass projects</b>	<b>\$ 1,135,855</b>	<b>\$ 11,278,006</b>	<b>\$ 2,017,648</b>	<b>\$ 1,678,563</b>	<b>\$ -</b>
<b>Roll forwards from FY09 to FY10</b>				<b>\$ (540,000)</b>	<b>\$ 540,000</b>
<b>Capital Outlays w/out One-time Projects and Reclassed Projects</b>	<b>\$ 2,697,845</b>	<b>\$ 2,251,133</b>	<b>\$ 807,084</b>	<b>\$ 1,619,689</b>	<b>\$ 2,146,609</b>

## Enterprise Funds

- **Sanibel Sewer System Funds** – The Sanibel Sewer System's budget decreases from \$9.7 million to \$9.4 million. The \$319,767 decrease includes a \$148,240 (6.7%) decrease in operating expenses, a \$417,400 (-27.8%) decrease in capital outlays due to delays and rescheduling, a \$80,144 increase in personal services and a \$535,574 reduction in debt service payments.
  - The disaster reserve increases from \$200,000 to \$250,000;
  - The negative unrestricted FY 2009 ending fund balance of \$149,534 is budgeted to become a positive \$701,768 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 adopted 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 an 18% increase.



- Beach Parking Fund** – The budgeted operating expense of the beach parking fund is decreasing from \$3.2 million to \$2.2 million in FY 2010 with the completion of capital projects which included \$510,000 for boat ramp restrooms, \$134,500 dune walkover replacement, \$110,000 for various beach maintenance equipment and the substantial completion of the \$210,000 marine patrol dock. In addition one part-time position is eliminated in FY10. The beach parking fund’s detailed 5-year capital improvement plan (CIP) is included in the budget document.

A \$925,300 grant from the Lee County Tourist Development Council (TDC) has been applied for and tentatively approved. As adopted, 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 \$725,140 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. The beach parking budget has been modified to reflect the change.

**Fund Balances**

One of the most important responsibilities in budget forecasting is the projection of fund balance amounts (also known as net assets), which will be available for carry-forward to the subsequent fiscal year budget. Fund balance is the accumulation of prior year’s revenues minus expenditures. An increase from one year to the next reflects revenue exceeding expenditures and conversely a fund balance decrease from one year to the next, expenditures exceeding revenues. The size of fund balance should not be too low or too high. If a fund balance is consistently too high, it may be a sign that the public agency’s taxes or fees have been too high. On the other hand, if the fund balance is too

low, the public agency risks being unprepared for emergency situations. The City's bond rating is also evaluated on the health of its fund balance.

Accordingly, the City of Sanibel adopted Resolution # 00-55 establishing a Fund Balance policy, wherein it states that "If at the end of the fiscal year, the actual fund balance (in the General Fund) falls below 17% of operating expenditures, the City Manager will prepare and submit a plan for expenditure reductions and/or revenue increases to City Council. The City shall take action necessary to restore the unreserved, undesignated fund balance to acceptable levels within two years."

The general fund beginning fund balance is projected to be \$16,632,606 on October 1, 2009. This is a \$7,224,475 increase from the FY09 adopted beginning fund balance and a \$3,972,561 increase from the FY09 amended beginning fund balance. Fund balances fluctuate when reserves estimated to be expended in a given year are not. With the possibility of a disaster occurring prior to year end appearing slim, Council has elected to move \$5,700,000 of reserves from FY09 to FY10 as has been past practice. Designated reserves for FY09 and FY10 are:

<b>DESIGNATED RESERVES</b>	<b>FY2008-09</b>			<b>FY2009-10</b>
	<b>ADOPTED BUDGET</b>	<b>AMENDED BUDGET</b>	<b>ESTIMATED ACTUAL</b>	<b>ADOPTED</b>
Reserve for Contingencies	275,000	507,119	275,000	275,000
Reserve for Environmental Initiatives	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
Reserve for Disasters	4,500,000	4,500,000	-	4,500,000
<b>Total Designated Reserves</b>	<b>6,296,997</b>	<b>6,522,765</b>	<b>590,646</b>	<b>6,290,000</b>

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**

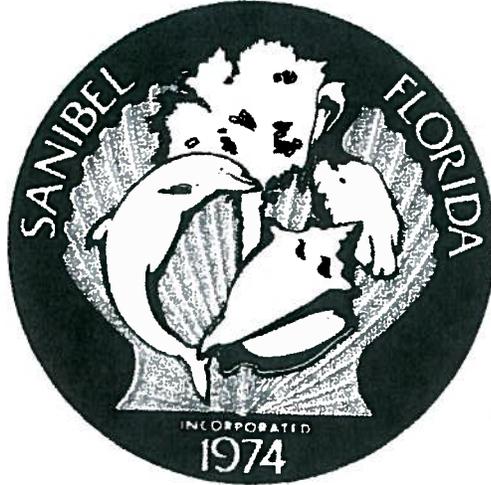
This budget is a framework to guide us as we operate in a challenging economic climate. We recognize that we must remain disciplined and continue to quickly pivot as required to operate within existing resources. We anticipate additional joint sacrifice may be required before the sun sets on fiscal year 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**  
**CHANGES TO FY10 PROPOSED FINAL BUDGET TO ADOPTED FINAL BUDGET SEPTEMBER 15, 2009**

	Sources of Funds				Uses of Funds				
	Beginning Fund Balance	Revenues	Undercollection Reserve	Total	Appropriations	Reserves	Redemption of Long-term Debt	Ending Fund Balance/Retained Earnings	Total
<b>Proposed Final Budget 9/15/09</b>	\$ 17,678,472	\$ 27,656,087	\$ (662,422)	\$ 44,672,137	\$ 25,738,043	\$ 640,000	\$ 5,305,000	\$ 12,989,094	\$ 44,672,137
<b>CHANGES</b>									
<b>Revenue Adjustments</b>									
Ad Valorem Tax		(563,979)	28,199	(535,780)				(535,780)	(535,780)
Reserve for Environmental Initiatives	1,200,000			1,200,000		1,200,000			1,200,000
Reserve for Disasters	4,500,000			4,500,000		4,500,000			4,500,000
				-					-
<b>Expenditure Adjustments</b>									
				-					-
				-					-
				-					-
				-					-
				-					-
				-					-
				-					-
				-					-
				-					-
				-					-
<b>Other Changes (that do not affect total budget)</b>									
CHR - Waive 3% Increase				-	(7,428)			7,428	-
				-					-
				-					-
				-					-
				-					-
				-					-
				-					-
				-					-
				-					-
<b>TOTAL CHANGES</b>	<b>5,700,000</b>	<b>(563,979)</b>	<b>28,199</b>	<b>5,164,220</b>	<b>(7,428)</b>	<b>5,700,000</b>	<b>-</b>	<b>(528,352)</b>	<b>5,164,220</b>
<b>Final Adopted Budget on 9/15/2009</b>	<b>\$ 23,378,472</b>	<b>\$ 27,092,108</b>	<b>\$ (634,223)</b>	<b>\$ 49,836,357</b>	<b>\$ 25,730,615</b>	<b>\$ 6,340,000</b>	<b>\$ 5,305,000</b>	<b>\$ 12,460,742</b>	<b>\$ 49,836,357</b>

Ad Valorem Tax Rolled-back rate	4,522,682,220	2.3407	10,586,242	Tax Decrease	Below RB Rate	% below RB
Tentative Rate	4,522,682,220	2.2808	10,315,334	-2.56%	-0.0599	-2.56%
Final Rate	4,522,682,220	2.1561	9,751,355	-7.89%	-0.1846	-7.89%

(563,979) Decrease from Tentative Rate  
(834,887) Decrease from Rolled-back Rate



This Page has been left blank intentionally.

**CITY OF SANIBEL**

**RESOLUTION 09-108**

**A RESOLUTION ADOPTING THE FINAL OPERATING AND VOTED DEBT SERVICE AD VALOREM MILLAGE RATES FOR TAX YEAR 2009 FOR THE CITY OF SANIBEL, LEE COUNTY, FLORIDA**

**WHEREAS**, Section 200.065, Florida Statutes, establishes the method for determining and levying an ad valorem millage rate and adopting a budget for taxing authorities in the State of Florida; and

**WHEREAS**, the City of Sanibel has duly advertised and held public hearings as required by Florida Statute 200.065; and

**WHEREAS**, the gross taxable value for operating purposes not exempt from taxation within the City of Sanibel, Lee County, Florida has been certified by the Lee County Property Appraiser to the City of Sanibel as \$4,522,682,220.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Sanibel, Florida:

**Section 1. Operating Millage**

The Final Ad Valorem Operating Millage Rate for Tax (Calendar) Year 2009 is hereby adopted at 2.1561 mills and the levy of an annual tax for said year is made. The final operating millage rate does not exceed the rolled-back rate of 2.3407 mills.

**Section 2. Voted Debt Service Millage Rates**

- A. The Final Sewer Voted Debt Service Millage Rate for Tax (Calendar) Year 2009 is hereby adopted at 0.2856 mills and the levy of an annual tax for said year is made.
- B. The Final Land Acquisition Voted Debt Service Millage Rate for Tax (Calendar) Year 2009 is hereby adopted at 0.0561 mills and the levy of an annual tax for said year is made.
- C. The Final Recreation Center Voted Debt Service Millage Rate for Tax (Calendar) Year 2009 is hereby adopted at 0.1172 mills and the levy of an annual tax for said year is made.

I certify that this is a true and accurate copy of the original.

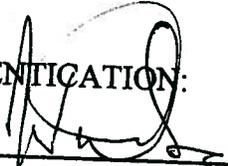
**SANIBEL CITY CLERK**  
Date: 09/25/09  
*[Signature]*

Section 3. Effective Date.

This resolution shall take effect immediately upon adoption.

**DULY PASSED AND ENACTED** by the Council of the City of Sanibel, Florida, this 15<sup>th</sup> day of September, 2009 at 6:05 P.M.

AUTHENTICATION:

  
\_\_\_\_\_  
Mick Denham, Mayor

  
\_\_\_\_\_  
Pamela Smith, City Clerk

Approved as to Form:

  
\_\_\_\_\_  
Kenneth B. Cuyler, City Attorney

9/16/09  
Date

Vote of Council Members:

Denham	yea
Ruane	yea
Harrity	yea
Jennings	yea
Pappas	yea

Date filed with City Clerk: September 15, 2009

I certify that this is a true and accurate copy of the original.

