

**Mayor**

Joe Coviello

**Council Members**

District 1: John Gunter

District 2: John M. Carioscia Sr.

District 3: Marilyn Stout

District 4: Jennifer I. Nelson

District 5: Dave Stokes

District 6: Richard Williams

District 7: Jessica Cosden



1015 Cultural Park Blvd.  
Cape Coral, FL

**City Manager**

John Szerlag

**City Attorney**

Dolores Menendez

**City Auditor**

Andrea R. Butola

**City Clerk**

Kimberly Bruns

**AGENDA**  
**JOINT CITY COUNCIL AND BUDGET REVIEW COMMITTEE**  
**BUDGET WORKSHOP**

August 20, 2019

1:00 PM

Council Chambers

**PLEDGE OF CIVILITY**

We will be respectful of each other even when we disagree.  
We will direct all comments to the issues. We will avoid personal attacks.

**1. MEETING CALLED TO ORDER**

A. MAYOR COVIELLO

**2. INVOCATION/MOMENT OF SILENCE**

**3. PLEDGE OF ALLEGIANCE**

**4. ROLL CALL**

A. MAYOR COVIELLO, COUNCIL MEMBERS CARIOSCIA, COSDEN, GUNTER, NELSON, STOKES, STOUT, WILLIAMS

B. BOTKIN, EIDSON, GRUBER, HAYDEN, JACQUET-CASTOR, OSBORN, STARNER

**5. BUSINESS:**

A. CITIZENS INPUT TIME

A maximum of 60 minutes is set for input of citizens on matters concerning the City Government; 3 minutes per individual.

B. DISCUSSION

(1) Wrap up Budget Discussions - City Manager Szerlag

**6. TIME AND PLACE OF FUTURE MEETINGS**

A. A Regular Meeting of the Cape Coral City Council is Scheduled for

## **7. MOTION TO ADJOURN**

### **GENERAL RULES AND PROCEDURES REGARDING THE CAPE CORAL CITY COUNCIL AGENDA**

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.

Persons wishing to address Council under Citizens Input or the Consent Agenda may do so during the designated times at each meeting. No prior scheduling is necessary. All speakers must have their presentations approved by the City Clerk's office no later than 3:00 PM the day of the meeting.

Any citizen may appear before the City Council at the scheduled PUBLIC HEARING/INPUT to comment on the specific agenda item being considered. No prior scheduling is necessary.

When recognized by the presiding officer, a speaker shall address the City Council from the designated speaker's lectern, and shall state his or her name and whom, if anyone, he or she represents. An address shall only be required if necessary to comply with a federal, state or local law.

Copies of the agenda are available in the main lobby of Cape Coral City Hall and in the City Council Office, 1015 Cultural Park Boulevard. Copies of all back-up documentation are also available for review in the lobby of Council Chambers. You are asked to refrain from removing any documentation. If you desire copies, please request they be made for you. Copies are 15 cents per page. Agendas and back-up documentation are also available on-line on the City website (capecoral.net) after 4:00 PM on the Thursday prior to the Council Meeting.

### **\*PUBLIC HEARINGS DEPARTMENT OF COMMUNITY DEVELOPMENT CASES**

In all public hearings for which an applicant or applicants exist and which would affect a relatively limited land area, including but not limited to PDPs, appeals concerning variances or special exceptions, and small-scale rezonings, the following procedures shall be utilized in order to afford all parties or their representatives a full opportunity to be heard on matters relevant to the application:

1. The applicant, as well as witnesses offering testimony or presenting evidence, will be required to swear or affirm that the testimony they provide is the truth.
2. The order of presentation will begin with the City staff report, the presentation by the applicant and/or the applicant's representative; witnesses called by the applicant, and then

members of the public.

3. Members of the City Council may question any witness on relevant issues, by the applicant and/or the applicant's representative, City staff, or by any member of the public.
4. The Mayor may impose reasonable limitations on the offer of testimony or evidence and refuse to hear testimony or evidence that is not relevant to the issue being heard. The Mayor may also impose reasonable limitations on the number of witnesses heard when such witnesses become repetitive or are introducing duplicate testimony or evidence. The Mayor may also call witnesses and introduce evidence on behalf of the City Council if it is felt that such witnesses and/or evidence are necessary for a thorough consideration of the subject.
5. After the introduction of all-relevant testimony and evidence, the applicant shall have the opportunity to present a closing statement.
6. If a person decides to appeal any decision made by the City Council with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she 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 to be based.

<b>Item Number:</b>	<b>B.(1)</b>
<b>Meeting Date:</b>	<b>8/20/2019</b>
<b>Item Type:</b>	<b>DISCUSSION - JOINT MEETING ONLY</b>

**AGENDA REQUEST  
FORM**  
CITY OF CAPE CORAL



**TITLE:**

Wrap up Budget Discussions - City Manager Szerlag

**REQUESTED ACTION:**

**STRATEGIC PLAN INFO:**

1. Will this action result in a Budget Amendment?

2. Is this a Strategic Decision?

If Yes, Priority Goals Supported are listed below.

If No, will it harm the intent or success of the Strategic Plan?

**PLANNING & ZONING/HEARING EXAMINER/STAFF RECOMMENDATIONS:**

**SUMMARY EXPLANATION AND BACKGROUND:**

**LEGAL REVIEW:**

**EXHIBITS:**

Questions by Council

Attachments to Questions by Council

Updated Presentation

**PREPARED BY:**

Division- Department-

**SOURCE OF ADDITIONAL INFORMATION:**

**ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Questions by Council	Backup Material
<input type="checkbox"/> Attachments to Questions by Council	Backup Material

▢ Updated presentation

Backup Material



# FY 2020 – 2022 City Manager Recap from August 6, 2019 Workshop

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- Millage Rollback - \$884,834 decrease to revenue FY 2020. \$2.65 million impact on 3 year budget
- 3 Additional Code officers at \$289,000 in FY 2020. \$192,000 impact on subsequent budgets
- Additional Medians at \$1 million annually, \$ 3 million impact on 3 year budget
- Additional Sidewalks at \$1.5 million annually, \$4.5 million impact on 3 year budget
- Streetlights at \$500k annually, \$1.5 million impact on 3 year budget
- New Entryway Signs (CTAC) \$1 million
- Total Revenue decrease = \$884,834 annually
- Estimated Expenditure increase = \$4,189,000 annually
- Net Impact = \$5 million annually, \$15 million on 3 year budget

