

Town of Fort Myers Beach



To: Terry Stewart, Town Manager
From: Evelyn Wicks, Finance Director
Date: November 8, 2010
Re: Budget 2010 Financial overview – preliminary

E. Wicks

Attached please find the financial reports for the year ending September 30, 2010. These reports are preliminary and unaudited. Please let me know if I can provide any additional information.

- **General Fund**
 - Revenue and Expenditures (page # 2)
 - Variance explanations (page # 3)
 - **All Operating and Special Revenue Funds**
 - Revenue and Expenditures Summary (page #6)
 - Variance explanations (page # 7)
 - **Capital Projects Fund**
 - Expenditure summary by project (page # 8)
 - **Public Works Services**
 - Revenue and Expenditure Detail (page # 9)
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Preliminary Budget Review FY 2009-10 (unaudited)

**Town of Fort Myers Beach
General Fund - Detail
September 30, 2010 - unaudited (100.0% of year complete)**

	Budget 2009-10	Actual Year-to-Date Year-to-Date	% Received	\$ Variance from Budget (under)	See Note #
Revenues					
Property Taxes	\$ 2,427,310	\$ 2,377,876	97.96%	(49,434)	
Franchise Fees	65,000	75,586	116.29%	10,586	
Sales Tax	419,709	359,510	85.66%	(60,199)	
Utilities Tax	9,000	7,274	80.83%	(1,726)	
Other Taxes	762,290	815,515	106.98%	53,225	
Short Term Rentals	2,500	3,827	153.08%	1,327	
Licenses & Permits	164,800	296,588	179.97%	131,788	8
Fines & Forfeitures	59,000	49,752	84.32%	(9,248)	
Operating Grants	242,450	395,263	163.03%	152,813	
Charges for Service	610,800	534,532	87.51%	(76,268)	
Interest	112,500	105,429	93.71%	(7,071)	
Miscellaneous Revenues	297,236	218,922	73.65%	(78,314)	
Transfers	98,334	238,361	242.40%	140,027	1
TOTAL REVENUES	\$ 5,270,929	\$ 5,478,434	103.94%	\$ 207,505	

	Budget 2009-10	Actual Year-to-Date Year-to-Date	% Spent	\$ Variance from Budget (under)	See Note #
Expenditures					
Town Council	\$ 163,642	\$ 184,147	112.53%	20,505	2
Committees	8,400	5,663	67.42%	(2,737)	
Town Manager	171,500	211,127	123.11%	39,627	3
Town Clerk	204,296	175,454	85.88%	(28,842)	
General Services	780,696	725,215	92.89%	(55,481)	
Legal Services	201,000	276,605	137.61%	75,605	4
Financial Services	248,614	244,425	98.32%	(4,189)	
Public Works Administration	373,480	265,436	71.07%	(108,044)	
Parks and Recreation	723,690	755,764	104.43%	32,074	5
Maintenance	586,804	561,827	95.74%	(24,977)	
Maritime	188,009	213,936	113.79%	25,927	6
Times Square	70,900	90,391	127.49%	19,491	7
Parking	321,188	280,704	87.40%	(40,484)	
Community Development Admin.	440,480	383,463	87.06%	(57,017)	
Building Division	398,424	592,351	148.67%	193,927	8
Code Compliance	146,745	82,427	56.17%	(64,318)	
LPA	61,195	18,837	30.78%	(42,358)	
Mound House	170,716	167,290	97.99%	(3,426)	
Newton Project Administration	12,700	6,124	48.22%	(6,576)	
FPAN Program (net)	183,350	127,317	69.44%	(56,033)	
TOTAL EXPENDITURES	\$ 5,455,829	\$ 5,368,503	98.40%	\$ (87,326)	

Revenues over (under) Expenditures \$ (184,900) \$ 109,931

Notes:

Revenue and Expenditure variances explanations are attached and are an integral portion of this report.

Revenues

The actual year-end revenues for the General Fund for year ending 9/30/2010 were \$207,505 greater than budgeted. Overall, revenues performance was consistent with the adopted budget.

1. Transfers – the administrative transfer from the Water Utility was approved in February, 2010 with the adoption of the amended Public Works Services Inc. budget. The transfer was not originally included in the General Fund budget. Additional transfers from the Beach Access fund will be made during the audit process.

Expenditures

The actual year-end expenditures for the General Fund for year ending 9/30/2010 were \$87,326 less than budgeted. Overall, expenditure and department fiscal performance was consistent with the adopted budget. Explanations for budget variances are listed below by department.