**SANIBEL CITY CLERK**

Date: 09.17.09 By: 

CITY OF SANIBEL

RESOLUTION 09-109

A RESOLUTION ADOPTING THE FINAL BUDGET FOR FISCAL YEAR 2009-2010 FOR THE CITY OF SANIBEL FLORIDA; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Section 200.065, Florida Statutes, establishes the method for determining and levying an ad valorem millage rate and adopting a budget for all taxing authorities in the State of Florida; and

WHEREAS, the City of Sanibel of Lee County, Florida has duly advertised and held public hearings as required by Florida Statute 200.065; and

WHEREAS, after receiving public comments and questions, the City Council has adopted the Final Operating and Voted Debt Service Ad Valorem Millage Rates for Tax (Calendar) Year 2009; and

WHEREAS, the City of Sanibel, Lee County, Florida, set forth the appropriations and revenue estimates in the amount of \$49,836,357 for the Fiscal Year 2009-2010 Budget, as amended.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sanibel, Florida:

Section 1. Budget Adoption

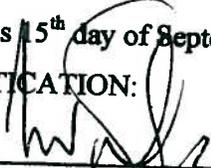
The Final Fiscal Year 2009-2010 Budget is hereby adopted as amended.

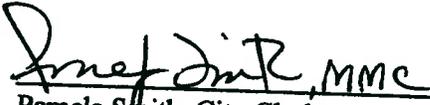
Section 2. Effective Date.

This resolution shall take effect immediately upon adoption.

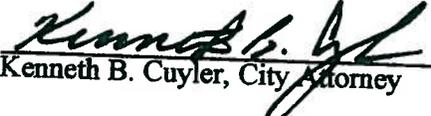
DULY PASSED AND ENACTED by the Council of the City of Sanibel, Lee County, Florida, this 15<sup>th</sup> day of September, 2009 at 6:08 P. M.

AUTHENTICATION:

  
Mick Denham, Mayor

  
Pamela Smith, City Clerk

Approved as to Form:

  
Kenneth B. Cuyler, City Attorney

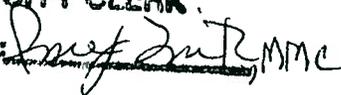
9/16/09  
Date

Vote of Council Members:

Denham        yea  
Ruane         yea  
Harrity       yea  
Jennings     yea  
Pappas       yea

I certify that this is a true and accurate copy of the original.

SANIBEL CITY CLERK

Date: 09/17/09 By: 

Date filed with City Clerk: September 15, 2009

# Budget Summary

**Budget Summary**  
**City of Sanibel - Fiscal Years 2008-2010**

	FY 07-08 <u>Actual</u>	FY 08-09 <u>Adopted</u>	FY 08-09 <u>Proj Actual</u>	FY 09-10 <u>Adopted</u>	FY10 Adopted to FY09 Adopted Amount of Increase <u>(Decrease)</u>	% Change Adopted To Adopted	FY10 Adopted to FY09 Project Amount of Increase <u>(Decrease)</u>	% Change Adopted To Projected
Est Beginning Fund Balance	23,375,882	13,163,614	24,710,632	23,378,472	10,214,858	77.60%	(1,332,160)	-5.39%
<b>Revenues</b>								
Ad Valorem Taxes	11,739,294	12,640,187	12,048,288	11,826,501	(813,686)	-6.44%	(221,788)	-1.84%
Other Taxes	2,467,881	2,085,726	2,269,101	2,102,760	17,034	0.82%	(166,341)	-7.33%
Licenses & Permits	1,844,973	1,490,941	1,513,387	1,439,385	(51,556)	-3.46%	(74,002)	-4.89%
Intergovernmental Revenue	1,947,650	1,650,432	4,218,413	1,619,022	(31,410)	-1.90%	(2,599,392)	-61.62%
Charges for Services	8,834,570	8,171,295	8,910,567	8,563,799	392,504	4.80%	(346,768)	-3.89%
Fines & Forfeitures	224,182	179,800	195,904	189,100	9,300	5.17%	(6,804)	-3.47%
Miscellaneous Revenue	874,443	812,341	1,466,025	1,351,542	539,201	66.38%	(114,483)	-7.81%
Non-Revenue	4,069,384	155,000	(71,953)	-	(155,000)	-100.00%	71,953	-100.00%
Reserve for Undercollection	-	(703,275)	-	(634,223)	69,052	-9.82%	(634,223)	
Total Revenue	<u>32,002,377</u>	<u>26,482,447</u>	<u>30,549,732</u>	<u>26,457,885</u>	<u>(24,562)</u>	-0.09%	<u>(4,091,848)</u>	-13.39%
Transfers In	7,490,103	3,995,679	4,374,608	5,215,681	1,220,002		841,073	
Total Sources of Funds	<u>62,868,362</u>	<u>43,641,740</u>	<u>59,634,973</u>	<u>55,052,038</u>	<u>11,410,298</u>	26.15%	<u>(4,582,935)</u>	-7.68%
<b>Expenditures</b>								
<b>Operating Expenditures</b>								
General Government	5,147,088	4,954,441	4,298,131	4,846,631	(107,810)	-2.18%	548,501	12.76%
Public Safety	4,672,683	4,898,874	4,473,876	4,901,007	2,133	0.04%	427,131	9.55%
Physical Environment	7,286,444	6,544,043	5,679,649	5,675,520	(868,523)	-13.27%	(4,130)	-0.07%
Transportation	5,844,174	8,287,108	7,397,921	6,943,078	(1,344,030)	-16.22%	(454,843)	-6.15%
Economic Environment	246,383	252,116	300,376	251,896	(220)	-0.09%	(48,480)	-16.14%
Human Services	1,000	1,000	1,000	253,116	252,116	25211.65%	252,116	25211.65%
Culture/Recreation	3,264,112	2,754,201	2,915,399	2,859,367	105,166	3.82%	(56,032)	-1.92%
Non-Expenditure Disbursements	<u>6,041,636</u>	<u>12,526,235</u>	<u>6,815,541</u>	<u>11,645,000</u>	<u>(881,235)</u>	-7.04%	<u>4,829,459</u>	70.86%
Total Operating Expenditures	<u>32,503,520</u>	<u>40,218,018</u>	<u>31,881,892</u>	<u>37,375,615</u>	<u>(2,842,403)</u>	-7.07%	<u>5,493,723</u>	
Transfers to Other Funds	-	3,995,679	4,374,608	5,215,681	1,220,002	30.53%	841,073	19.23%
Estimated Ending Fund Balance	<u>30,364,842</u>	<u>(571,957)</u>	<u>23,378,473</u>	<u>12,460,742</u>	<u>13,032,699</u>	-2278.62%	<u>(10,917,731)</u>	-46.70%
Total Uses of Funds	<u>62,868,362</u>	<u>43,641,740</u>	<u>59,634,973</u>	<u>55,052,038</u>	<u>11,410,298</u>	26.15%	<u>(4,582,935)</u>	-7.68%

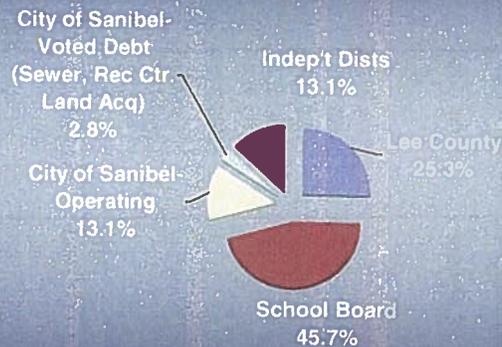
**Budget Summary**  
**City of Sanibel - Fiscal Year 2009-2010**

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Total
Est Beginning Fund Balance	16,632,606	1,875,462	553,009	2,684,966	1,632,429	23,378,472
<b>Revenues</b>						
Ad Valorem Taxes	9,751,355	-	783,605	-	1,291,540	11,826,501
Other Taxes	567,760	1,535,000	-	-	-	2,102,760
Licenses & Permits	7,600	1,361,785	-	-	70,000	1,439,385
Intergovernmental Revenue	785,626	788,396	-	-	45,000	1,619,022
Charges for Services	1,561,029	283,095	-	-	6,719,675	8,563,799
Fines & Forfeitures	51,500	17,600	-	-	120,000	189,100
Miscellaneous Revenue	103,614	41,590	51,351	500	1,154,487	1,351,542
Non-Revenue	-	-	-	-	-	-
Reserve for Undercollection	(487,568)	(614)	(39,180)	-	(106,861)	(634,223)
<b>Total Revenue</b>	<u>12,340,916</u>	<u>4,026,852</u>	<u>795,776</u>	<u>500</u>	<u>9,293,840</u>	<u>26,457,885</u>
Transfers In	835,000	3,162,945	426,318	791,418	-	5,215,681
<b>Total Sources of Funds</b>	<u>29,808,522</u>	<u>9,065,259</u>	<u>1,775,103</u>	<u>3,476,884</u>	<u>10,926,270</u>	<u>55,052,038</u>
<b>Expenditures</b>						
<b>Operating Expenditures</b>						
General Government	4,305,522	1,000	-	540,109	-	4,846,631
Public Safety	3,940,779	587,728	-	372,500	-	4,901,007
Physical Environment	466,468	648,000	-	-	4,561,052	5,675,520
Transportation	853,143	2,602,302	-	1,234,000	2,253,633	6,943,078
Economic Environment	-	251,896	-	-	-	251,896
Human Services	252,116	1,000	-	-	-	253,116
Culture/Recreation	627,110	2,232,257	-	-	-	2,859,367
Non-Expenditure Disbursements	6,290,000	-	1,220,044	-	4,134,956	11,645,000
<b>Total Operating Expenditures</b>	<u>16,735,138</u>	<u>6,324,183</u>	<u>1,220,044</u>	<u>2,146,609</u>	<u>10,949,641</u>	<u>37,375,615</u>
Transfers to Other Funds	3,965,681	1,250,000	-	-	-	5,215,681
<b>Estimated Ending Fund Balance</b>	<u>9,107,703</u>	<u>1,491,076</u>	<u>555,059</u>	<u>1,330,275</u>	<u>(23,371)</u>	<u>12,460,742</u>
<b>Total Uses of Funds</b>	<u>29,808,522</u>	<u>9,065,259</u>	<u>1,775,103</u>	<u>3,476,884</u>	<u>10,926,270</u>	<u>55,052,038</u>