<b>General Fund</b>							
	FY 2018 Actual	FY 2019 Adopted	FY 2019 Amended BA#1	FY 2020 CM Proposed	FY 2020 CM Proposed with Changes	FY 2021 CM Proposed with Changes	FY 2022 CM Proposed with Changes
Fund Balance Assigned	4,544,000	4,544,000	4,544,000	8,544,000	8,544,000	8,544,000	8,544,000
Use of Fund Balance R-E	12,354,427	-	8,825,655	-	2,347,288	2,615,763	6,881,825
Operating Fund Balance	33,612,230	24,786,548	24,786,548	34,188,996	31,841,708	29,225,945	22,344,120
Total Fund Balance	50,510,657	29,330,548	38,156,203	42,732,996	42,732,996	40,385,708	37,769,945
Revenue	177,858,333	182,311,944	183,308,120	190,676,134	190,169,858	196,783,337	203,263,425
Expenditure	190,212,760	174,683,927	178,731,327	187,619,665	192,517,146	199,399,100	210,145,250
Revenue - Expenditure	(12,354,427)	7,628,017	4,576,793	3,056,469	(2,347,288)	(2,615,763)	(6,881,825)
Assigned Fund Balance	4,544,000	4,544,000	4,544,000	8,544,000	8,544,000	8,544,000	8,544,000
Undesignated Reserve	33,612,230	32,414,565	38,188,996	37,245,465	31,841,708	29,225,945	22,344,120
Total Fund Balance - Ending	38,156,230	36,958,565	42,732,996	45,789,465	40,385,708	37,769,945	30,888,120
Source	228,368,990	211,642,492	221,464,323	233,409,130	232,902,854	237,169,045	241,033,370
Uses	228,368,990	211,642,492	221,464,323	233,409,130	232,902,854	237,169,045	241,033,370
	-	-	-	-	-	-	-
	FY 2018 Actual	FY 2019 Adopted	FY 2019 Amended BA#1	FY 2020 CM Proposed	Proposed with Changes	Proposed with Changes	Proposed with Changes
1 Payroll	110,494,441	117,482,623	117,841,340	120,642,725	120,668,536	125,161,867	131,572,786
2 Operating	44,807,072	38,461,566	40,213,699	40,975,083	46,226,753	44,903,664	47,095,066
3 Capital Outlay	6,988,656	3,854,840	4,683,153	5,411,886	6,031,886	5,151,897	7,058,762
5 Other				-	-	-	-
6 Transfer Out	27,922,591	14,884,898	15,993,135	20,589,971	19,589,971	24,181,672	24,418,636
7 Reserves	38,156,230	36,958,565	42,732,996	45,789,465	40,385,708	37,769,945	30,888,120
Total Expenditures	228,368,990	211,642,492	221,464,323	233,409,130	232,902,854	237,169,045	241,033,370
1 mn operating	15,268,675	12,995,349	13,171,253	14,822,982	15,262,772	15,633,366	16,312,874
# mn of reserves	2.50	2.84	3.24	3.09	2.65	2.42	1.89
Transfer out	27,922,591	14,884,898	15,993,135	20,589,971	19,589,971	24,181,672	24,418,636
for Capital Projects	-			4,332,000	3,332,000	6,646,806	7,332,000
Transfer out for month calc	27,922,591			16,257,971	16,257,971	17,534,866	17,086,636

## Impact of proposed budget on \$150K taxable home (\$200K Valued):

	Proposed <b>6.550</b> Millage Rate			Rolled Back <b>6.4903</b> Millage Rate	
	<b>Homesteaded</b>	<b>Non-Homesteaded</b>		<b>Homesteaded</b>	<b>Non-Homesteaded</b>
FY 2019 @ 6.750 Mills	\$ 1,012.50	\$ 1,350.00	FY 2019 @ 6.750 Mills	\$ 1,012.50	\$ 1,350.00
FY 2020 @ 6.550 Mills	<u>\$ 1,002.15</u>	<u>\$ 1,414.28</u>	FY 2020 @ 6.4903 Mills	<u>\$ 993.02</u>	<u>\$ 1,401.38</u>
<b>Increase/(Decrease)</b>	<b>\$ (10.35)</b>	<b>\$ 64.28</b>	<b>Increase/(Decrease)</b>	<b>\$ (19.48)</b>	<b>\$ 51.38</b>

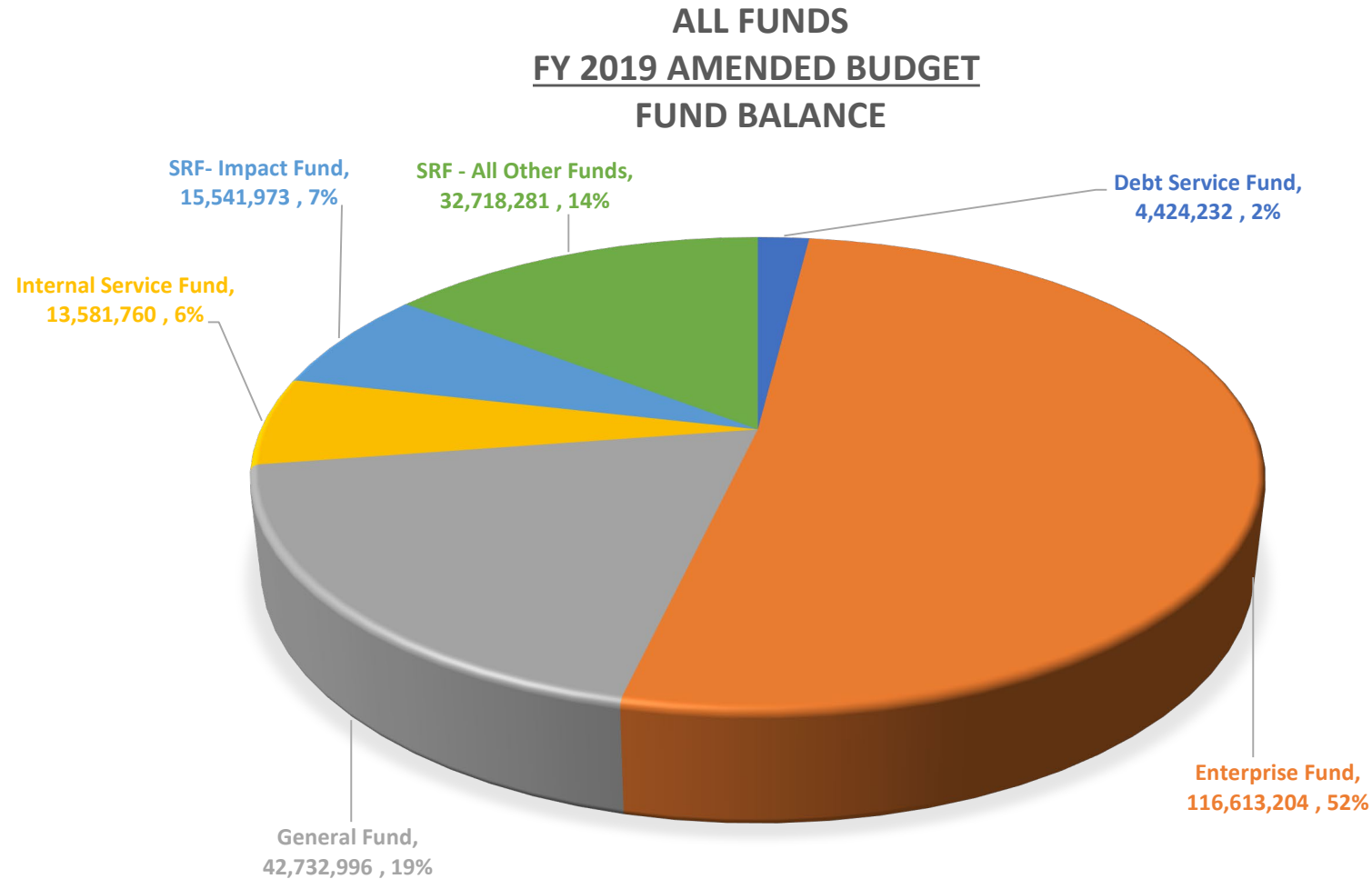
	Proposed 6.550 vs Roll Back 6.4903	
	<b>Homesteaded</b>	<b>Non Homesteaded</b>
6.5500	\$ 1,002.15	\$ 1,414.28
6.4903	<u>\$ 993.02</u>	<u>\$ 1,401.38</u>
<b>Difference in Tax Bill</b>	<b>\$ 9.13</b>	<b>\$ 12.90</b>

