

RESOLUTION NO. 03-03

**A RESOLUTION TO ESTABLISH LEGISLATIVE INTENT AND PROCEDURES FOR THE CALCULATION OF THE EXPENDITURE LIMITATIONS AS PROVIDED BY SECTION 1.03 OF THE MARCO ISLAND CITY CHARTER.**

**WHEREAS**, the Marco Island electorate adopted the Marco Island City Charter on August 27, 1997; and

**WHEREAS**, Section 1.01(6) of the City Charter established limitations to an increase in expenditures from one year to the next; and

**WHEREAS**, the limitation to budgetary expenditures, referred to as the "spending cap" was amended by the Marco Island electorate on September 10, 2002; and

**WHEREAS**, it is determined to be in the best interests of the City to establish legislative policies for the interpretation and methodology to annually calculate the expenditure limitation in compliance with Section 1.03 of the City Charter.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of Marco Island, Florida, that:

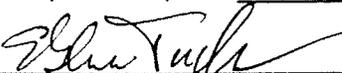
**Section 1.** Policies are hereby confirmed and established as provided in Exhibit "A" attached hereto and incorporated herein.

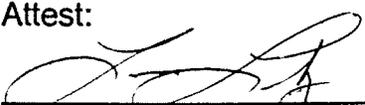
**Section 2.** The expenditure limits for fiscal year 2001-02 are restated on the basis of the September 10, 2002 referendum amendment and a subsequent restatement of the expenditure limits for fiscal year 2002-03 with Charter-authorized increases for the C.O.L.A. plus 3% as provided in Exhibit "B" attached hereto and incorporated herein.

**Section 3.** The fiscal year 2002-03 budget that is subject to the restated spending cap, after excluding those expenditures not subject to the expenditure limitation, is provided in Exhibit "C" attached hereto and incorporated herein.

**Section 4.** This resolution shall take affect immediately upon adoption.

Passed in open and regular session of the City Council of the City of Marco Island, Florida, this 13th day of January 2003.

  
\_\_\_\_\_  
E. Glenn Tucker, Chairman

Attest:  
  
\_\_\_\_\_  
Laura Litzan, City Clerk

## EXHIBIT A

### POLICIES AND PROCEDURES USED TO CALCULATE THE SPENDING CAP LIMITS AS PROVIDED IN SECTION 1.03 OF THE MARCO ISLAND CITY CHARTER

1. The term "operating expenditures" shall be interpreted as adopted budgetary expenditures. The limitations to the growth in expenditures from one year to the next, herein referred to as the "spending cap," shall be determined on a budget-to-budget basis with the approved budget for the prior fiscal year used as the base and increased annually by the authorized Cost of Living Adjustment plus the authorized annual increase of 3%.
2. Operating expenditures shall be deemed to include all budgeted expenditures, including capital expenditures and repayment of municipal debt, except as below:
3. Expenditures funded by the proceeds of municipal debt shall not be included in the budget for the purpose of calculating the spending cap. However, repayment of municipal debt, including principal and interest shall be included in the budget for the purpose of calculating the spending cap for the life of the indebtedness.
4. Capital expenditures budgeted and subject to the spending cap in a prior fiscal year, but unexpended as of the end of that fiscal year, may be carried forward into a subsequent fiscal year and those expenditures shall not be included in the calculation of the spending cap in the subsequent fiscal year.
5. Expenditures funded by grants and gifts shall be excluded from the budget for the purposes of calculating the spending cap.
  - a. To restate the spending cap for fiscal year 2001-02 following the referendum of September 10, 2002, budgeted expenditures included in the calculation of the spending cap shall be reduced by grants and gifts budgeted in fiscal year 2001-02 as provided in Exhibit "B".
  - b. Beginning in fiscal year 2002-03 and continuing thereafter, budgeted expenditures funded by grants and gifts shall be excluded from the budget for the purpose of calculating the spending cap as provided in Exhibit "C".
6. Expenditures funded by impact fees shall be excluded from the budget for the purpose of calculating the spending cap.
  - a. Budgeted expenditures included in the calculation of the spending cap for fiscal year 2001-02 shall be reduced by expenditures funded by impact fee revenues budgeted in that year as shown on Exhibit "B".
  - b. Beginning in fiscal year 2002-03 and continuing thereafter, budgeted expenditures financed by impact fee revenue shall be excluded from the

budget for the purpose of calculating the spending cap as provided in Exhibit "C".

7. Expenditures for utilities and other self-supporting enterprise funds, including debt service payments, shall be excluded from the budget for the purpose of calculating the annual spending cap.

a. For fiscal year 2001-02 budgeted expenditures included in the calculation of the spending cap shall be reduced by the total budget of the Sewer Utility Fund as provided in Exhibit "B".

b. Beginning in fiscal year 2002-03 and continuing thereafter, the Sewer Utility Fund and all other utilities and self-supporting enterprise funds, including debt service payments, shall be excluded from the budget for the purpose of calculating the spending cap (Exhibit "C").