## City of Sanibel Budget Summary

FISCAL YEAR 2009-10 ADOPTED BUDGET					
GOVERNMENTAL FUNDS			BUSINESS-TYPE FUNDS	TOTAL	
	OPERATING BUDGET	CAPITAL BUDGET	TOTAL OPERATING & CAPITAL BUDGET	ENTERPRISE BUDGETS	
<b>SOURCES OF FUNDS</b>					
EST BEGINNING FUND BALANCE	19,061,077	2,684,966	21,746,043	1,632,429	23,378,472
REVENUES					
Taxes					
Ad Valorem -Operating	9,751,355	-	9,751,355	-	9,751,355
Ad Valorem -Voted Debt Land	253,500	-	253,500	-	253,500
Ad Valorem -Voted Debt Rec Ctr	530,105	-	530,105	-	530,105
Ad Valorem -Voted Debt Sewer	-	-	-	1,291,540	1,291,540
Other Taxes	2,102,760	-	2,102,760	-	2,102,760
Licenses & Permits	1,369,385	-	1,369,385	70,000	1,439,385
Intergovernmental Revenue	1,574,022	-	1,574,022	45,000	1,619,022
Charges for Services	1,844,124	-	1,844,124	6,719,675	8,563,799
Fines & Forfeitures	69,100	-	69,100	120,000	189,100
Miscellaneous Revenue	196,555	500	197,055	1,154,487	1,351,542
<b>TOTAL REVENUE</b>	<b>17,690,906</b>	<b>500</b>	<b>17,691,406</b>	<b>9,400,702</b>	<b>27,092,108</b>
OTHER FINANCING SOURCES					
Capital Contributions	-	-	-	-	-
Debt Proceeds	-	-	-	-	-
Reserve for Undercollection	(527,362)	-	(527,362)	(106,861)	(634,223)
<b>TOTAL SOURCES OF FUNDS</b>	<b>36,224,621</b>	<b>2,685,466</b>	<b>38,910,087</b>	<b>10,926,270</b>	<b>49,836,357</b>
<b>USES OF FUNDS</b>					
EXPENDITURES					
General Government	4,306,522	540,109	4,846,631	-	4,846,631
Public Safety	4,528,507	372,500	4,901,007	-	4,901,007
Physical Environment	1,114,468	-	1,114,468	4,561,052	5,675,520
Transportation	3,455,445	1,234,000	4,689,445	2,253,633	6,943,078
Economic Environment	251,896	-	251,896	-	251,896
Human Services	253,116	-	253,116	-	253,116
Culture/Recreation	2,859,367	-	2,859,367	-	2,859,367
<b>Total Operating Expenditures</b>	<b>16,769,321</b>	<b>2,146,609</b>	<b>18,915,930</b>	<b>6,814,685</b>	<b>25,730,615</b>
OTHER USES					
Reserve for Contingencies	275,000	-	275,000	-	275,000
Reserve for Insurance Deductibles	315,000	-	315,000	-	315,000
Reserve for Disaster/Capital	4,500,000	-	4,500,000	50,000	4,550,000
Redemption of Long-term Debt	1,220,044	-	1,220,044	4,084,956	5,305,000
Ending Fund Balance/Ret Earnings	11,153,838	1,330,275	12,484,113	(23,371)	12,460,742
<b>Total Other Uses</b>	<b>18,663,882</b>	<b>1,330,275</b>	<b>19,994,157</b>	<b>4,111,585</b>	<b>24,105,742</b>
<b>TOTAL USES OF FUNDS</b>	<b>35,433,203</b>	<b>3,476,884</b>	<b>38,910,087</b>	<b>10,926,270</b>	<b>49,836,357</b>

ALLOCATION OF TOTAL TAXES PAID BY SANIBEL PROPERTY OWNER  
BASED ON ADOPTED MILLAGE RATES



<u>Taxing Authority</u>	<u>Tax Year</u> 2009 <u>Adopted</u> <u>Millage Rate*</u>	<u>Percent</u> <u>of Total</u> <u>Millage</u>	<u>Average Taxable Value</u> <u>of Residence</u>
			\$ 581,047
			<u>Average</u> <u>Residential</u> <u>Taxes Paid</u>
Lee County			
General	3.6506	22.2%	\$ 2,121.17
Capital	0.5000	3.0%	290.52
School Board			
State	5.2600	31.9%	3,056.31
Local	2.2480	13.7%	1,306.19
<b>City of Sanibel</b>			
<b>Operating (*)</b>	<b>2.1561</b>	<b>13.1%</b>	<b>1,252.80</b>
<b>Voted Debt Sewer</b>	<b>0.2856</b>	<b>1.7%</b>	<b>165.95</b>
<b>Voted Debt-Land</b>	<b>0.0561</b>	<b>0.3%</b>	<b>32.60</b>
<b>Voted Debt-Rec Ctr</b>	<b>0.1172</b>	<b>0.8%</b>	<b>68.10</b>
Independent Districts			
Sanibel Public Library	0.3750	2.3%	217.89
SFWMD-Everglades	0.0894	0.5%	51.95
WCIND	0.0394	0.2%	22.89
SFWMD	0.5346	3.3%	310.63
Fire District	0.8794	5.4%	510.97
Hyacinth Control	0.0277	0.2%	16.10
Mosquito Control	0.2132	1.3%	123.88
	<u>16.4323</u>	<u>100.0%</u>	<u>\$ 9,547.94</u>

(\*) per Resolution 09-108

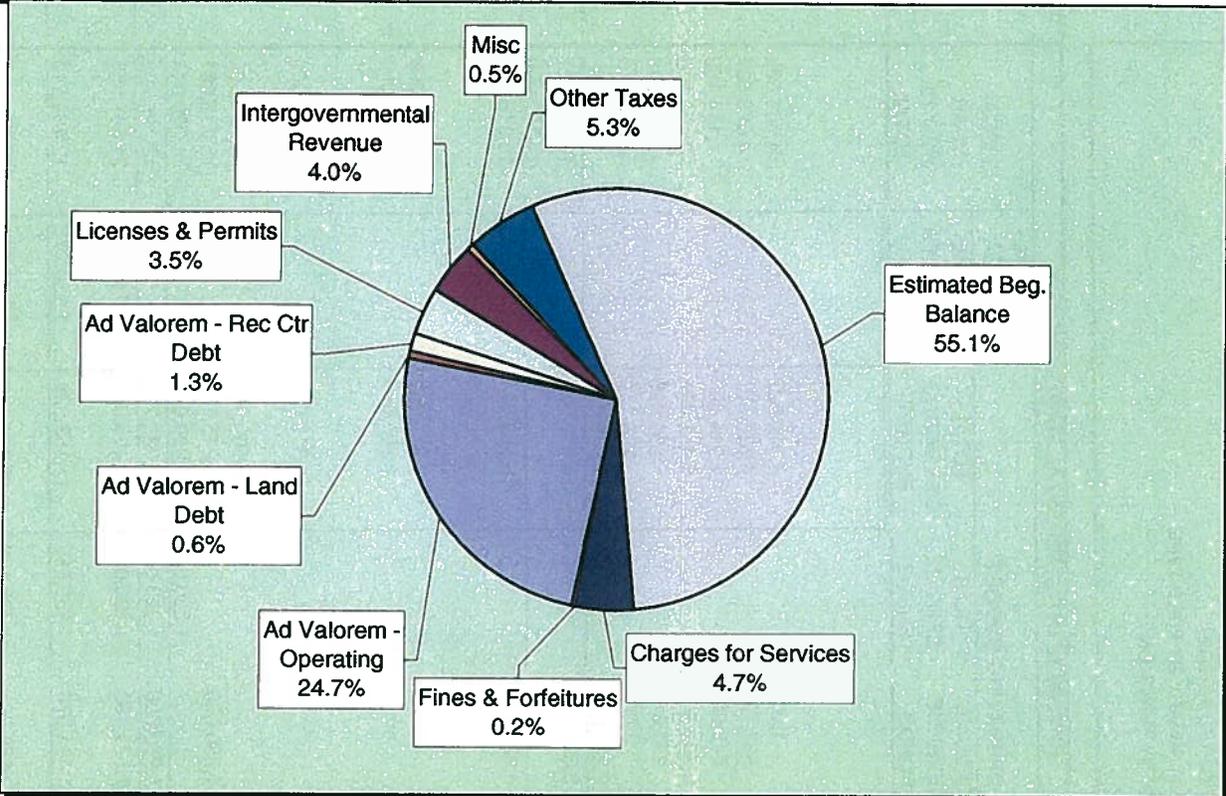
**CITY OF SANIBEL  
FISCAL YEAR 2009-10 ADOPTED BUDGET  
GOVERNMENTAL FUNDS BUDGET SUMMARY BY FUND TYPE  
EXPENDITURES SHOWN BY FUNCTION**

<b>FY 2009-10 GOVERNMENTAL FUNDS BUDGET</b>								
		<b>OPERATING BUDGET</b>			<b>CAPITAL BUDGET</b>	<b>FISCAL YEAR 2009-10 TOTAL</b>	<b>AMENDED GOVT'L FUNDS BUDGET 2008-09</b>	
		<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUNDS</b>	<b>DEBT SERVICE FUNDS</b>	<b>TOTAL OPERATING BUDGET</b>			<b>CAPITAL PROJECTS FUNDS</b>
<b>SOURCES OF FUNDS</b>								
<b>EST BEGINNING FUND BALANCE</b>		16,632,606	1,875,462	553,009	19,061,077	2,684,966	21,746,043	19,460,643
<b>REVENUES</b>	Tax Year 2009							
	Millage							
Taxes								
Ad Valorem -Operating Millage	2.1561	9,751,355	-	-	9,751,355	-	9,751,355	10,579,884
Ad Valorem -Land Acq Debt Serv	0.0561	-	-	253,500	253,500	-	253,500	237,000
Ad Valorem -Rec Ctr. Debt Serv	0.1172	-	-	530,105	530,105	-	530,105	530,000
Other Taxes		567,760	1,535,000	-	2,102,760	-	2,102,760	2,361,879
Licenses & Permits		7,600	1,361,785	-	1,369,385	-	1,369,385	1,661,682
Intergovernmental Revenue		785,626	788,396	-	1,574,022	-	1,574,022	3,443,527
Charges for Services		1,561,029	283,095	-	1,844,124	-	1,844,124	2,190,850
Fines & Forfeitures		51,500	17,600	-	69,100	-	69,100	77,609
Miscellaneous Revenue		103,614	41,590	51,351	196,555	500	197,055	531,669
<b>TOTAL REVENUE</b>		<b>12,828,484</b>	<b>4,027,466</b>	<b>834,956</b>	<b>17,690,906</b>	<b>500</b>	<b>17,691,406</b>	<b>21,614,100</b>
<b>OTHER FINANCING SOURCES</b>								
Transfers from Other Funds		835,000	3,162,945	426,318	4,424,263	791,418	5,215,681	4,399,069
Debt Proceeds		-	-	-	-	-	-	-
Reserve for Undercollection		(487,568)	(614)	(39,180)	(527,362)	-	(527,362)	(486,288)
<b>TOTAL OTHER FINANCING SOURCES</b>		<b>347,432</b>	<b>3,162,331</b>	<b>387,138</b>	<b>3,896,901</b>	<b>791,418</b>	<b>4,688,319</b>	<b>3,912,781</b>
<b>TOTAL SOURCES OF FUNDS</b>		<b>29,808,522</b>	<b>9,065,259</b>	<b>1,775,103</b>	<b>40,648,884</b>	<b>3,476,884</b>	<b>44,125,768</b>	<b>44,987,524</b>
<b>LESS: TRANSFERS BETWEEN FUNDS</b>							(5,215,681)	(4,399,069)
<b>NET SOURCES</b>							<b>38,910,087</b>	<b>40,588,455</b>