# Stantec Full Cost Allocation Model

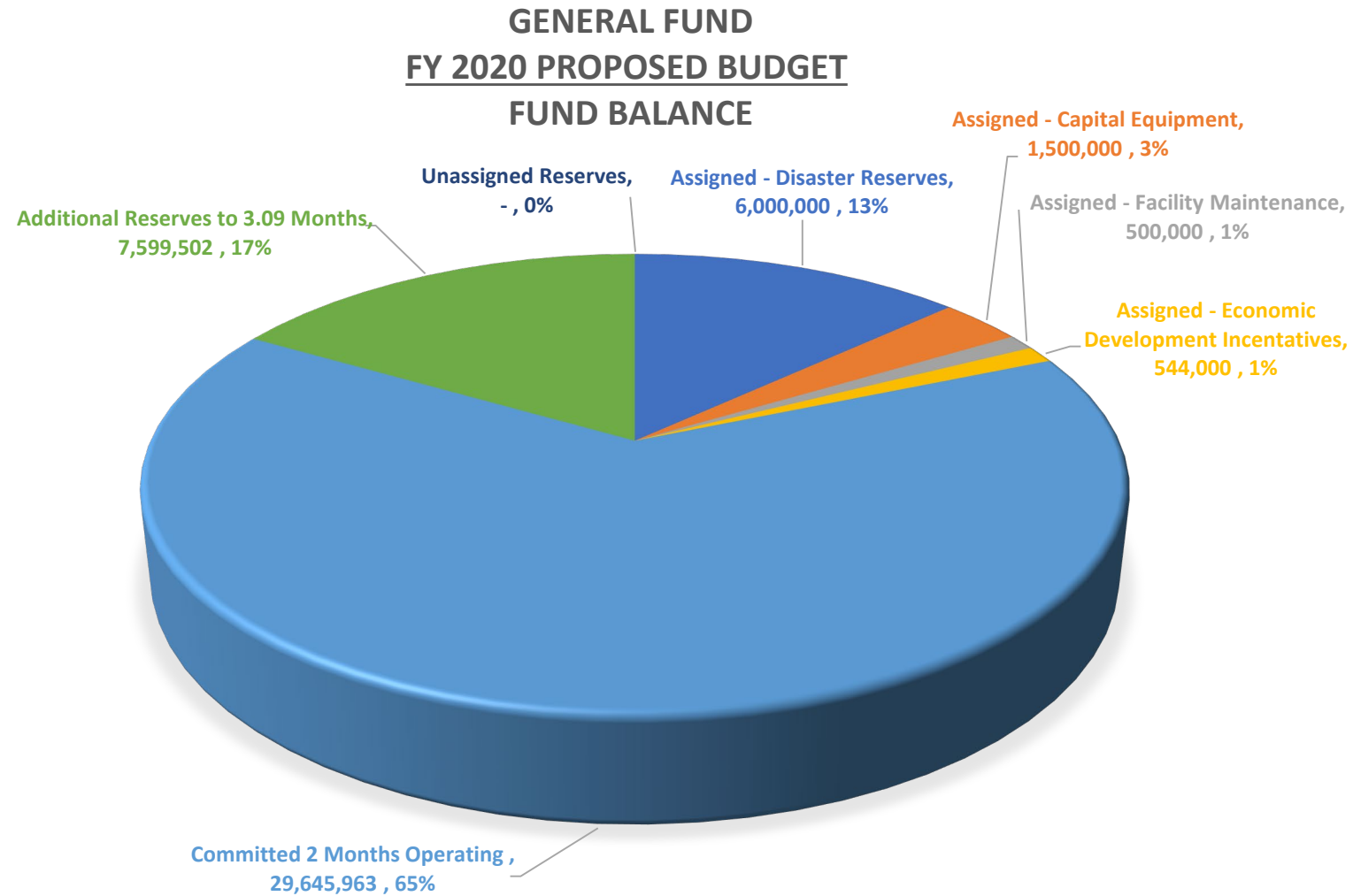
	A	B	C	D	E
1	Fund	City's Current FY 2019 Allocation	City's FY 2020 Projected Allocation	Calculated Allocation in This Report	Increase/ (Decrease) of Calculated Allocation versus City's FY 2020 Projected Allocation
2	Water & Sewer Fund	\$3,400,825	\$3,936,596	\$4,621,990	\$685,394
3	Stormwater Fund	\$1,509,711	\$1,343,159	\$1,082,850	(\$260,309)
4	Building Fund	\$1,049,198	\$1,057,917	\$1,878,990	\$821,073
5	Waterpark Fund	\$419,061	\$378,414	\$272,644	(\$105,770)
6	Golf Course Fund	\$389,222	\$398,783	\$333,869	(\$64,914)
7	Yacht Basin Fund	\$82,240	\$24,243	\$48,583	\$24,340
8	CDBG Fund	\$54,782	\$50,674	\$47,865	(\$2,809)
9	Total	\$6,905,039	\$7,189,786	\$8,286,791	\$1,097,005

# Questions by Council for the August 20, 2019 Budget Workshop

See Attachment A.