8. In the event that an unforeseen circumstance or combination of circumstances occur(s) that calls for immediate action, the City Council may consider declaring an emergency. Upon declaration of an emergency, such expenditures shall be excluded from the budget for the purpose of calculating compliance with the spending cap in that fiscal year.

9. Expenditures relating to the refinancing of outstanding debt shall be exempt from the budget for the purpose of calculating the spending cap.

**EXHIBIT B**

**EXPENDITURE LIMITS FOR FISCAL YEAR 2001-02  
PURSUANT TO  
SEPTEMBER 10, 2002 REFERENDUM AMENDMENT**

<b>Fiscal Year 2002 Final Budget</b>		<b>\$ 16,388,667</b>
1. Remove Enterprise Fund Operations No Longer Subject to Spending Cap: Sewer Utility Fund		\$ (817,701)
2. Remove Capital Expenditure Funded by Grants and Gifts:		
COPS Grant-Police Vehicle	\$ (25,000)	
COPS Grant-Police Equipment	(4,100)	
FDOT Grant-Goodland Pathway	(97,000)	
FDOT Grant-Jolley Bridge Landscaping	(20,000)	
CDBG Grant-Tallwood Sewer-Phase 1	(250,000)	
Sub-Total		\$ (396,100)
3. Remove Capital Expenditures Funded by Impact Fees:		
Fire Impact Fees-Command Vehicle	\$ (50,000)	
Fire Impact Fees-Capital Equipment	(26,000)	
Parks Impact Fees-Bocce Courts	(80,000)	
Parks Impact Fees-Lots C & D – Acquire	(150,000)	
Parks Impact Fees – Lot at Clam Bay	(300,000)	
Road Impact Fees-North Collier Blvd. Design	(250,000)	
Road Impact Fees-South Collier Blvd. Design	(394,000)	
Road Impact Fees-Elkcam Signal Design	(25,000)	
Sub-Total		\$ (1,275,000)
<b>Restated Fiscal Year 2002 Spending Cap Per September 2002 Referendum</b>		<b>\$ 13,899,866</b>
<b>Fiscal Year 2003 Budget Calculation:</b>		
Increase for Cost of Living	2.6%	
Allowable Increase	3.0%	
<b>Fiscal Year 2003 Spending Cap Revised Per September 2002 Referendum</b>		<b>\$ 14,689,100</b>

**EXHIBIT C**

**EXPENDITURE LIMITS FOR FISCAL YEAR 2002-03  
PURSUANT TO  
SEPTEMBER 10, 2002 REFERENDUM AMENDMENT**

<b>Fiscal Year 2003 Adopted Budget</b>		<b>\$ 20,053,670</b>
1. Remove Enterprise Fund Operations No Longer Subject to Spending Cap: Sewer Utility Fund		(906,539)
2. Remove Capital Expenditure Funded by Grants and Gifts:		
COPS-More Grant for Police Computers	\$ (185,400)	
FDOT Grant-North Collier Boulevard	(300,000)	
SWFWMD Grant-Swale Renovations	(50,000)	
CDBG Grant-Tallwood Sewer Project	(500,000)	
Developer Contribution-Elkcam Signal	(55,000)	
Developer Contribution-South Collier Boulevard	(214,000)	
Sub-Total		\$ (1,304,400)
3. Remove Capital Expenditures Funded by Impact Fees:		
Police Impact Fees-New Facility Design	\$ (10,000)	
Fire Impact Fees-Capital Equipment	(70,500)	
Parks Impact Fees-Lots C & D – Acquire	(75,000)	
Parks Impact Fees-Mackle Park Expansion	(110,000)	
Road Impact Fees-Winterberry Expansion	(129,750)	
Road Impact Fees-San Marco/Bald Eagle Drive	(182,250)	
Road Impact Fees-San Marco/Heathwood Drive	(192,375)	
Road Impact Fees-Elkcam Circle Signal	(70,000)	
Road Impact Fees-North Collier Boulevard	(28,400)	
Road Impact Fees-Collier County-N. Collier Blvd.	(250,000)	
Road Impact Fees-Bald Eagle LOS Study	(50,000)	
Sub-Total		\$ (1,168,275)
4. Remove Capital Expenditures Funded by Bonds: Fiscal year 2003 Capital Projects Financed by Bond Issue:		\$ (1,985,000)
<b>Fiscal Year 2003 Budget Subject to Spending Cap Revised Pursuant to September 2002 Referendum</b>		<b>\$ 14,689,456</b>
<b>Fiscal Year 2003 Budget Over Spending Cap:</b>		<b>\$ 356</b>