**CITY OF SANIBEL**  
**FISCAL YEAR 2009-10 ADOPTED BUDGET**  
**GOVERNMENTAL FUNDS BUDGET SUMMARY BY FUND TYPE**  
**EXPENDITURES SHOWN BY FUNCTION**

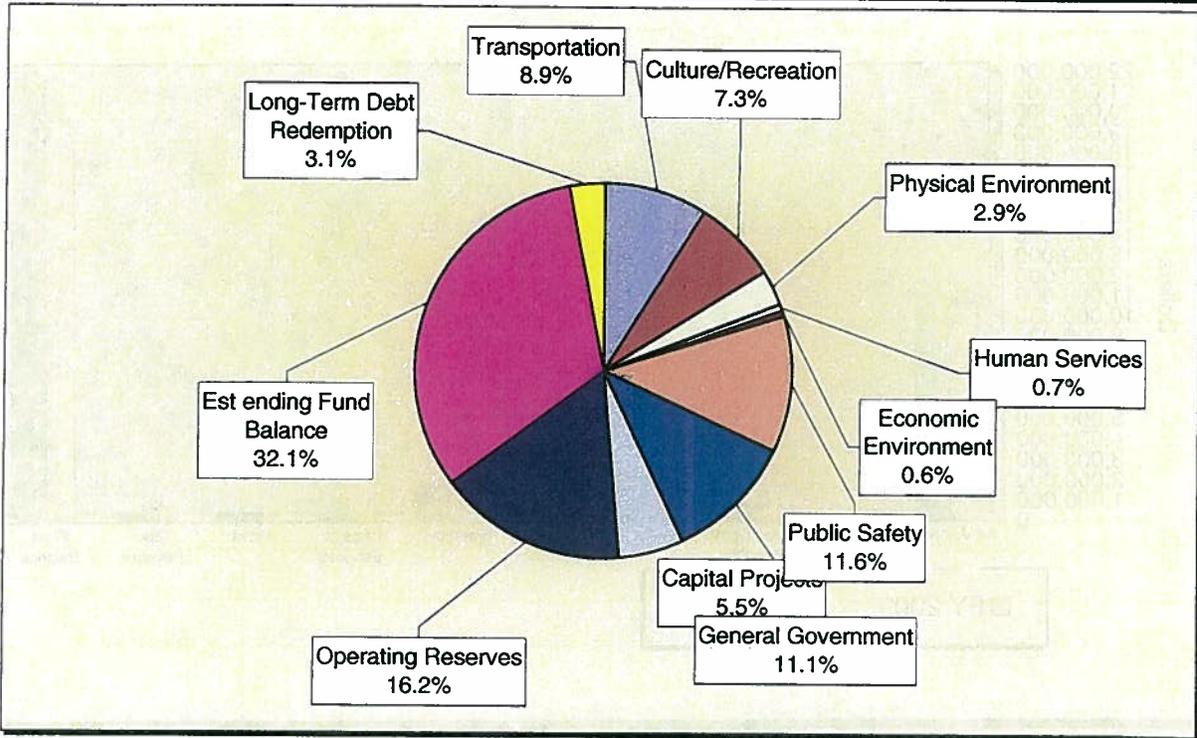
	<b>FY 2009-10 GOVERNMENTAL FUNDS BUDGET</b>					<b>FISCAL YEAR 2009-10 TOTAL</b>	<b>AMENDED GOVT'L FUNDS BUDGET 2008-09</b>
	<b>OPERATING BUDGET</b>			<b>CAPITAL BUDGET</b>			
	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUNDS</b>	<b>DEBT SERVICE FUNDS</b>	<b>TOTAL OPERATING BUDGET</b>	<b>CAPITAL PROJECTS FUNDS</b>		
<b>USES OF FUNDS</b>							
<b>EXPENDITURES</b>							
Operating Expenditures							
General Government	4,305,522	1,000	-	4,306,522	-	4,306,522	4,482,652
Public Safety	3,940,779	587,728	-	4,528,507	-	4,528,507	4,625,749
Physical Environment	466,468	648,000	-	1,114,468	-	1,114,468	1,257,168
Transportation	853,143	2,602,302	-	3,455,445	-	3,455,445	2,070,421
Economic Environment	-	251,896	-	251,896	-	251,896	552,272
Human Services	252,116	1,000	-	253,116	-	253,116	1,000
Culture/Recreation	627,110	2,232,257	-	2,859,367	-	2,859,367	2,837,762
Total Operating Expenditures	10,445,138	6,324,183	-	16,769,321	-	16,769,321	15,827,024
Capital Projects	-	-	-	-	2,146,609	2,146,609	4,076,548
<b>TOTAL EXPENDITURES</b>	10,445,138	6,324,183	-	16,769,321	2,146,609	18,915,930	19,903,572
<b>NON-OPERATING EXPENDITURES</b>							
Reserve for Contingencies	275,000	-	-	275,000	-	275,000	301,025
Reserve for Environmental Initiatives	1,200,000	-	-	1,200,000	-	1,200,000	1,200,000
Reserve for Classification Adj's	-	-	-	-	-	-	6,997
Reserve for Recreation Center Contingencies	-	-	-	-	-	-	-
Reserve for Insurance Deductibles	315,000	-	-	315,000	-	315,000	308,649
Reserve for Investment Pool Loss	-	-	-	-	-	-	-
Reserve for Disasters	4,500,000	-	-	4,500,000	-	4,500,000	4,500,000
Transfer to Other Funds	3,965,681	1,250,000	-	5,215,681	-	5,215,681	4,399,069
Redemption of Long-Term Debt	-	-	1,220,044	1,220,044	-	1,220,044	1,358,709
<b>TOTAL NON-OPERATING EXPENDITURES</b>	10,255,681	1,250,000	1,220,044	12,725,725	-	12,725,725	12,074,449
<b>TOTAL APPROPRIATIONS</b>	20,700,819	7,574,183	1,220,044	29,495,046	2,146,609	31,641,655	31,978,021
<b>ESTIMATED ENDING FUND BALANCE</b>	9,107,703	1,491,076	555,059	11,153,838	1,330,275	12,484,113	13,009,502
<b>TOTAL USES OF FUNDS</b>	29,808,522	9,065,259	1,775,103	40,648,884	3,476,884	44,125,768	44,987,523
<b>LESS: TRANSFERS BETWEEN FUNDS</b>						(5,215,681)	(4,399,069)
<b>NET USES</b>						38,910,087	40,588,455

**CITY OF SANIBEL**  
**WHERE THE MONEY COMES FROM**  
**GOVERNMENTAL FUNDS**  
**Fiscal Year 2009-10**



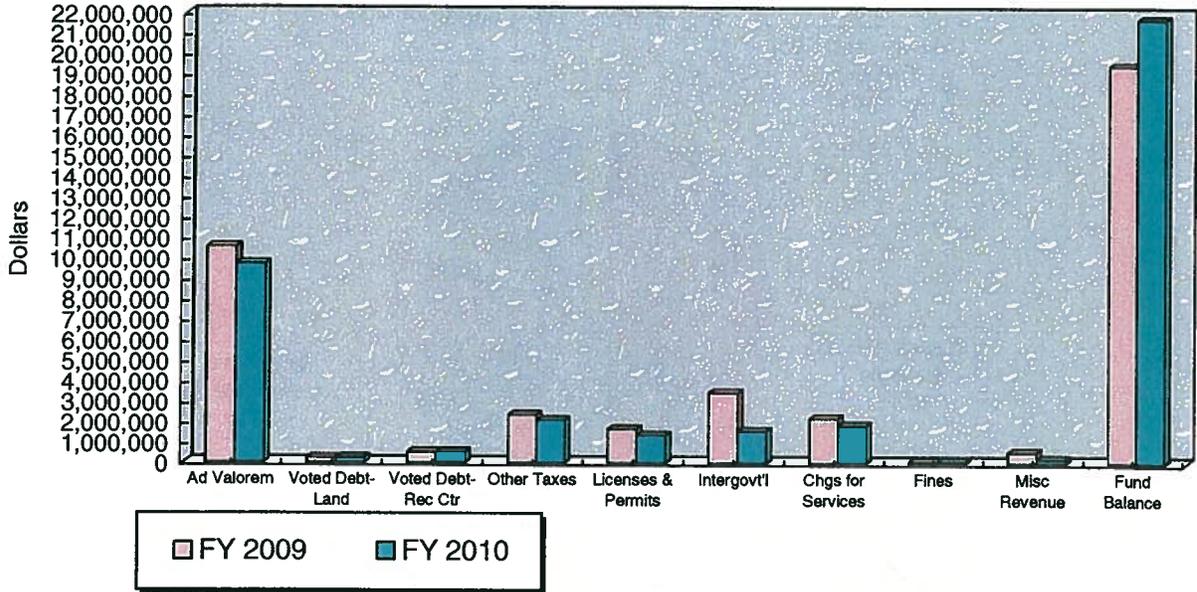
GOVERNMENTAL FUNDS		
SOURCES OF FUNDS	AMOUNT	PERCENT OF TOTAL
Est . Beginning Fund Balance	\$ 21,746,043	55.1%
<b>REVENUES</b>		
Ad Valorem Taxes - Operating Millage	\$ 9,751,355	24.7%
Ad Valorem Taxes - Land Voted Debt	253,500	0.6%
Ad Valorem Taxes - Rec Center Debt	530,105	1.3%
Other Taxes	2,102,760	5.3%
Licenses & Permits	1,369,385	3.5%
Intergovernmental Revenue	1,574,022	4.0%
Charges for Services	1,844,124	4.7%
Fines & Forfeitures	69,100	0.2%
Miscellaneous Revenue	197,055	0.5%
<b>TOTAL REVENUE</b>	<b>\$ 17,691,406</b>	<b>100.0%</b>
Reserve for Undercollection	(527,362)	
<b>NET SOURCES OF FUNDS</b>	<b>\$ 38,910,087</b>	