# Questions by Council for the August 20, 2019 Budget Workshop



# Questions by Council for the August 20, 2019 Budget Workshop

1. How to calculate two months reserves? **Total budget of personnel + operating + transfers out (not to include transfers out to capital projects) divided by 12. That times 2 equals the minimum fund balance required.**
2. Clarification on Special Revenue legal use of funds? Impact Fees, Gas Tax, etc. **See Attachment A.**
3. What impact fees pay debt service? **See Attachment A.**
4. How much of the gas taxes are dedicated to debt service? **Currently no debt is paid for from Gas Taxes. Road Impact Fees are paying \$3.2M for 2010 Series Gas Tax Revenue Bond, \$2.6M for 2014 Series Gas Tax Revenue Bond and \$994,000 for 2015 Series Spec Obligation Revenue Bond. See Attachment A.**
5. Use of Police Impact Fees for new personnel related costs? **These fees can only be used for growth. See Attachment A.**
6. What is the FTE measure of growth for the Police Dept? **FY 2007 was the peak of sworn personnel for Police, with 281 FTE's. From 2007 to 2012, sworn personnel decreased from 281 to 225 and then FY 2013 to current, sworn has increased to a current FY 2020 proposed 270 FTE's. FY19 was impacted by 23 SRO FTE's specific to School Safety per legislation.**

	FY05	FY07*peak	FY10	FY15	FY20
Sworn FTE's	186	281	239	226	270

7. What is the breakdown of the new hire costs? **10 sworn personnel costs include \$793,381 payroll, \$199,880 operating (\$34,450 uniforms, \$35,940 small equipment, \$34,250 training, \$25,850 Toughbook laptops, etc.), and \$634,800 capital vehicles. (In regards to Councilmember Gunter's question on FY19's amended budget by line item detail in Section 14E, FY19 amended included \$352,007 for 23 new SRO Officers.)**

# Questions by Council for the August 20, 2019 Budget Workshop

8. How many vacancies are in the Police Department currently? **24 vacancies; 18 sworn Police Officers and 6 non-sworn Communications/Dispatch (some are in training). At the beginning of FY19, there were 33 police officer vacancies. To date, we have hired 25-30 officers. With attrition and a few applicants not making it through probation, we are now at 18 vacancies. The next testing date is August 25, 2019, and 57 applicants have been invited to participate. Please note, if not for the backfill due to the SRO positions, our sworn positions would be fully staffed.**
9. Police Overtime history: **Budgeted overtime for Police has been amended at the end of FY's to cover the actual costs. Actuals tend to run about \$1M per year. In FY20, the operating budget was reduced to align with actuals (fuel, electric, small equipment) and applied to the Overtime budget for an increase of \$480,000.**

FY16		FY17		FY18		FY19	FY19 Actual
Adopted	FY16 Actual	Adopted	FY17 Actual	Adopted	FY18 Actual	Adopted	(through 7.18)
\$547,827	\$1,033,080	\$564,262	\$1,836,500	\$598,122	\$1,095,014	\$616,692	\$948,123

10. Fire Overtime history: **Budgeted overtime for Fire has been amended at the end of FY's to cover the actual costs. Actuals tend to run over \$1M per year. During FY19, Fire added 6 new Fire Fighters to help reduce the overtime.**

FY16		FY17		FY18		FY19	FY19 Actual
Adopted	FY16 Actual	Adopted	FY17 Actual	Adopted	FY18 Actual	Adopted	(through 7.18)
\$593,160	\$798,167	\$595,449	\$1,102,028	\$668,696	\$1,276,459	\$712,401	\$1,110,573

11. What would the difference be for the Fire Service Assessment cost recovery rate of 62% vs 64%? **\$824,000 less in revenue. Assessed property value of \$150,000 would see a reduction of \$6.95.**

# Questions by Council for the August 20, 2019 Budget Workshop

12. For DCD to be more proactive vs reactive, what would the cost of 3 additional Code Compliance Officers be? **3 Code Officers would cost about \$289,000. 1 Code Officer is \$96,137 (payroll \$64,322 operating \$4,815 capital \$27,000).**
13. What is the revenue offset for Lot Mowing and what is the collection rate of what is billed? **Revenue from Lot Mowing assessment is budgeted at \$3.4M for FY20. Expenditures are expected to exceed revenue, resulting in use of fund balance of \$359,489. All 3 years of FY20-22's Proposed Budget has use of fund balance to cover expenditures. The collection rate for the assessment is about 96-98%.**
14. BRC asked why payroll decreased in Lot Mowing? **UAAL General Retirement decrease and retirement of an employee, leaving a vacancy to be filled.**
15. What would it cost to have a City crew for bulk pickup? **Per Department, to be discussed during Waste Pro negotiations.**
16. What are other funding sources to increase current median landscape improvements? **General Fund, assessments or private partnership (Adopt-a-Median).**
17. Research the need for streetlights, what is ideal annual budget for streetlighting? Stokes mentions increasing from \$100,000 to \$500,000. **Current LCEC staffing levels limit the installation capabilities of new streetlights. On average, 150-200 lights are designed and installed each year (\$100,000). Although FY 2017 authorized \$200,000 and funded the installation of 401 new streetlights, the physical construction rolled into FY 2018. LCEC will not allow any other entity (City staff, other power provider, private contractor, etc.) to utilize their poles for any equipment that is not owned and maintained by LCEC. Providing other grid connected lighting would require additional poles resulting in higher costs per streetlight. See Attachment B.**

# Questions by Council for the August 20, 2019 Budget Workshop

18. Look into Solar Streetlight option for bus benches, as an alternative to fixed streetlights. **Staff explored bus stop solar lighting as an alternative to grid connected streetlighting in residential neighborhoods. The initial upfront cost including installation for a solar powered bus stop light is approximately \$2,000. The current average upfront cost (CIAC) for a grid connected streetlight provided by LCEC is approximately \$500. A cost-benefit analysis shows that over a 20-year period, each solar bus stop light is approximately \$600 per light more than a grid connected light provided by LCEC. The cost-benefit analysis compared the solar bus stop light to a 100 W LED LCEC streetlight (approximately \$12/month in power/lease). Assuming 1,246 remaining school bus stops, the cost increase over 20 years is approximately \$747,600 to use solar bus stop lighting instead of LCEC grid connected streetlights.**
19. If streetlighting budget doubles, what is the ongoing maintenance impact (i.e. electric)? **Currently, the Public Works Department budgets approximately \$3M per year to power/maintain existing City streetlights. On average, \$2.6M is paid to LCEC for approximately 19,000 streetlights. The remaining \$400,000 is used for maintenance of other City owned streetlights, traffic and approximately \$12.00 signals/overhead signage and traffic count stations. Each new streetlight increases power consumption costs by approximately \$21.00 per month for 250 W lighting on major roads and \$12.00 per month for 100 W lighting on local roads. For 200 lights, this equates to \$50,400/year (250 W) and \$28,800/year (100 W). These costs include power consumption and the 10-year lease costs from LCEC. Once the 10-year lease period is complete, the monthly cost is reduced by approximately \$7.00 per month.**
20. What is the cost for a new sidewalk crew versus hiring outside contract services for additional sidewalk construction? **Estimated startup cost for one crew is \$1.1M (Payroll \$535,000, Operating \$150,000, Capital \$450,000). This would include 7.5 FTE's, as well as equipment and materials. Recurring costs after year one will be approximately \$750,000. One in-house crew can build an estimated 2.5 linear miles of sidewalks a year (no design required). It is estimated that an outside contractor will build this amount of sidewalks for \$1.4M (including design). The City has been awarded sidewalk grants to keep the current two crews funded until FY23.**