2. Town Council – The Town Council exceeded their original budget allocation due to assigning more duties to the contracted lobbyist.
3. Town Manager – The Town Manager’s office exceeded the original budget allocation due to resignation of the former Town Manager and the subsequent contract with an interim manager.
4. Legal – The legal activities of the Town involved a number of cases that required outside counsel. The Town originally budgeted \$61,000 for these cases and the final actual amount exceeded \$121,000.
5. Parks and Recreation - the Parks and Recreation Department offers a number of activities that are designed to be offset by revenues and donations for these programs.

	Budget	Expenses	Program Revenues	Donations	Net Cost (income)
Seniors	\$ 5,000	\$ 33,364	\$ 20,622	\$ 7,826	\$ 4,916
Teens	5,000	3,905	1,190	250	2,465
Youth	5,000	6,309	33,630	1,575	(28,896)
Athletics	2,000	14,159	13,819	1,100	(760)
Special Events	4,000	5,905	5,224	-	681

Youth programs include Club Rec, Summer Camp and Fun Days.

6. Maritime – this department is responsible for the operation of the Mooring Field. The Town has hired a company to act as the Town’s agent at the Mooring Field location. The payment to the contractor is based on revenue. Revenues for the year were higher than expected which results in higher payments to the contractor.

Mooring Field	Rent	Tax	Total	70% to contractor	30% to Town
October, 2009	\$ 5,215	\$ 313	\$ 5,527	\$ 3,650	\$ 1,564
November, 2009	7,648	454	8,102	5,354	2,294
December, 2009	11,739	703	12,442	8,217	3,522
January, 2010	14,368	846	15,214	10,058	4,310
February, 2010	13,042	816	13,858	9,129	3,913
March, 2010	15,343	920	16,263	10,740	4,603
April, 2010	12,900	774	13,674	9,030	3,870
May, 2010	8,543	512	9,055	5,980	2,563
June, 2010	5,341	308	5,649	3,739	1,602
July, 2010	4,005	240	4,245	2,804	1,202
August, 2010	3,745	225	3,970	2,622	1,124
September, 2010	3,927	236	4,163	2,749	1,178
<i>Totals</i>	\$ 105,816	\$ 6,347	\$ 112,162	\$ 74,071	\$ 31,745

*The Town budgeted Harborage User Fees at \$80,300 and payment to the contractor at \$62,000;
The increased use at the Mooring Field increased both revenues (\$105,816) and expenses (\$74,071).*

7. Times Square - The Time Square program accounts for all of the maintenance and repair costs associated with the upkeep of the area. Daily activities include garbage collection, sweeping and grounds maintenance. Many years ago, the Town agreed to be responsible for a certain percentage of the cost of garbage collection. In the upcoming budget, the Council increased the fees for table rental. The program requires a subsidy from general fund revenue sources.

8. Building Department - during the budget process, the Town forecast revenue based on the actual amount of building permit and zoning fees that would be retained by the Town and on the amount of that would be spent on the inter-local agreement with Lee County. Revenues are collected by the Town for certain building permits and forwarded to the County. The result is that revenues and expenses are both higher than the amount budgeted.

Building Department	Fees Collected	Paid to Lee County	Retained by Town	Inter-Local Agreement Fees to Lee County	Total Fees Paid to Lee County
October, 2009	\$ 13,343	\$ 11,627	\$ 1,716	\$ 25,962	\$ 37,589
November, 2009	11,165	13,258	(2,093)	25,962	39,220
December, 2009	12,260	8,471	3,789	25,962	34,433
January, 2010	7,347	8,294	(947)	25,962	34,256
February, 2010	11,126	8,431	2,696	25,962	34,393
March, 2010	10,023	9,932	91	25,962	35,894
April, 2010	13,251	12,130	1,121	25,962	38,092
May, 2010	19,515	18,832	683	25,962	44,794
June, 2010	14,789	16,396	(1,607)	25,962	42,358
July, 2010	18,025	18,455	(430)	25,962	44,417
August, 2010	28,347	25,113	3,234	25,962	51,075
September, 2010	18,997	19,257	(260)	25,962	45,219
<i>Totals</i>	\$ 178,190	\$ 170,197	\$ 7,993	\$ 311,544	\$ 481,741

Preliminary Budget Review FY 2009-10 (unaudited)

Town of Fort Myers Beach
All Operating Funds - Summary (unaudited)
September 30, 2010 (100.0% of year complete)