**CITY OF SANIBEL  
WHERE THE MONEY GOES  
GOVERNMENTAL FUNDS  
Fiscal Year 2009-10**



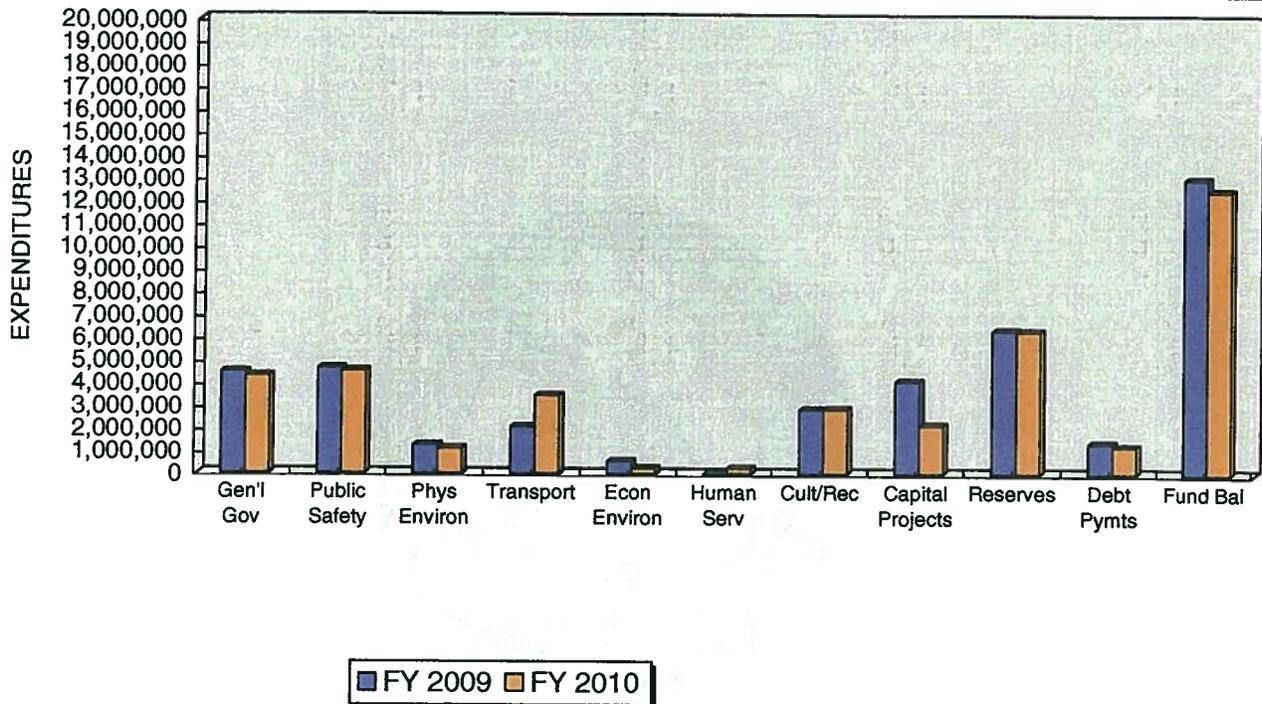
GOVERNMENTAL FUNDS		
USES OF FUNDS	AMOUNT	PERCENT OF TOTAL
<b>OPERATING EXPENSES</b>		
General Government	\$ 4,306,522	11.1%
Public Safety	4,528,507	11.6%
Physical Environment	1,114,468	2.9%
Transportation	3,455,446	8.9%
Economic Environment	251,896	0.6%
Human Services	253,116	0.7%
Culture & Recreation	2,859,367	7.3%
<b>TOTAL OPERATING EXPENDIETURES</b>	<b>\$ 16,769,321</b>	
OPERATING RESERVES	6,290,000	16.2%
CAPITAL PROJECTS and RESERVES	2,146,609	5.5%
REDEMPTION OF LONG-TERM DEBT	1,220,044	3.1%
Estimated Ending Fund Balance	12,484,113	32.1%
<b>TOTAL USES OF FUNDS</b>	<b>\$ 38,910,087</b>	<b>100.0%</b>

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

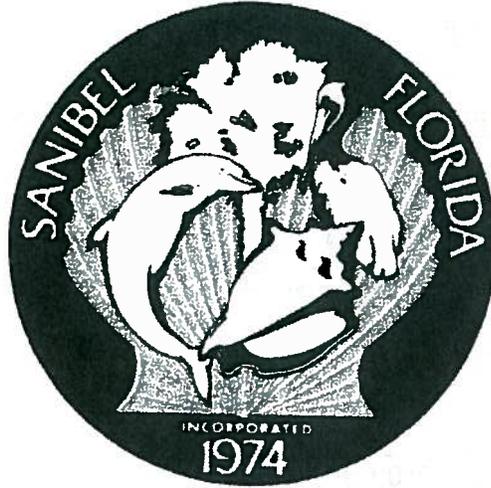


	FY 2009 BUDGET AS AMENDED	FY 2010 ADOPTED BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
<b>OPERATING SOURCES OF FUNDS</b>				
<b>Revenue</b>				
Ad Valorem Taxes-Operating	\$ 10,579,884	\$ 9,751,355	\$ (828,529)	-7.8%
Ad Valorem Taxes-Land DS	237,000	253,500	16,500	7.0%
Ad Valorem Taxes-Rec Ctr DS	530,000	530,105	105	0.0%
Other Taxes	2,361,879	2,102,760	(259,119)	-11.0%
Licenses & Permits	1,661,682	1,369,385	(292,297)	-17.6%
Intergovernmental Revenue	3,443,527	1,574,022	(1,869,505)	-54.3%
Charges for Services	2,190,850	1,844,124	(346,726)	-15.8%
Fines & Forfeitures	77,609	69,100	(8,509)	-11.0%
Miscellaneous Revenue	531,669	197,055	(334,614)	-62.9%
<b>TOTAL REVENUE</b>	<b>\$ 21,614,100</b>	<b>\$ 17,691,406</b>	<b>\$ (3,922,694)</b>	<b>-18.1%</b>
<b>OTHER FINANCING SOURCES</b>				
Estimated Beginning Fund Balance	19,460,643	21,746,043	2,285,400	11.7%
<b>TOTAL SOURCES OF FUNDS</b>	<b>41,074,743</b>	<b>39,437,449</b>	<b>(1,637,294)</b>	<b>-4.0%</b>
Reserve for Undercollection	(486,288)	(527,362)	(41,074)	8.4%
<b>NET BUDGET</b>	<b>\$ 40,588,455</b>	<b>\$ 38,910,087</b>	<b>\$ (1,678,368)</b>	<b>-4.1%</b>

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



	FY 2009 BUDGET AS AMENDED	FY 2010 ADOPTED BUDGET	AMOUNT OF INCREASE (DECREASE)	PERCENT CHANGE
<b>USES OF FUNDS by Function</b>				
<b>Expenditures</b>				
General Government	\$ 4,482,652	\$ 4,306,522	\$ (176,130)	-3.9%
Public Safety	4,625,749	4,528,507	(97,242)	-2.1%
Physical Environment	1,257,168	1,114,468	(142,700)	-11.4%
Transportation	2,070,421	3,455,445	1,385,024	66.9%
Economic Environment	552,272	251,896	(300,376)	-54.4%
Human Services	1,000	253,116	252,116	25211.6%
Culture/Recreation	<u>2,837,762</u>	<u>2,859,367</u>	<u>21,604</u>	0.8%
<b>Total Operating Expenditures</b>	<b>\$ 15,827,024</b>	<b>\$ 16,769,321</b>	<b>\$ 942,297</b>	<b>6.0%</b>
Capital Projects	\$ 4,076,548	\$ 2,146,609	(1,929,939)	-47.3%
Reserve for Contingency & Capital	6,316,671	6,290,000	(26,671)	-0.4%
Redemption of Long-term Debt	1,358,709	1,220,044	(138,665)	-10.2%
Ending Fund Balance	<u>13,009,502</u>	<u>12,484,113</u>	<u>(525,389)</u>	-4.0%
<b>NET BUDGET</b>	<b>\$ 40,588,455</b>	<b>\$ 38,910,087</b>	<b>\$ (1,678,368)</b>	<b>-4.1%</b>



This Page has been left blank intentionally.

## Governmental Funds Budget

A fund is a grouping of related accounts that is used to maintain financial control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds account for most of the City's tax-supported activities. The City has four governmental fund types: the general fund, special revenue fund, debt service fund and the capital project fund. These funds are found in either the operating budget or the capital budget.

**Operating Budget** - The operating budget includes the:

**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;

**Special Revenue Funds** - Special revenue funds are used to account for revenues from specific revenue sources which are legally restricted to the use for which the revenue is granted or contributed to the City;

**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.

**Capital Budget** - Reflects the current year of the 5-year capital improvement plan as budgeted in the capital projects funds and certain special revenue funds.



This Page has been left blank intentionally.

City of Sanibel, Florida

Section C – Governmental Funds  
Table of Contents

Operating Budget

General Fund	36
Special Revenue Funds	
Transportation Fund	46
SW Florida Community Foundation Grant Fund	48
Environmental Defense Fund	50
Historical Village and Museum Fund	52
Hurricane Wilma Fund	54
Brazilian Pepper Control Program	56
Environmentally Sensitive Land Restoration	58
Road Impact Fee Fund	60
Community Park Impact Fee Fund	62
Federal Forfeiture Fund	64
Father Madden Estate Fund	66
Shell Harbor Canal Dredging	68
Algae Research Fund	70
Sanibel Estates Canal Trimming	72
Sanibel Isles/Water Shadows Dredging	74
Franchise and Business Tax Fund	76
Building Department Fund	78
Recreation Center Fund	80
Ball Park Maintenance Fund	82
Below Market Rate Housing Fund	84
Debt Service Funds	
1997 \$1.25M Debt Service – Paulsen Property Acquisition	88
2002 \$3.825M GO Bonds – Pond Apple Park	90
1979 \$3.19M Debt Service	92
Capital Lease	94
2006 \$8.35M General Obligation Bonds – Recreation Facility	96
Below Market Rate Housing Debt Service	98
Capital Budget	
Capital Planning and Asset Acquisition Fund	102
Transportation Capital Projects	104
Rabbit Road Capital Projects	106
Periwinkle Way Road and Bikepath	108
San-Cap Road Fund	110
Tarpon Bay Road Fund	112
Dixie Beach Boulevard Project Fund	114
Intersection Improvements Fund	116
Periwinkle Landscaping Fund	124

City of Sanibel, Florida

General Fund  
Fund No. 001

**Sources of Funds**

**Beginning Fund Balance:**

The first available source of funds at the beginning of each fiscal year is the carry-forward of the previous year's available fund balance. Fund balance is the accumulation of prior year's revenues, minus expenditures. According to the City's adopted fund balance policy, portions of fund balance are earmarked or "designated" for a specific purpose. The undesignated portion of fund balance is that amount which is available for appropriation in the subsequent fiscal year.

It is estimated that \$16,632,606 of fund balance will be available at the end of FY 2009 to carry-forward to FY 2010.

**Taxes:**

Property (ad valorem) tax, determined by the levy of an operating millage rate, is the City's primary revenue source providing \$9,751,355 (32.7%) of general fund sources. This amount of tax revenue is calculated based on the levy of a 2.1561 operating millage rate on Sanibel's 2009 assessed taxable value of \$4,514,499,010, which is .1846 mills lower than the rolled-back tax rate of 2.3407. To calculate the property tax revenue to be derived from a mill rate, divide the assessed taxable value by 1000, and multiply by the proposed mill rate.