# Questions by Council for the August 20, 2019 Budget Workshop

21. What is the expected cost of Sun Trail? How much is the City paying towards the project? **Total SUN Trail project cost for Phases 1 and 2 will be \$12M. No match from the City. At the same time SUN Trail Phase 1 is under construction, the City will 4-lane Kismet Parkway from Chiquita Boulevard to NW 18th Av) at an estimated \$1.1M cost; FY 20 - \$600,000 from Gas Tax, FY 21 - \$500,000 from Gas Tax.**
22. What is the carryover for Street paving? Are we caught up? What are the revenue sources? **The City is caught up and current with Street paving. Funding in FY20 of \$2.5M from General Fund, \$4M Gas Tax, FY21 of \$5.5M from General Fund and \$1M Gas Tax, and FY22 \$6.5M from General Fund.**
23. What is the W&S attrition rate? **Currently W&S has a 8% vacancy rate, which is down from FY18's 12% through August. Laborers, Utilities Technicians and Field Technicians represent the bulk of the vacancies. These are the lowest tiered positions with physically demanding work and emergency hours for breaks.**
24. List employees and description/responsibilities of staff in City Manager's office. **Response provided in separate email.**
25. Record keeping is state required, are we meeting the requirements? **Yes, there is a current contract for 2 more years with the current Vital Records vendor to meet the needs of storing "sensitive records". In the near future, the department will need to work with an Archivist to determine if any of our records can be categorized as archival. Temperature and humidity controls for Archival records are stringent and costly, which will need to be addressed upon the current contract expires.**
26. Why did Animal Control increase from \$624,000 in FY18? **Based on the Interlocal Agreements, Animal Control actuals for FY19 was \$664,000 and FY20 is \$643,000. The \$912,000 FY19 budget includes other animal service related costs, including the Animal Shelter capital costs.**
27. Cybersecurity capital items? **Director addressed, stating about \$115,000 worth of equipment is budgeted.**
28. Why are Yacht Club slip rates so low? **Proposed \$1 increase starting Oct 1<sup>st</sup>. Now pushing to \$3 increase bringing to \$12/\$15 per foot (resident/non-resident). Construction to begin FY20 which Director feels could potentially affect consumer sentiment. Post-construction, Director will review for possible increase to \$15/\$17.**

# Questions by Council for the August 20, 2019 Budget Workshop

29. Full time versus contract Park Rangers? Is the need for all 5 Park Ranger FTE's necessary for 7 new parks? **Additional FT ranger to provide for full zone coverage in North, Central, and South zones monitoring parks, shelters, and boat ramps. P&R currently is 62% contract personnel. There is a very high turnover rate due to this type of employment. Director feels contract ranger may not provide same stability as full time employee. Director explained the duties of the Park Rangers and the need for the new parks in FY22.**
30. Subsidies for Golf Course and Waterpark budget versus actuals vary in previous years? **Previously overaggressive in revenue projections thereby decreasing subsidy. Current methodology is to align revenues to stretch targets showing a more realistic view of revenues versus subsidy at time of budget preparation/adoption.**
31. Option to have Waterpark open all year round? **Analysis is being performed and will be presented at a later date.**
32. Perform a study to do P3 for Waterpark? Food and beverage as well as the Park itself. Savings? If Waterpark was privatized, would we get a % of revenue? **Information is being gathered and will be presented at a later date.**
33. Per Audit report on Golf Course findings, are there changes being implemented? **The Director has stated controls are being put into place based on the findings. The City Auditor confirmed 8 of the 15 findings are closed so far.**
34. Perform a study to do P3 for Golf Course, specifically the Greens Maintenance? What would the savings be? **Potential Golf Course savings related to greens maintenance of \$996,000 (\$674,000 payroll and \$322,000 operating). Personnel would be moved to other areas within the City. The cost of outsourcing the service would need to be done through a P3 study to see the true net saving. An estimated cost for contracting the services is to be about \$850,000.**
35. Perform a study to do P3 for Golf Course, specifically the Restaurant? What would the savings be? **Potential Golf Course savings for outsourcing the Restaurant of \$290,000 (\$149,000 payroll and \$141,000 operating). Personnel would be moved to other areas within the City. The cost of outsourcing the service would need to be done through a P3 study to see the true net savings.**

# Questions by Council for the August 20, 2019 Budget Workshop

36. Net results for Special Events? Last 3 year history. **The major events the City hosts for FY19 is at 59% cost recovery. See Attachment B.**
37. What is the total in cash sponsorships? **FY16 – FY18 average \$58,000 (FY16 outlier at \$93,000). Lost key sponsors in FY17. Current budgeted \$75,000 as new sponsors coming on late FY19 and into FY20.**
38. What do the sponsorship packets look like that vendors receive? **See Attachment C.**
39. Look into adding crosswalk(s) and flashing lights down in the CRA Area (similar to Matlacha)? **PW will research.**
40. Removing the wooden bollards at the foot of the bridge? Does this fall under CRA area? **PW will research.**
41. Can budgeted funds for the bridge be applied to the Streetscape debt? **Yes, \$2.7M estimated cash budgeted for the bridge could be applied to current CRA debt. The other \$2.8M for the project is budgeted from debt proceeds.**
42. Use the budgeted funds for the bridge project on other projects in the area? **Under CRA Advisory Board.**
43. Could the Charter School contract out the Security Guard for the Guard House? **Charter School to review. Police Chief mentioned best practice would be a full time employee to build consistency and relationship with staff, students, and families. Per Public Works, Guard House is about 2 months away from completion.**
44. What will the cost savings be when the bus routes are analyzed and updated to be more efficient? **Charter School is researching.**
45. Vacant positions 1+ years. **18 positions are vacant for 1 year+ with about 12 expected to remain vacant through 10/1/19. (HR's list has 24 vacancies, but some are filled with contract employees or Acting/Out of Title). See Attachment D.**

# Questions by Council for the August 20, 2019 Budget Workshop

- 46. Why budget payroll at 100% and what happens to unused budgeted payroll (i.e. vacancies)? **Payroll is projected at a snapshot in time 8 months prior to October 1<sup>st</sup> in order to get a budget in place, therefore there are several components that change. Examples being self insurance rates, workers compensation rates, special/add pays, leave buyback, retirement costs, etc. There are also unbudgeted expenses that occur throughout the year, such as leave payouts for employee separation, overtime costs, vacancies hired above minimum pay, out of title pay, and approved over hires for critical positions. The most costly unbudgeted items include leave payout which was \$870,000 in FY18, Overtime costs were \$1.7M over the adopted budget in FY18 and about 16% of new hires were brought in above the minimum pay in FY18, which was about \$314,000. Any unused payroll funds at the end of the fiscal year returns to the respective fund balance. Departments do not have access to use these funds.**
- 47. What is the Old Golf Course debt for? **Anticipated debt for \$11.5M purchase of the Old Golf Course, 10 year debt.**
- 48. How much was the Zucker report? **The report was done by Zucker Systems in 2013 for \$65,000. Zucker Systems Scope of Services was to evaluate historical and current service demands and how staff resources are applied to meet customer service demands and regulatory requirements. Analysis of service levels was applied to: permit process, long range planning projects, code enforcement, customer inquiries, field inspection, plan review.**
- 49. What are the potential savings on elections moving to even years? **Estimated \$250,000.**
- 50. Where is the funding for the Health Clinic? **Funds will come from Self Insurance Fund reserves.**
- 51. Surplus property proceeds/Seven Islands? **The original purchase price, plus assessments/fees paid out (including but not limited to appraisals, surveys, lot mowing, etc.) and interest will be returned to respective funds. Any profits remaining will be placed into General Fund fund balance.**