	Budget 2009-10	Actual Year-to-Date		\$ Variance from Budget (under)
		Year-to-Date	% Received	
Revenues				
General Fund	\$ 5,270,929	\$ 5,478,439	103.9%	207,510
Old San Carlos/DRA	41,060	-	0.0%	(41,060)
Road Impact Fees	45,100	10,866	24.1%	(34,234)
Park Impact Fees	17,650	5,142	29.1%	(12,508)
Beach Renourishment	20,000	63,286	316.4%	43,286
Palmetto/Easy Street	3,600	2,445	67.9%	(1,156)
Beach and Shoreline**	548,808	165,688	30.2%	(383,120)
Gas Tax	463,175	380,416	82.1%	(82,759)
Emergency Preparedness*	2,000	1,151	57.5%	(849)
Laguna Shores	63,928	62,733	98.1%	(1,195)
Total Operating Revenues	\$ 6,476,250	\$ 6,170,165	95.27%	\$ (306,085)

	Budget 2009-10	Actual Year-to-Date		\$ Variance from Budget (under)
		Year-to-Date	% Spent	
Expenditures				
General Fund	\$ 5,455,829	\$ 5,368,503	98.4%	(87,326)
Old San Carlos/DRA	5,000	188	3.8%	(4,813)
Road Impact Fees	750	3,351	446.8%	2,601
Park Impact Fees	650	1,519	233.8%	869
Beach Renourishment	-	-	0.0%	-
Palmetto/Easy Street	3,600	41	1.1%	(3,559)
Beach and Shoreline**	258,071	111,089	43.0%	(146,982)
Gas Tax	709,000	357,112	50.4%	(351,888)
Emergency Preparedness*	520,750	-	0.0%	(520,750)
Laguna Shores	63,928	5,576	8.7%	(58,352)
Total Operating Expenditures	\$ 7,017,578	\$ 5,847,379	83.32%	\$ (1,170,199)

Notes:

*Per the budget, \$500,000 was transferred from the General Fund - Fund Balance to establish the Emergency Preparedness Fund. The transfer was completed in November, 2009. Expenditures are budgeted in the event of an Emergency, but are not expected to be used during the course of the fiscal year.

**Beach and Shoreline is funded by a grant from TDC. Reimbursement requests are submitted twice per year.

Revenues and Expenditures – All Other Funds

Descriptions of the revenue for all other funds (excluding the Capital Projects Fund) are outlined below. These are self-balancing non-major funds that are used for special purposes.

- Old San Carlos
 - a. *Revenues* -there are two outstanding assessments for the Old San Carlos project; liens have been placed against both properties.
 - b. *Expenditures* – any revenue collected will be transferred to other funds. As soon as these assessments are collected, the fund will be eliminated.

- Road Impact Fees
 - a. *Revenues* -road impact fees are generated by new construction. Estimates are based on expected building activity. The current economy makes the revenue very difficult to forecast.
 - b. *Expenditures* – impact fees are restricted as to their use. Transfers are generally made to the Capital Projects Fund for authorized projects.

- Park Impact Fees
 - a. *Revenues* -park impact fees are generated by new construction. Estimates are based on expected building activity. The current economy makes the revenue very difficult to forecast.
 - b. *Expenditures* – impact fees are restricted as to their use. Transfers are generally made to the Capital Projects Fund for authorized projects.

- Beach Nourishment
 - a. *Revenues* - the only revenue for beach nourishment is investment earnings. The budget was forecast lower this year because the Town expected to use a portion of the fund balance.
 - b. *Expenditures* – there were no expenditures from this fund for the current year.

- Palmetto/Easy Street
 - a. *Revenues* - this special assessment district has a limited number of assessments outstanding. Liens have been placed against properties in the district.
 - b. *Expenditures* – any revenue collected will be transferred to other funds. As soon as these assessments are collected, the fund will be eliminated.

- Beach and Shoreline –
 - a. *Revenues* - this fund has been reorganized to account solely for revenue and expenditures that are reimbursed by the TDC. The Town submits a grant request to the TDC (Tourist Development Council). Once the grant is approved and the work completed, the Town submits a request for reimbursement. The reimbursement request for the 2nd half of 2009-10 is being prepared and will be submitted.
 - b. *Expenditures* – include all beach and shoreline maintenance activities.

- Gas Tax
 - a. *Revenues* – this special revenue fund accounts for State, local and federal transportation related revenues. Other local revenues are considered where appropriate and investment earnings are also reported in this fund.
 - b. *Expenditures* – revenues from other governmental agencies for transportation are generally restricted as to their use. Transfers are made to the Capital Projects Fund for authorized projects.