The rolled-back rate is the rate which would generate the same property tax revenue that was generated in the prior year, excluding valuation changes resulting from new construction. To calculate the rolled-back millage rate subtract the value of new construction from the new assessed taxable value, divide the result by 1000 and then divide the prior year's total property tax revenue into the result. The proposed rate will reduce tax collections for operating expense by \$834,887 from the roll-back rate.

Other taxes in the general fund include the communications services tax and casualty insurance premium tax estimated to generate \$514,106 and \$53,654 respectively in FY 2010. The communications service tax is expected to increase by 1.7% and the casualty insurance premium tax is budgeted at the same amount as received in FY2009. Prior to FY2010 the tax section also included local option gas taxes. These taxes have been moved to a newly created special revenue fund in FY10 in order to clearly align the revenue and expenses for which the taxes are received. This change is discussed at length in the section of the budget message entitled Statement No. 54 of the Governmental Accounting Standards Board (GASB). Gas taxes are estimated to be \$1,250,000 in FY10, unchanged from FY2009.

Revenue projections for FY10 property taxes are derived using a rate of 2.1561 a .1846 mill reduction from of the rolled back rate of 2.3407. Revenue projections for other taxes in the general fund are based on trend analysis of prior years' activity compared to year-to-date actual revenues; projections are adjusted to reflect any deviation from the trend based on current revenues,

## City of Sanibel, Florida

estimates from the state of Florida's Department of Revenue, and staff's expert judgment concerning expected economic conditions in FY10.

### **Licenses and Permits:**

Licenses and permits provide \$7,600 or .03% of general fund revenues. For FY10, revenues of \$6,000 from a special events permit fee enacted in 2007, plus \$1,600 from dog licenses, is budgeted.

### **Intergovernmental Revenue:**

Intergovernmental revenue is estimated to generate \$785,626 or 2.6% of the general fund's source of funds. These revenue types include state-shared revenues such as state revenue sharing, alcoholic beverage licenses, half-cent sales tax, etc. and are collected by the state and re-distributed to the cities and counties based on state-mandated formulas.

Revenue projections for these taxes are based on trend analysis of prior years' activity compared to year-to-date actual revenues; projections are adjusted to reflect any deviation from the trend based on current revenues, estimates from the state of Florida's Department of Revenue, and staff's expert judgment concerning expected economic conditions in FY10.

### **Charges for Services:**

Charges for services are estimated to provide \$1,561,029 (5.2%) of revenue to the general fund. These sources include planning-type (development) permits, solid waste tipping fees, and indirect costs charged to the building department, ballpark maintenance fund and enterprise funds for central services provided to those self-supporting funds.

Planning-type fees were established based on the results of a September 2005 user fee study, at rates sufficient to recover the direct and indirect costs of the planning department's permit-issuance activities. A 3% rate indexing was last applied on October 1, 2007; fees have not been increased since then.

Solid waste tipping fees are collected pursuant to the terms of an interlocal agreement with Lee County. Indirect costs are collected based on an independent indirect cost study conducted annually to calculate the allocated costs of the central services provided to each program activity of the City.

### **Fines and Forfeitures:**

Fines and forfeitures, including court fines, parking and other ordinance violations, are estimated to contribute \$51,500 (0.2%) of general fund sources. Projections are based on trend analysis of prior year's activity.

### **Miscellaneous Revenues:**

Miscellaneous revenue includes interest earnings, rents and contributions. This revenue source is estimated at \$103,614 (0.42%) of general fund sources. Projections for interest earnings are based on the assumption that current economic conditions will continue for the foreseeable future.

## City of Sanibel, Florida

### **Other Non-revenues:**

In FY10 \$835,000 will be transferred to the general fund from the special revenue franchise & occupational license fund. Non-revenues also include a reserve for under-collection of other revenues in the amount of \$487,568. This amount is equal to 5% of ad valorem tax revenue. Ad valorem tax revenue is budgeted at 100% of the 2.1561 millage rate levy; however, because taxpayers take advantage of the discount afforded by paying their taxes in the months of November through February, the City never collects 100% of the levied revenue. Recognizing this, the state permits up to 5% of the tax levy to be reserved for under-collection.

### **Uses of Funds**

Uses of funds are broken down by functional classification, as they are required to be reported to the state of Florida each year. Although the City's budget is legally adopted at the fund level, each of the departments included in the functional classification has a respective line-item detail budget included in the supplemental schedule section of this document. Each department has also included an organization chart and department narrative describing its mission, activities and goals for FY 2010. Please see the supplemental schedules section of this document for this information.

The following summarizes each department's budget by its functional classification:

#### **General Government**

The legislative and administrative department's budgets equal \$248,590 and \$726,992 respectively for FY 2010. The MIS department is also included as a general government function and its FY 2010 budget is \$700,858. The finance department is budgeted at \$851,474 and the legal department at \$551,903. Planning has a budget of \$656,919 and city-wide insurance/other general government department (excluding workers compensation) is estimated to cost \$568,786 in FY 2010.

The respective percent change of each department's FY 2010 budget over or under the prior year's amended budget and the explanation of the change are included in the supplemental schedules section of this document.

#### **Public Safety**

The police department is included in the budget at \$3,916,749 and the Sanibel emergency management plan (SEMP) at \$24,030.

#### **Physical Environment**

The physical environment function includes the recycling department, budgeted at \$51,480 and the natural resources management department, budgeted at \$414,988 for FY 2010.

#### **Transportation**

The public works department, excluding the streets division that is now found in special revenue Fund 101, is budgeted at \$853,143.

## City of Sanibel, Florida

### **Economic Environment**

The below market rate housing program is moving from a special revenue fund to the general fund in FY10. Pursuant to the terms of an agreement with the nonprofit organization Community Housing and Resources, Inc. (CHR) its budget is \$252,116. This agreement will expire on September 30, 2012.

### **Culture/Recreation**

Public facilities maintenance is budgeted at \$479,009 and the performing arts facility, Barrier Island Group (BIG) Arts, at \$9,850. The City's contribution to the Historical Museum and Village, through a contract expiring on September 30, 2012, is budgeted at \$138,251.

### **Non-Operating Expenditures**

Non-operating expenditures include the City's various reserves and transfers to other funds (interfund transfers). Interfund transfers represent revenue that is collected in one fund (like the general fund) but is used in another fund (like debt service or capital project funds). For example, several of the City's debts are secured by a covenant to budget and appropriate legally available non-ad valorem revenue. Most of the City's non-ad valorem revenue is accounted for in the general fund. The non-ad valorem revenue that is not used in the general fund for essential services is available to pay the debt obligations. Therefore, the revenue is collected in the general fund and transferred to the debt service fund, where it is expended to make the required principal and interest payment on the debt. There is a schedule of interfund transfers included in the supplemental schedules section of this document.

The City's reserves for FY 2010 include \$275,000 for the annual contingency reserve to meet unexpected events; \$1,200,000 for environmental initiatives, \$315,000 for meeting insurance deductibles and \$4,500,000 for disasters.

### **Ending Fund Balance**

The ending fund balance has three components. The first is a 17% cash flow reserve dictated by the City's fund balance policy and funds which are available for appropriation in FY10. This \$1.77 million cash flow reserve will provide operational cash for October and November of FY10 until the first distribution of ad valorem tax revenue is received from the Lee County Tax Collector in early December. The second component is a reserved balance of \$1,753,016 which includes the remaining \$1,750,000 owed to the general fund by the sewer fund for a \$3,500,000 loan made to the sewer fund. The loan is being repaid in 10 annual payments of \$350,000, pursuant to Resolution #06-118 adopted August 15, 2006. The remainder of ending fund balance is the amount budgeted to be available for appropriation in the subsequent fiscal year (FY 2011) as beginning fund balance and is projected to be \$5.58 million at the end of FY 2010.

**CITY OF SANIBEL  
GENERAL FUND  
SUMMARY**

	2006-07 ACTUAL	2007-08 ACTUAL	2008-09			FY 10 ADOPTED	
			ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED ACTUAL		
<b>SOURCES OF FUNDS</b>							
BEGINNING FUND BALANCE,	13,720,436	15,663,984	9,408,131	12,660,045	15,113,060	16,632,606	
ESTIMATED REVENUE							
TAXES							
Ad Valorem Taxes	2.1561	11,973,525	11,004,197	10,579,884	10,579,884	10,050,890	9,751,355
Local Option Gas Tax		937,714	880,800	700,000	846,898	802,093	To Fund-101
\$.05 Local Option Gas Tax		694,856	643,391	550,000	633,562	608,366	
Communications Services Tax		556,781	557,306	500,000	530,565	514,106	514,106
Casualty Insurance Premium Tax		50,726	53,654	50,726	57,460	53,654	53,654
<b>TOTAL TAXES</b>	<b>14,213,601</b>	<b>13,139,348</b>	<b>12,380,610</b>	<b>12,648,369</b>	<b>12,029,109</b>	<b>10,319,115</b>	
LICENSES & PERMITS							
Special Events Permits		4,455	9,305	6,000	9,260	6,255	6,000
Dog Licenses		1,592	1,795	1,600	1,600	1,721	1,600
Utility		-	-	-	-	-	-
Graphics		-	-	-	-	-	-
Vehicle Weight Permits		-	-	-	-	-	-
Mangrove Trimming		-	-	-	-	-	-
<b>TOTAL LICENSES &amp; PERMITS</b>	<b>6,047</b>	<b>11,100</b>	<b>7,600</b>	<b>10,860</b>	<b>7,976</b>	<b>7,600</b>	
INTERGOVERNMENTAL REVENUE							
Federal Grants		4,640	21,360	-	1,029,900	832,034	-
Payment in Lieu of Taxes-Federal		140,853	136,200	136,000	109,480	136,000	136,000
State Grants		-	1,171	-	58,053	47,212	-
State Shared Revenues:							
State Revenue Sharing Proceeds		197,057	153,597	126,000	144,194	138,466	138,466
Mobile Home License Rebate		2,525	2,404	2,500	2,500	1,656	2,500
Alcoholic Beverage License		15,812	14,982	15,000	16,294	15,146	15,000
Half-cent Sales Tax		578,076	466,634	409,430	392,844	392,710	392,710
Motor Fuel Tax Rebate		5,562	11,931	5,500	9,880	5,768	5,500
Municipal Solid Waste		43,049	68,550	45,000	50,052	50,019	45,000
Occupational License Rebate		5,437	3,713	4,500	4,500	4,051	3,500
Grants from Other Local Units		76,954	172,339	78,710	199,896	199,896	39,450
Payment in Lieu of Taxes-Local		7,500	7,500	7,500	7,500	7,500	7,500
<b>TOTAL INTERGOVERN. REVENUES</b>	<b>1,077,466</b>	<b>1,060,382</b>	<b>830,140</b>	<b>2,025,093</b>	<b>1,830,458</b>	<b>785,626</b>	
CHARGES FOR SERVICES							
General Government							
Development Permit Fees		264,968	294,530	240,000	213,163	220,000	220,000
Wastewater Disposal Permits		-	1,539	-	-	1,439	-
Sign Permits		7,804	8,266	7,000	7,000	7,089	7,000
Other LDC Actions		24,404	32,419	25,000	27,555	23,556	23,556
Fee for Lien Research		4,699	3,854	4,000	4,000	3,490	3,490
Sale of Maps & Publications		6,718	7,064	1,200	1,200	2,921	1,200
Indirect Cost Services		1,364,367	1,298,273	1,050,000	1,223,562	1,223,562	1,078,783
Collection Administration Fees		2,749	2,838	2,000	2,000	1,864	2,000
<b>SUB-TOTAL TO CARRY FORWARD</b>	<b>1,675,710</b>	<b>1,648,783</b>	<b>1,329,200</b>	<b>1,478,480</b>	<b>1,483,921</b>	<b>1,336,029</b>	