# FY 2020 Future Budget Discussions

- Charter Schools possible solutions – Loan, Debt Service sharing, lease restructuring; currently utilizing Charter School fund balance to balance budget
- Allocation of FEMA reimbursements once received, anticipated maximum recovery is \$16.2 million (75% - 90% maximum allowed recovery of costs). Disbursements to Capital Projects / Disaster Relief Fund / Seawall Hardship Special Assessment is recommended
- Fleet Facility project currently estimated to be \$18 million
- Gun Range project currently estimated to be \$8 million
- Athletic fields

# Questions by Council for the August 20, 2019 Budget Workshop

Attachments

# Questions by Council for the August 20, 2019 Budget Workshop

## Attachment A (Questions 2-5)

### Fund Balances

Apr-19

Fund	FY 2019 Amended Budget #1	Description of Proper Use	Reserve Requirements /Restrictions	Restricted Balances	Committed Fund Balance	Committed Balances	Annual Debt Service Requirements	Proposed and Projected Items	Amount
<b>IMPACT FEES</b>									
Fire Impact	3,461,564	Used to account for Fire & Rescue impact fees which are used for the purchase of capital improvements consisting of land, building, vehicle, and equipment for fire public safety facilities.	100% Restricted	3,461,564			339,865	Fire Department Training Facility - \$3,462,000; Logistics Warehouse (new building TBD), Fire Department Administrative Headquarters (TBD), Fire Station #13, Land acquisition for Future Fire Stations are estimated \$30 million. Annual debt payment of \$339,865; outstanding debt balance is \$1,867,403.	33,462,000
Parks Impact	847,958	Used to account for impact fees which are used to provide recreational park facilities and pay debt services.	100% Restricted	847,958			2,495,050	Outstanding debt \$31,560,130; 2020 budgeted debt service \$2,725,270	
Police Impact	5,769,683	Used to account for Police Protection impact fees which are used for the purchase of capital improvements consisting of land, building, vehicle, and equipment for police protection services.	100% Restricted	5,769,683				Training Facility (\$8,000,000) Operating Expenses: (\$24,000)	8,024,000
Road Impact Fee	5,462,768	Used to account for the impact fees that are used to provide new roads or increase roadway capacity.	100% Restricted	5,462,768			6,775,399	Debt payment for Del Prado/Santa Barbara improvements.	
Total Impact fees	15,541,973			15,541,973			9,610,314		41,486,000
<b>DEBT SERVICE</b>									
2010 Gas Tax Revenue Bond	4,078,266	Funding source is transfer from Transportation Fund.	100% Restricted	4,078,266					
2011 Special Oblig (Charter)	112,616	Funding source is transfer from Charter School Authority.	100% Restricted	112,616					
2012 Lease \$1,342,755 Charter	46,577	Funding source is transfer from Charter School Authority.	100% Restricted	46,577					
2015 Fire Service Asmt Debt	186,773	Funding source is the FSA tax revenue.	100% Restricted	186,773					
Total Debt Service Reserves	4,424,232			4,424,232			-		-
<b>GENERAL FUND</b>									
General Fund	42,732,996	Used to account for the activities of the City including general government, public safety, public works, community development, parks and recreation, and transportation. The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.	2 Months operating expenditures	28,703,994	Disaster \$2,000,000, Capital Equipment \$1,500,000, Facilities Maintenance \$550,000, Economic Development Incentives \$54,000	4,544,000	7,944,237	Capital Outlay for all General Fund Depts FY20 \$5,411,886 FY21 \$5,151,897 FY22 \$7,058,762 FY23 \$7,384,922 FY24 \$5,246,257 Capital Improvement Program FY20 \$8,583,063 FY21 \$7,009,643 FY22 \$12,494,046 FY23 \$7,332,000 FY24 \$7,332,000	73,004,476
Total General Fund	42,732,996			28,703,994		4,544,000	7,944,237		73,004,476

Fund	FY 2019 Amended Budget #1	Description of Proper Use	Reserve Requirements /Restrictions	Restricted Balances	Committed Fund Balance	Committed Balances	Annual Debt Service Requirements	Proposed and Projected Items	Amount
<b>SPECIAL REVENUE FUNDS</b>									
Building	6,983,009	Used to account for the activities of the building and permitting services of the Department of Community Development as related to the construction of buildings and related structures within the City of Cape Coral.	100% Restricted	6,983,009			22,109		
Del Prado Mall	127,136	Used to account for the Maintenance of Del Prado Mall Parking Lot	100% Restricted	127,136					
All Hazards	1,043,165	Used to account for monies collected by Lee County in the All Hazards Protection District for the funding of shelters, emergency preparedness, and hazardous material response programs.	100% Restricted	1,043,165				Weather STEM, Air Conditioner, Multi-Use Trailer, Hazardous Material Decontamination Trailer,\$ 93,000 annual special ops incentive pay, \$572915 annually for EM staff pay and benefits	936,375
ALS Impact	229,204	Used to account for Advances Life Support impact fees which are used for the purchase of capital improvements consisting of land, building, vehicle, and equipment for advanced life supprt program.	100% Restricted	229,204				Cardiac Monitors (FY 20 & FY 21)	164,023
Alarm Fee	12,164	Used to account for fees and fines collected by the City in connection with initial installation and false alarms thereafter.	100% Restricted	12,164				Payroll and Operating Expenses in FY20 (\$108,203)	115,703
Do The Right Thing	17,359	This program is sponsored by the police department and rewards the youth population of the community for "doing the right thing". This fund was established to account for the program donations that are used to offset the operating expenses.	100% Restricted	17,359				Transfer Out in FY20 (7,500) Operating Expenses in FY20 (\$8,000)	8,000
Police Conf Federal	211,522	Used to account for monies received from federal confiscation cases and used to purchase equipment for the Police Department.	100% Restricted	211,522				Crime Center @ PD HQ (\$250,000) Operating Expenses in FY20 (\$40,000)	290,000
Police Conf State	395,732	Used to account for monies received from the sale of confiscated items in nonfederal cases and used to purchase equipment for the Police Department. This also includes the Police Evidence Fund.	100% Restricted	395,732				Operating Expenses in FY20 (\$20,000)	20,000
Five Cent Gas	15,915,671	Used to account for the New Local Opion tax which is used to fund transportation expenditures needed to meet the requirements of the capital improvement element of the adopted local government comprehensive plan.	100% Restricted	15,915,671				Various CIP from 2019 to 2024. See attached table. Grand total to be split between the five cent and six cent gas tas totals \$96,609,328	
Six Cent Gas	7,256,655	Used to account for the Local Option tax which is used for construction of new roads, reconstruction or resurfacing of existing paved roads, and related items.	100% Restricted	7,256,655				Various CIP from 2019 to 2024. See attached table. Grand total to be split between the five cent and six cent gas tas totals \$96,609,328	
Lot Mowing	526,664	Used to account for the mowing of vacant unimproved property.	100% Restricted	526,664				Cash flow and reserves is approximately \$950,000 for three months.	
Total Special Revenue Funds	32,718,281			32,718,281		-	22,109		1,534,101

