



## AGENDA MEMORANDUM

*Finance Department*

**City Council Regular Meeting Date: October 3, 2023**

**To:** City Council  
**From:** Steve C. Chaipel, Deputy City Manager/CFO  
**Date:** September 21, 2023

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**SUBJECT:** Resolution 23-067 Approving Budget Amendment 2023-011

**BACKGROUND:** The fiscal year 2023 budget was adopted at the City's final budget hearing on October 3, 2022 after being delayed due to Hurricane Ian. At the time of adoption, no changes or adjustments were made to the budget related to the storm.

As the City progressed through the immediate recovery from the storm, the budget was amended to reflect anticipated activity – for example the receipt of reimbursements from the Federal Emergency Management Agency (FEMA) and the State of Florida.

In connection with the closing of the fiscal year, Staff has prepared this final budget amendment to adjust the fiscal year 2023 budget to reflect most of the actual revenues and expenditures for the governmental funds. The City enterprise funds (Sewer and Beach Parking) are accounted for on a full accrual basis and are still in the process of being closed out. As such, amendments to those budgets are not considered necessary for year end.

### **General Fund**

- Revenues were adjusted to reflect actual receipts.
- FEMA and State reimbursements from storm damage were eliminated as these reimbursements will be reflected in the Hurricane Ian fund.
- The ARPA funds budget was increased to recognize the remainder of the grant in FY 2023.
- State revenue grants were increased to recognize the reimbursement for the City's marine operations after Hurricane Ian.
- The transfer from Beach Parking was reduced to reflect actual activity.
- The appropriation of \$5.5 million in reserves that was made to the Emergency Management Department was placed back into ending fund balance. The expenditures related to the storm are in the Hurricane Ian fund.

### **Transportation Fund**

- Gas tax revenues were increased to reflect actual receipts
- Toll revenue received from Lee County was reduced to reflect actual activity.

*Sanibel is and shall remain a barrier island sanctuary*

- Expenditures were reduced in certain accounts to reflect actual activity

#### **Hurricane Ian Fund**

- Grant revenue was increased to reflect the reimbursement from FEMA and the State for the City's first obligated project
- Other revenue line items were increased to reflect actual activity.
- As the fund was not included in the adopted FY 2023 budget, expenditure line items by department are being increased to reflect actual activity. Most of these expenditures relate to personnel costs in the aftermath of the storm. However, all storm related expenditures paid in the fiscal year are included in this amendment.
- Budget amendment 23-014 made during the fiscal year appropriated \$2,122,960 in total insurance deductibles that would be required to be paid by the City under its insurance policies. This amendment reduces that line item for deductibles that have not been paid to date. The fiscal year 2024 budget includes these expenditures.

#### **Building Fund**

- Permit revenue is being increased based on actual activity.
- FEMA and State revenues were increased based on reimbursement activity that occurred in fiscal year 2023.
- Operating expenditure line items were increased based on actual activity in fiscal year 2023.
- Capital outlay expenditures for furniture, equipment, and vehicles was increased based on actual activity.

#### **Recreation Fund**

- FEMA and State revenues were increased based on reimbursement activity that occurred in fiscal year 2023.
- Membership and program revenues are being adjusted to reflect actual activity.
- Personnel and operating expenditures are being adjusted to reflect actual activity.

**FUNDING SOURCE:** N/A. The net affect of these adjustments is being reflected in the budgeted ending fund balance for each fund.

**RECOMMENDED ACTION:** Approve Resolution 23-067.