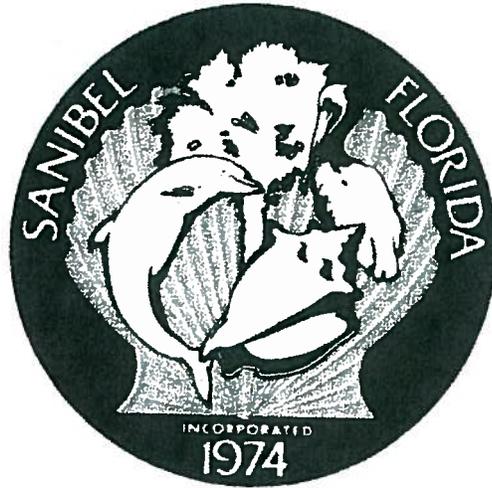
**CITY OF SANIBEL  
GENERAL FUND  
SUMMARY**

	2006-07 ACTUAL	2007-08 ACTUAL	2008-09		ESTIMATED ACTUAL	FY 10 ADOPTED
			ADOPTED BUDGET	AMENDED BUDGET		
<b>CHARGES FOR SERVICES (cont'd)</b>						
<b>SUB-TOTAL FORWARDED</b>	<u>1,675,710</u>	<u>1,648,783</u>	<u>1,329,200</u>	<u>1,478,480</u>	<u>1,483,921</u>	<u>1,336,029</u>
Public Safety						
Police Services	24,913	34,770	27,500	23,548	24,783	25,000
Engineering Services	650		-	-	-	-
Solid Waste Tipping Fees	190,496	224,242	200,000	200,000	201,764	200,000
Culture/Recreation			-	-	-	-
Program Activity Fees	-			Moved To F-170		
Senior Aerobics	14,630	4,178	-	-	3,302	Moved To F-170
<b>TOTAL CHARGES FOR SERVICES</b>	<u>2,012,221</u>	<u>1,911,973</u>	<u>1,556,700</u>	<u>1,702,028</u>	<u>1,713,850</u>	<u>1,561,029</u>
<b>FINES &amp; FORFEITURES</b>						
Court Fines	59,517	48,724	46,500	56,309	56,893	46,500
Parking Violations	113,249			Moved to F-470		
Violation of Local Ordinances	36,691	7,925	3,700	3,700	6,623	5,000
<b>TOTAL FINES &amp; FORFEITURES</b>	<u>209,457</u>	<u>56,649</u>	<u>50,200</u>	<u>60,009</u>	<u>63,516</u>	<u>51,500</u>
<b>MISCELLANEOUS REVENUES</b>						
Interest Earnings	838,663	226,496	276,771	176,771	158,419	75,000
Rents & Royalties	22,869	25,246	17,614	17,614	20,959	17,614
Contributions	5,500	12,720	500	22,741	21,741	500
Ins Proceeds/Sale of Fixed Assets	24,237	52,628	20,000	7,000	8,257	8,000
Refund of Prior Years Expenditures	1,283	8,113	-	30,682	-	-
Other Miscellaneous Revenue/Gain on Investment	4,098	37,650	2,500	(147,310)	(155,761)	2,500
<b>TOTAL MISCELLANEOUS REVENUE</b>	<u>896,650</u>	<u>362,853</u>	<u>317,385</u>	<u>107,498</u>	<u>53,615</u>	<u>103,614</u>
<b>TOTAL ESTIMATED REVENUE</b>	<u>18,415,441</u>	<u>16,542,305</u>	<u>15,142,635</u>	<u>16,553,857</u>	<u>15,698,524</u>	<u>12,828,484</u>
<b>OTHER FINANCING SOURCES</b>						
<b>NON-REVENUES</b>						
Transfers In	192,731	941,975	70,000	402,994	367,632	835,000
Debt Proceeds			-	-	-	-
Less: Reserve for Undercollection	-	-	(528,994)	(404,272)	-	(487,568)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>192,731</u>	<u>941,975</u>	<u>(458,994)</u>	<u>(1,278)</u>	<u>367,632</u>	<u>347,432</u>
<b>TOTAL BEGINNING FUND BALANCE, ESTIMATED REVENUE &amp; OTHER FINANCING SOURCES</b>	<u>32,328,608</u>	<u>33,148,264</u>	<u>24,091,772</u>	<u>29,212,624</u>	<u>31,179,216</u>	<u>29,808,522</u>

**CITY OF SANIBEL  
GENERAL FUND  
SUMMARY**

	2006-07 ACTUAL	2007-08 ACTUAL	2008-09		ESTIMATED ACTUAL	FY 10 ADOPTED
			ADOPTED BUDGET	AMENDED BUDGET		
<b>USES OF FUNDS</b>						
<b>GENERAL GOVERNMENT</b>						
Legislative	384,480	303,282	296,800	284,673	264,596	248,590
Administrative	855,872	818,782	766,541	744,001	753,075	726,992
Management Information Systems	525,865	728,839	741,006	729,918	684,768	700,858
Finance	800,373	906,151	846,595	872,457	889,608	851,474
Legal	682,673	599,677	649,260	600,429	584,802	551,903
Planning	1,094,191	1,217,289	842,458	817,190	705,304	656,919
Insurance/Other General Government	-	394,923	402,671	432,713	362,478	568,786
<b>TOTAL GENERAL GOVERNMENT</b>	<b>4,343,445</b>	<b>4,968,944</b>	<b>4,545,332</b>	<b>4,481,381</b>	<b>4,244,631</b>	<b>4,305,522</b>
<b>PUBLIC SAFETY</b>						
Police	-	3,950,680	4,152,562	4,017,267	3,865,747	3,916,749
SEMP	24,881	50,683	25,100	29,907	27,437	24,030
<b>TOTAL PUBLIC SAFETY</b>	<b>24,881</b>	<b>4,001,363</b>	<b>4,177,662</b>	<b>4,047,174</b>	<b>3,893,184</b>	<b>3,940,779</b>
<b>PHYSICAL ENVIRONMENT</b>						
Garbage-Recycling	121,284	127,674	92,320	57,320	52,640	51,480
Conservation & Resource Mgt	-	446,693	409,124	463,812	458,956	414,988
<b>TOTAL PHYSICAL ENVIRONMENT</b>	<b>121,284</b>	<b>574,367</b>	<b>501,444</b>	<b>521,132</b>	<b>511,596</b>	<b>466,468</b>
<b>TRANSPORTATION</b>						
Public Works*	-	2,221,495	2,095,364	2,070,421	2,003,959	853,143
<b>ECONOMIC ENVIRONMENT</b>						
Below Market Rate Housing	From F-180					252,116
<b>CULTURE/RECREATION</b>						
Parks & Recreation	Moved to F-170					
Recreation Complex	-	541,428	527,250	513,772	503,520	479,009
Public Facilities	-	126,794	127,219	129,962	127,321	Moved To F-170
Seniors Program	113,044	-	179,852	187,268	185,971	138,251
Museum	-	-	11,000	11,000	11,571	9,850
Performing Arts Facility	9,895	7,142	11,000	11,000	11,571	9,850
<b>TOTAL CULTURE/RECREATION</b>	<b>122,939</b>	<b>675,364</b>	<b>845,322</b>	<b>842,002</b>	<b>828,382</b>	<b>627,110</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>4,612,548</b>	<b>12,441,535</b>	<b>12,165,126</b>	<b>11,962,110</b>	<b>11,481,751</b>	<b>10,445,138</b>
<b>NON-OPERATING EXPENDITURES</b>						
Reserve for Contingencies			275,000	291,260	275,000	275,000
Reserve for Environmental Initiatives			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
Reserve for Disasters			4,500,000	4,500,000	-	4,500,000
Transfer to other funds	4,551,214	5,593,669	2,315,494	2,480,093	2,474,213	3,965,681
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<b>4,551,214</b>	<b>5,593,669</b>	<b>8,612,491</b>	<b>8,786,999</b>	<b>3,064,859</b>	<b>10,255,681</b>
<b>TOTAL APPROPRIATIONS</b>	<b>9,163,762</b>	<b>18,035,204</b>	<b>20,777,613</b>	<b>20,749,109</b>	<b>14,546,610</b>	<b>20,700,819</b>
<b>ENDING FUND BALANCE</b>						
17% Cash Flow Reserve per Policy			2,068,071	1,718,071	1,951,898	1,775,673
Reserved Fund Balance Available for Appropriation	3,241,640	2,453,016			2,103,016	1,753,016
in subsequent fiscal year	19,923,206	12,660,044	1,596,088	6,745,444	12,577,692	5,579,013
<b>TOTAL ENDING FUND BALANCE</b>	<b>23,164,846</b>	<b>15,113,060</b>	<b>3,314,159</b>	<b>8,463,515</b>	<b>16,632,606</b>	<b>9,107,703</b>
<b>TOTAL USES OF FUNDS</b>	<b>32,328,608</b>	<b>33,148,264</b>	<b>24,091,772</b>	<b>29,212,624</b>	<b>31,179,216</b>	<b>29,808,522</b>

\* Streets Division moved to Fund 101 in FY10 due to a change in accounting standards. Please see the budget message for a complete explanation of the change



This Page has been left blank intentionally.