Fund	FY 2019 Amended Budget #1	Description of Proper Use	Reserve Requirements /Restrictions	Restricted Balances	Committed Fund Balance	Committed Balances	Annual Debt Service Requirements	Proposed and Projected Items	Amount
<b>ENTERPRISE FUNDS</b>									
Yacht Basin	1,039,168	Used to account for the activities of the City's public marina and docks.	100% Restricted	1,039,168					725,000
Stormwater	6,398,402	Used to account for the activities of the City's stormwater drainage program in compliance with the Environmental Protection Agency, and local and state regulations. This includes any related capital improvements.	2 Months (\$4,528,345) operating expenditures for renewal and replacement, Remainder is 100% Restricted	6,398,402			228,471	Environmental/ Land Acquisition Storm Drain Improvements UEP Debt UEP Cash Flood Prevention Weir Improvements Chiquitia Lock	\$550,000 \$8,832,386 \$4,649,000 \$5,500,000 \$4,250,000 \$6,000,000 \$500,000 30,281,386
W&S Impact CIAC	79,441,520	Payment of the cost of expansion of the respective system, and to the payment of any bonds to which contributions in aid of construction shall have been pledged or may be legally used per City Code of Ordinances 2-24.	100% Restricted	79,441,520			18,807,079	Funds will be used to pay transmission construction costs for UEP Project North 2 and portion of projects in water and sewer CIP .	
W&S Operations	11,052,200	Provide funds to fund the costs incidental to the operation of the utility system.	25% of operation /maintenance of annual budget, 5% of prior fiscal years gross revenue to the repair and replacement fund, Remainder is 100% Restricted	11,052,200			15,655,708	Various projects in 2020 - 2022 submitted CIP budget. See attached water and sewer CIP tab.	31,554,882
W&S Spec Assmt Const	18,681,914	Used to address the needs for additional capital funds to support the orderly expansion of the city's water system, wastewater system, and irrigation system to meet the burdens imposed by new users. Proceeds may not be used for the cost of operation, maintenance, repair, replacement, rehabilitation, renewal, updating, or bringing the present system into compliance with any change in laws. Proceeds may be used for upgrading of systems it related to capacity.	100% Restricted	18,681,914			12,583,824		
Total Enterprise Funds	116,613,204			116,613,204			47,275,082		62,561,268

Fund	FY 2019 Amended Budget #1	Description of Proper Use	Reserve Requirements /Restrictions	Restricted Balances	Committed Fund Balance	Committed Balances	Annual Debt Service Requirements	Proposed and Projected Items	Amount
<b>INTERNAL SERVICE FUNDS</b>									
Risk - Property Libability	2,370,146	Used to fund costs related to liability insurance for City owned assets.	100% Restricted	2,370,146					
Risk - Workers Comp	4,011,024	Used to fund costs related to paying Workers Compensation claims and associated costs.	100% Restricted	4,011,024					
Health Self-Insurance Fund	7,200,590	For the Payment of Claims and associated Health Insurance costs of participating City and Charter School employees and covered dependents.	2 Months operating expenditures (\$3,524,067), Remainder is 100% Restricted	7,200,590				In-house clinic contribution	750,000
Total Internal Service Funds	13,581,760			13,581,760		-	-		750,000
<b>GRAND TOTAL</b>	<b>225,612,446</b>			<b>211,583,444</b>		<b>4,544,000</b>	<b>64,851,742</b>		<b>179,335,845</b>

# Questions by Council for the August 20, 2019 Budget Workshop

## Attachment B (Question 36)

### Special Events Revenue and Expenditures

<b>FY 2016</b>			
Major Event	Revenue	Expense	Cost Recovery
Coconut	\$ 158,137	\$ 198,626	80%
Tour de Cape	\$ 32,610	\$ 13,957	234%
Sounds of Jazz	\$ 53,439	\$ 68,267	78%
Bike Nights	\$ 72,366	\$ 70,142	103%
Veterans Day	\$ -	\$ 760	0%
Movie in Park	\$ 900	\$ 1,952	46%
Red, White & Boom	\$ 88,742	\$ 116,144	76%
Holiday Boat Along	\$ 2,731	\$ 7,594	36%
<b>Total</b>	<b>\$ 408,925</b>	<b>\$ 477,442</b>	<b>86%</b>

<b>FY 2017</b>			
Major Event	Revenue	Expense	Cost Recovery
Coconut	\$ 139,466	\$ 208,887	67%
Tour de Cape	\$ 31,313	\$ 16,051	195%
Sounds of Jazz	\$ 44,760	\$ 79,799	56%
Bike Nights	\$ 74,083	\$ 77,764	95%
Veterans Day	\$ 1,000	\$ 1,492	67%
Movie in Park	\$ 741	\$ 3,455	21%
Red, White & Boom	\$ 81,744	\$ 123,339	66%
Holiday Boat Along	\$ 2,901	\$ 10,006	29%
<b>Total</b>	<b>\$ 376,008</b>	<b>\$ 520,793</b>	<b>72%</b>

<b>FY 2018</b>			
Major Event	Revenue	Expense	Cost Recovery
Coconut	\$ 145,159	\$ 231,213	63%
Tour de Cape	\$ 26,862	\$ 27,634	97%
Sounds of Jazz	\$ 57,923	\$ 94,823	61%
Bike Nights	\$ 73,008	\$ 97,583	75%
Veterans Day	\$ 1,000	\$ 1,244	80%
Movie in Park	\$ 1,879	\$ 7,737	24%
Red, White & Boom	\$ 56,893	\$ 151,201	38%
Holiday Boat Along	\$ 4,250	\$ 13,228	32%
<b>Total</b>	<b>\$ 366,974</b>	<b>\$ 624,663</b>	<b>59%</b>

<b>FY 2019 as of 08142019</b>			
Major Event	Revenue	Expense	Cost Recovery
Coconut	\$ 175,989	\$ 280,616	67%
Tour de Cape	\$ 26,654	\$ 18,509	195%
Sounds of Jazz	\$ 63,370	\$ 100,006	56%
Bike Nights	\$ 51,386	\$ 87,486	95%
Veterans Day	\$ -	\$ 1,321	67%
Movie in Park	\$ 346	\$ 1,459	21%
Red, White & Boom	\$ 58,375	\$ 157,704	66%
Holiday Boat Along	\$ 3,537	\$ 11,588	29%
<b>Total</b>	<b>\$ 379,657</b>	<b>\$ 658,689</b>	<b>58%</b>

#### MAJOR FACTORS:

- Loss of large cash sponsors (Fuccillo, LCEC, Suncoast Beverage, Storm Smart
- Increase in entertainment/production costs
- Addressing through diversifying revenue streams across all events
- Adverse effects on several events due to inclement weather

- Street venues increase cost due to need for infrastructure and life safety
- Reviewing events for ability to move to venue with infrastructure in place to reduce costs

# Questions by Council for the August 20, 2019 Budget Workshop

## Attachment C (Question 38)

Sample of Sponsorship packet:



Presenting Sponsorship Bundle  
Jason's Deli – The City of Cape Coral Parks and Recreation

The City of Cape Coral Parks and Recreation and Jason's Deli are entering a presenting sponsorship bundle agreement for July 1, 2018 through July 1, 2019. This is a 1year agreement and subject to modifications if events are cancelled or changed. The agreement is based on the current event package offered by the City of Cape Coral Parks and Recreation.