- Emergency Preparedness
 - a. *Revenues* - the only revenue for this fund is interest earned.
 - b. *Expenditures* - expenditures are budgeted in the event of an emergency, but are not expected to be used during the course of the fiscal year.

- Laguna Shores –
 - a. *Revenues* - this special assessment district has a limited number of assessments outstanding. Liens have been placed against properties in the district.
 - b. *Expenditures* – any revenue collected will be transferred to other funds. As soon as these assessments are collected, the fund will be eliminated. There were some expenses for Laguna Shores included in the Capital Projects Fund in the amount of \$11,138.

▪ Capital Projects Fund

Revenues – revenue for the Capital Projects Fund comes from a number of sources. The majority of revenue is transfers and grant revenues.

Expenditures – expenditures are tracked by project and ultimately matched to the appropriate revenue source. Once the project is completed, it is transferred from this fund to the Town’s fixed asset schedule.

Town of Fort Myers Beach
Capital Projects Fund - Expenditures
30-Sep-10

Expenditures	Budget	YTD
Basin Based Project HMPG	\$ 650,000	\$ 41,095
Storm Water	125,000	46,011
North Estero Project	4,159,556	1,630,996
Solid Waste Transfer Station	42,900	-
Beach Nourishment	1,000,000	-
Newton Park	500,297	174,533
Mound House Improvements	1,163,398	340,610
Neighborhood Landscaping	12,500	-
Beach Access Comfort Station	128,475	98,924
Laguna Shores	-	11,138
<i>Totals</i>	\$ 7,782,126	\$ 2,343,307

These projects have been funded using a variety of sources. The construction in process portion of the annual audit will identify and determine grant requests due and the status of each project. A final report for the year ending 9/30/2009 will be issued at a later date. Expenditures for on-going projects must be reappropriated annually.

Public Works Services, Inc.

WATER UTILITY

Town of Fort Myers Beach
Revenues

Account #	Public Works Services, Inc. Revenues	Amended 2009-10	YTD 9/30/2010
40.000.331.3500	Miscellaneous	2,243	24,249
40.000.331.3601	Interest Income	-	7,174
40.000.331.3668	Establish service charge	4,264	12,219
40.000.331.3669	Trip charges	640	874
40.000.331.3671	Reconnection fees	3,198	5,240
40.000.331.3675	Fire Service	7,000	8,754
40.000.331.3700	Returned check fee	-	228
40.000.331.8004	Water	2,950,960	3,146,031
40.000.331.8005	Water - late charges	10,300	17,737
40.000.331.8006	Water - Administration	68,412	92,648
40.000.331.9999	Water - Capital reserves	239,250	190,251
		<u>\$ 3,286,267</u>	<u>\$ 3,505,405</u>

WATER UTILITY

Town of Fort Myers Beach Public Works Services, Inc.
Expenditures - Detail by Department

Account #	Public Works Services, Inc. Expenditures	Amended 2009-10	YTD 9/30/2010
40.000.533.5110	Administrative Expense	156,616	156,526
40.000.533.5331	Professional Services	129,670	43,761
40.000.533.5332	Accounting and Auditing	20,000	22,500
40.000.533.5334	Other Contractual Services/dep refunds	36,087	38,510
40.000.533.5343	Utility Services	43,800	29,647
40.000.533.5345	Insurance	74,263	79,923
40.000.533.5346	Repair and Maintenance	240,925	313,725
40.000.533.5349	Other Current Charges/Misc.	4,500	5,897
40.000.533.5351	Office Supplies	-	169
40.000.533.5352	Operating supplies	11,742	14,442
40.000.533.5353	Capital Additions/Operations Equipment	97,000	106,927
40.000.533.5359	Depreciation Expense	222,737	-
40.000.533.5440	Travel/Training/Meals	3,000	-
40.000.533.5531	Professional Services Mgmt	400,192	379,285
40.000.533.5533	Bank Charges	-	18,479
40.000.533.5540	Membership and dues	600	1,340
40.000.533.5543	Bulk Water agreement	1,286,816	1,254,909
40.000.533.5591	Professional Services - Legal	6,695	21,243
40.000.533.5546	Capital Improvements	1,737,423	1,255,968
40.000.533.5553	Reserve - Capital Improvements	-	-
40.000.533.5572	Note Interest	122,000	286,291
40.000.533.5573	Loan Principal	180,000	
40.000.533.9999	Capital Reserves	239,250	
		<u>\$ 5,013,316</u>	<u>\$ 4,029,542</u>