**CITY OF SANIBEL  
SUMMARY OF SPECIAL REVENUE FUNDS**

SOURCES OF FUNDS	2006-07 Actual	2007-08 Actual	Fiscal Year 2009			FY 10 Adopted
			Adopted Budget	Amended Budget	Estimated Actual	
Beginning Fund Balance	638,226	1,023,941	2,182,618	2,256,268	2,256,268	1,875,462
Estimated Revenues						
Taxes						
Local Option Gas Taxes			-	-	-	1,250,000
Business Taxes	656,936	290,066	285,000	293,394	290,882	285,000
Total Taxes	656,936	290,066	285,000	293,394	290,882	1,535,000
Licenses & Permits						
Building Department Permits	776,309	780,651	507,602	683,673	507,602	507,602
Franchise Fees	277,184	974,512	905,739	967,149	908,364	854,183
Total Licenses & Permits	1,053,493	1,755,163	1,413,341	1,650,822	1,415,966	1,361,785
Intergovernmental Revenue						
Tropical Storm Fay 8/18/08	-	-	-	84,403	-	-
Federal Forfeiture Fund	-	-	-	-	-	-
Federal & State Grants for Hurricane Charle	-	20,231	-	-	-	-
Algae Research	-	-	576,810	576,810	168,729	382,941
Federal & State Grants for Hurricane Wilma	156,344	91,914	-	256,896	5,000	251,896
C.L.E.A.N. Grant	-	-	-	-	-	-
DCA - Emergency Operations Van	48,292	-	-	-	-	-
SFWMD Grant-Sanibel River Restoration	-	-	-	-	-	-
Southwest Florida Foundation-Historical	15,183	8,008	-	-	-	-
Algae Research	-	25,140	-	-	-	-
WCIND-Tarpon Bay Dredging Project	(1,786)	-	-	-	-	-
Below Market Rate Housing-CDBG Mitigatic	-	-	-	43,260	43,260	-
Lee County-Weigh Station Operations	-	-	-	-	-	-
Lee County Skate Park	27,871	-	-	-	-	-
Recreation Center Electric	-	25,961	26,197	26,197	26,197	30,912
Lee Co-Elementary Ball Park Maint	261,501	57,976	217,284	92,298	61,954	122,646
Total Intergovernmental	507,404	229,230	820,291	1,079,864	305,140	788,396
Charges for Services						
Police Causeway Escort-Hurricane Charley	-	-	-	-	-	-
Building Department Fees	6,704	6,864	6,095	6,095	6,095	6,095
Recreation Center Program Fees	-	459,448	100,000	482,727	361,614	277,000
Below Market Rate Housing Rents	-	-	-	-	-	-
Historical Committee Fund	5,944	-	-	-	-	-
Total Charges and Services	12,648	466,312	106,095	488,822	367,709	283,095
Fines & Forfeitures						
Other Fines & Forfeitures	56,199	24,182	17,600	17,600	20,388	17,600
Miscellaneous Revenue						
Investment Earnings	36,400	20,591	41,955	49,106	24,183	3,475
Weigh Station Rents from Lee County	-	-	-	-	-	-
Contributions & Donations	81,805	36,106	1,000	1,271	1,020	1,015
Special Assessments	-	-	-	-	-	17,100
Environmental Defense	100	-	-	-	-	-
Impact Fees	146,464	103,365	21,500	68,348	22,364	20,000
Other Miscellaneous Revenue	1,503	19	-	-	-	-
Total Miscellaneous Revenue	266,273	160,081	64,455	118,725	47,567	41,590
TOTAL REVENUE	2,552,953	2,925,034	2,706,782	3,649,227	2,447,652	4,027,466
Other Financing Sources						
Transfers In	954,995	2,824,207	1,775,370	2,004,526	2,015,427	3,162,945
Debt Proceeds	-	-	-	-	-	-
Reserve for Undercollection	-	-	(35,422)	(35,422)	-	(614)
Total Other Financing Sources	954,995	2,824,207	1,739,948	1,969,104	2,015,427	3,162,331
Total Beginning Fund Balance	4,146,174	6,773,181	6,629,348	7,874,599	6,719,347	9,065,259
Revenue & Other Financing						

**CITY OF SANIBEL  
SUMMARY OF SPECIAL REVENUE FUNDS**

USES OF FUNDS	2006-07 Actual	2007-08 Actual	Fiscal Year 2009			FY 10 Adopted
			Adopted Budget	Amended Budget	Estimated Actual	
<b>General Government</b>						
Hurricane Charley 8/13/04	-	-	-	-	-	-
SW Florida Communiy Grant	4,165	1,281	1,000	1,271	1,000	1,000
Tropical Storm Fay 8/18/08	-	15,010	-	-	-	-
Franchise & Occupational License Fund	512	-	-	-	-	-
Hurricane Wilma 10/21/05	-	-	-	-	-	-
<b>Total General Government</b>	<b>4,677</b>	<b>16,291</b>	<b>1,000</b>	<b>1,271</b>	<b>1,000</b>	<b>1,000</b>
<b>Public Safety</b>						
Tropical Storm Fay 8/18/08	-	38,951	-	-	-	-
Weigh Station	-	-	-	-	-	-
Hurricane Wilma 10/21/05	4,527	-	-	-	-	-
DCA - Emergency Operations Van	100,478	24,563	-	-	-	-
Building Department	748,710	638,104	601,212	578,575	559,692	587,728
C.L.E.A.N. Grant	-	-	-	-	-	-
SW Florida Community Foundation Grant	-	-	-	-	-	-
US Fish & Wildlife-Fire Safe Grant	-	-	-	-	-	-
<b>Total Public Safety</b>	<b>853,715</b>	<b>701,618</b>	<b>601,212</b>	<b>578,575</b>	<b>559,692</b>	<b>587,728</b>
<b>Physical Environment</b>						
Algae Research Grants	-	25,140	729,082	729,082	326,001	418,000
Hurricane Charley 8/13/04	-	-	-	-	-	-
Hurricane Wilma 10/21/05	-	-	-	-	-	-
Environmental Defense Fund	125,602	98,620	-	6,954	6,954	-
Brazilian Pepper Control Program	-	-	-	-	-	220,000
Sanibel Estates Canal Trimming Project	-	-	-	-	-	10,000
Dredging-Sanibel Isles/Water Shadows	-	6,704	-	-	-	-
Shell Harbor Canal Dredging	2,750	-	-	-	-	-
Environmentally Sensitive Land Acquisition	-	-	-	-	-	-
<b>Total Physical Environment</b>	<b>128,352</b>	<b>130,464</b>	<b>729,082</b>	<b>736,036</b>	<b>332,955</b>	<b>648,000</b>
<b>Transportation</b>						
Hurricane Charley 8/13/04	-	-	-	-	-	-
Transportation Fund	-	-	-	-	-	2,602,302
Tropical Storm Fay 8/18/08	-	17,273	-	-	-	-
<b>Total Transportation</b>	<b>-</b>	<b>17,273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,602,302</b>
<b>Economic Environment</b>						
Below Market Rate Housing Program	246,319	246,383	252,116	295,376	295,376	To Gen'l Fund
Hurricane Wilma 10/21/05	-	-	-	256,896	5,000	251,896
<b>Total Economic Environment</b>	<b>246,319</b>	<b>246,383</b>	<b>252,116</b>	<b>552,272</b>	<b>300,376</b>	<b>251,896</b>
<b>Human Services</b>						
Father Madden Estate Fund	974	1,000	1,000	1,000	1,000	1,000
<b>Culture/Recreation</b>						
Recreation Center Donation	33,792	-	-	-	-	-
Historical Committee Fund	140,212	135,091	-	-	-	-
Hurricane Charley 8/13/04	16,259	22,844	-	-	-	-
Tropical Storm Fay 8/18/08	-	5,169	-	-	-	-
SW Florida Community Foundation Grant	-	-	-	-	-	-
Hurricane Wilma 10/21/05	108,878	11,335	-	-	-	-
Recreation Center	-	1,769,199	1,537,479	1,725,602	1,746,299	1,952,638
Lee Co Elementary Ball Park Maint	316,654	360,249	328,543	270,158	269,365	279,619
Lee Co Skate Park	27,871	-	-	-	-	-
<b>Total Culture/Recreation</b>	<b>643,666</b>	<b>2,303,887</b>	<b>1,866,022</b>	<b>1,995,760</b>	<b>2,015,664</b>	<b>2,232,257</b>
<b>Total Operating Expenditures</b>	<b>1,877,702</b>	<b>3,416,916</b>	<b>3,450,432</b>	<b>3,864,914</b>	<b>3,210,687</b>	<b>6,324,183</b>
<b>Non-Operating Expenditures</b>						
Reserve for Compensation Adjustments	-	-	-	-	-	-
Reserve for Contingencies	-	-	50,000	9,765	-	-
Transfer to Other Funds	1,244,532	1,100,000	1,610,185	1,615,492	1,633,198	1,250,000
Redemption of Long-Term Debt	-	-	-	-	-	-
<b>Total Non-Operating Expense</b>	<b>1,244,532</b>	<b>1,100,000</b>	<b>1,660,185</b>	<b>1,625,257</b>	<b>1,633,198</b>	<b>1,250,000</b>
<b>TOTAL APPROPRIATIONS</b>	<b>3,122,234</b>	<b>4,516,916</b>	<b>5,110,617</b>	<b>5,490,171</b>	<b>4,843,885</b>	<b>7,574,183</b>
<b>ENDING FUND BALANCE</b>	<b>1,023,941</b>	<b>2,256,268</b>	<b>1,518,732</b>	<b>2,384,427</b>	<b>1,875,462</b>	<b>1,491,076</b>
<b>TOTAL USES OF FUNDS</b>	<b>4,146,175</b>	<b>6,773,184</b>	<b>6,629,348</b>	<b>7,874,598</b>	<b>6,719,347</b>	<b>9,065,259</b>

City of Sanibel, Florida

Special Revenue Funds

Transportation Fund

Fund No. 101

**Sources of Funds**

This fund is newly established in FY10 with the issuance in February 2009 of Governmental Accounting Standards Board (GASB) Statement No. 54. One of the objectives of Statement 54 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. In FY09 the City's funds were reviewed for GASB Statement No. 54 compliance and this new fund is established in FY10.

It is funded with \$700,000 of local option gas taxes, \$550,000 of \$.05 local option gas taxes and \$1,352,302 transferred from the general fund. By Florida statute gas taxes may only be used for transportation-related expenses.

**Uses of Funds**

The public works department's streets division expense was previously reported in the general fund. Its expenses have been moved to this newly-created fund in order to clearly align transportation expenditures with gas tax revenue, as required by Florida statute.

Additionally, to conform to Government Accounting Standards Board (GASB) Statement 54, repair and maintenance, operating supply and road materials supplies that were previously charged to the transportation capital projects Fund 301 will be reclassified and charged to this fund.

Expenditures in FY10 are budgeted to be \$2,602,302.

The result of these changes will be to align gas tax revenue to transportation expenditures and to properly classify select expenditures as operating rather than capital outlay. This reclassification will not increase expense to the general fund.