



1015 Cultural Park Blvd.  
Cape Coral, FL

## **BUDGET REVIEW COMMITTEE**

<b>July 24, 2019</b>	<b>9:00 AM</b>	<b>Council Chambers</b>
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**1. Call to Order**

A. Chair Starnier

**2. Roll Call:**

A. Botkin, Eidson, Gruber, Jacquet-Castor, Osborn, Starnier, and  
Alternate Boller

**3. Public Input**

**4. Business**

A. Discussion of FY 2020-2022 City Manager's Proposed Budget

**5. Public Input**

**6. Member Comment**

**7. Date and Time of Next Meeting:**

A. Thursday, July 25, 2019, at 9:00 a.m. in Conference Room 220A

**8. Adjournment**

In accordance with the Americans with Disabilities Act and Section of 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the Office of the City Clerk at least forty-eight (48) hours prior to the meeting. If hearing impaired, telephone the Florida Relay Service Numbers, 1-800-955-8771 (TDD) or 1-800-955-8770 (v) for assistance.

If a person decides to appeal any decision made by the Board/Commission/Committee with respect to any matter considered at such meeting or hearing, he will need a record of the proceedings, and for such purpose, he may need to ensure that a verbatim record of the

proceedings is made, which record includes the testimony and evidence upon which the appeal is based.

<b>Item Number:</b>	<b>4.A.</b>
<b>Meeting Date:</b>	<b>7/24/2019</b>
<b>Item Type:</b>	<b>Business</b>

**AGENDA REQUEST FORM**  
CITY OF CAPE CORAL



**TITLE:**

Discussion of FY 2020-2022 City Manager's Proposed Budget

**SUMMARY:**

**ADDITIONAL INFORMATION:**

**ATTACHMENTS:**

<b>Description</b>		<b>Type</b>
▢	BRC Recommendations Discussions-Backup	Backup Material
	Material	



## CAPE CORAL POPULATION BY YEAR

YEAR	POPULATION
1980	34,167
1981	35,037
1982	37,076
1983	38,899
1984	42,016
1985	50,503
1986	55,099
1987	59,744
1988	63,976
1989	69,284
1990	74,991
1991	77,398
1992	79,422
1993	81,447
1994	83,768
1995	86,140
1996	88,119
1997	90,484
1998	93,017
1999	96,189
2000	102,286

YEAR	POPULATION
2001	108,421
2002	116,159
2003	126,601
2004	136,910
2005	150,456
2005	150,456
2006	163,126
2007	170,849
2008	174,142
2009	167,814
2010	163,095
2011	155,158
2012	156,486
2013	161,248
2014	163,599
2015	169,854
2014	163,599
2015	169,854
2016	179,804
2017	183,365
2018	189,343

Source: Data derived from BEBR, ESRI and U.S. Census Report, Prepared by Economic Development Office City of Cape Coral

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Code Enforcement Discussion:

Department	2005 FTE	2020 FTE	% Change			
Police	186	243*	31%			
Fire Dept.	166	213	28%			
Code Enforcement	29 (2010)	27	-6.9%			
City Population	150,000	195,000	31%			

\*Excluding SROs

Currently the ratio of pro-active code enforcement actions to reactive is 50%. The BRC recommends this ratio be increased to 70/30 by whatever means available... increased staffing, new technology, different policies and procedures or resetting priorities.

**Millage Rate Discussion:**

Lee County Property Appraiser values CC taxable property at \$15,019,285,770.

Therefore one mill equals \$15,019,285.

The current millage rate is 6.75 or \$101,380,178. Because of prepayment discounts the assumption is the total collected will be \$97,324,972.

**Unexpected Revenue:**

Higher property values - \$7.3mm

Amendment #1 rejection – 3.8mm

Reduced pension plan contributions – 4.8mm

Total = \$15.9mm

The City Manager is recommending a millage rate of 6.55 or a reduction of \$3.08mm leaving \$12.82mm of unexpected revenue.

The PST is increasing by 3% or \$220,000. The FSA is increasing by 8.9% or \$2.09MM. When adding these two items to the unexpected revenue of \$12.82mm the total is \$15.13mm of unexpected/new revenue.

The BRC is recommending that the millage rate be reduced to 6.35 or \$91,557,566, an ad valorem tax reduction of \$5,767,406.

#### Charter School Discussion:

The Charter School System is one of crown jewels of the City of Cape Coral. The BRC believes that the city should do everything in its power to insure that the schools remain in business and be on a firm financial foundation.

The two City Code ordinances listed below make that goal difficult to achieve:

- **§ 26-16 - Indebtedness.**

[SHARE LINK TO SECTION](#)[PRINT SECTION](#)[DOWNLOAD \(DOCX\) OF SECTION](#)[EMAIL SECTION](#)[COMPARE VERSIONS](#)

In addition to the powers and/or duties enumerated in § 26-15 above, the city shall have the authority to issue bonds, securities or other forms of indebtedness allowed by law to finance the construction, renovation, remodeling or operation of charter schools, providing that no indebtedness will ever be a general obligation of the city and **no city ad valorem tax revenue shall ever be pledged for any indebtedness incurred on behalf of charter schools unless approved by a vote of the city electorate.**

(Ord. 41-04, 4-12-2004)

- **§ 26-17 - Administrative services.**

[SHARE LINK TO SECTION](#)[PRINT SECTION](#)[DOWNLOAD \(DOCX\) OF SECTION](#)[EMAIL SECTION](#)[COMPARE VERSIONS](#)

The city shall have the **right to require the Authority** to use city departments and personnel for services including, but not limited to, human resources, purchasing, administrative, accounting, financial, engineering, risk management, construction, repair and maintenance, insurance and other related services from the city. **The city shall charge a fee or fees for those services; the fee or fees shall be equal to the cost of providing those services.**

(Ord. 41-04, 4-12-2004)

It would appear that using real property taxes is not a proper way to help fund the schools. The BRC would like to know if some of the money received from the PST or FSA or some other revenue source could be used in this situation.

Performance audits provide elected officials and government employees with an objective, third-party analysis of their operations to help them improve performance, reduce costs, and make informed, data-driven decisions.

## Principles of Performance Audits

A performance audit is a non-recurring examination of the economy, efficiency and effectiveness of government programs and functions. The principles guiding performance auditing are often called the "Three Es":

- The principle of ECONOMY is keeping the cost low.
- The principle of EFFICIENCY is getting the most out of available resources.
- The principle of EFFECTIVENESS is meeting the objectives set.

Tailored to each client, performance audits are flexible and may include a range of subject areas. Performance audits can analyze the operations of an entire entity or a particular department. They can also examine a function or service that cuts across the operation or a single issue that involves several departments. Some examples of areas commonly analyzed are staffing, health insurance, collective bargaining agreements, employee compensation, contract management, procurement, public utilities, transportation systems, facility and fleet management, asset utilization, public safety, recreational activities, and information technology utilization. Results may identify cost savings, duplicative or underused services that could be reduced or eliminated, and gaps and overlaps in services. Performance audits are collaborative efforts requiring the participation of the governments being audited during all three phases of the engagement: planning, fieldwork, and reporting. A performance audit can be used by any government seeking to improve operations and identify cost savings.