← Parties entering agreement and term period of agreement

The Presenting Sponsorship Bundle includes Cape Bike Night (4 events), Movie in the Park (4 events), Coconut Festival (4 day event), Sounds of Jazz and Blues Concert, and Tour de Cape. This agreement can be modified and amended if the City of Cape Coral Parks and Recreation and Jason's Deli agree to the modification.

← Events to be sponsored under agreement

The event sponsorship agreement between The City of Cape Coral Parks and Recreation and Jason's Deli agreed to all terms outlined.

Below are outlined items agreed upon by The City of Cape Coral Parks and Recreation and Jason's Deli and will constitute the value of the sponsorship rendered.

The City of Cape Coral Parks and Recreation Special Events agreed to:

- 1) Jason's Deli logo will appear/ be recognized in all marketing pieces associated the with Movie in Park, Cape Bike Night, Coconut Festival, and Sounds of Jazz and Blues:
  - a. Logo on Posters / Flyers / Post Cards
  - b. Logo and link through on event web sites
  - c. Logo / name mentioned in advertising media – Newspaper Ads, TV, Radio
  - d. Sponsor mentions where feasible – interviews, news quotes, stage sounders
  - e. Still Logo or animated :30 sec spot on screen prior to screen
  - f. Logo on Park Bill Boards and Bridge Banner
  - g. 10x10 venue location for direct sales
  - h. Consider Jason's Deli for entertainment rider requirements
  - i. Use Jason's for Tour De Cape Breakfast Saturday and Sunday, and rest stop supplies.
- 2) Jason's Deli Banners/ logo displayed at event venues.

← Specifications of sponsorship display

Jason's Deli agrees to:

- 1) Provide volunteer meals in-kind total for – Red, White, and Boom, Tour de Cape, Coconut Festival, and Sounds of Jazz
  - a. In-Kind is in total \$5,000
- 2) Provide support sponsorship in monetary amount of \$5,000

← Sponsorship value – revenue and/or in kind

# Questions by Council for the August 20, 2019 Budget Workshop

## Attachment D (Question 45)

Department	Position Title	Vacancy (-ies)	Budgeted Wages per FTE	Budgeted Wages Total	Vacant Since	Job Posting Dates	Comments
No requisition to fill/hold until FY20							
Utilities Dept	Senior Engineer Hydrogeologist Util Admi	1	\$ 56,056.00	\$ 56,056.00	10/1/2018		Interview questions created for the new position and submitted to HR. Working on completing the job description for the new position. Position will be posted when the job description is finalized.
Utilities Dept	CAD GIS Design Specialist-Utilities Admi	1	\$ 40,809.60	\$ 40,809.60	7/24/2017		Position was advertised, interviews conducted, number one candidate and offered position, however, salary was inadequate. Same issue with second candidate. A position control change request has been submitted to change the position to a GIS Analyst.
City Manager	Quality Assurance Project Coordinator	1	\$ 44,990.40	\$ 44,990.40	10/1/2018		Position will be pushed to FY2020
				\$ 141,856.00			

Active requisitions							
City Attorney	Paralegal I	1	\$ 46,945.60	\$ 46,945.60	10/1/2016	3/12/19 - 4/08/19	Candidate declined verbal offer based on salary. - Position has been posted again - 08/13/19 - 08/26/19
Community Development	Building Inspector 1&2 Family Lic	2	\$ 54,683.20	\$ 109,366.40	7/28/2018		1 Vacancy being reclassified to Bldg Inspector - Structural 1 Vacancy On Hold - Employee in that role is Acting Interim Building Official
Community Development	Building Official	1	\$ 74,672.00	\$ 74,672.00	8/15/2018		Interim Building Official in place
Financial Services	Accountant	1	\$ 52,083.20	\$ 52,083.20	10/6/2018	6/24/19 - 7/8/19	Using Eligibility List from Sr. Accountant posting
Information Tech	Associate Programmer Analyst	1	\$ 53,955.20	\$ 53,955.20	9/15/2018	7/30/19 - 8/12/19	Offer extended to candidate of choice; waiting on final decision
Public Works	Facilities Manager	1	\$ 74,672.00	\$ 74,672.00	10/1/2018		Internal Services Fund - Public Works is developing a proposed reorganization of the department for approval by the City Manager's office resulting in possible reclassification of this position.
Public Works	Fleet Mechanic PW	4	\$ 38,854.40	\$ 155,417.60	Pre 10/1/2017	3/15/19 - 4/25/19	Internal Services Fund – 1 in hiring process. 1 pending transfer to Inventory Specialist. 1 transferred to Stormwater in FY 20 budget. 1 proposed to be transferred in FY 20 but not approved.
Public Works	Principal Engineer-Facilities Proj Admin	1	\$ 69,056.00	\$ 69,056.00	10/1/2018		Internal Services Fund – This position is replacing an individual who retired that was managing all the City's new building construction and HVAC/Energy systems. This position was posted and we received only 5 applications that did not meet the requirements. Public Works is working with Human Resources to rewrite the position requirements and repost.
Public Works	Project Manager PW Trans Capital Project	1	\$ 56,056.00	\$ 56,056.00	10/1/2018	7/02/19 - 7/30/19	Transportation Fund. The hiring manager is completing interviews on Friday, August 16, 2019.
Public Works	Security Specialist	1	\$ 44,990.40	\$ 44,990.40	9/1/2018	7/30/19 - 8/12/19	Internal Services- Posting has been extended out two more weeks to expand the candidate pool through 08/26/19.

# Questions by Council for the August 20, 2019 Budget Workshop

## Attachment D (Question 45)

Department	Position Title	Vacancy (-ies)	Budgeted Wages per FTE	Budgeted Wages Total	Vacant Since	Job Posting Dates	Comments
Public Works	Sr Equipment Oper Weir/Outfall	1	\$ 40,809.60	\$ 40,809.60	10/1/2018		Stormwater – Hiring process is underway. Vacant Sr. Operators are promoted from internal qualified Operators and then those Operator positions are filled from the internal qualified laborer positions. These positions are typically the largest turnover in Public Works with Sr. Operators retiring each year. This year, Public Works and Human Resources is updating our testing and interview scoring process for filling the Sr. Operator and Operator positions. This specific position is in the cycle for promotion.
Public Works	Sr Fleet Mechanic PW	1	\$ 40,809.60	\$ 40,809.60	Pre 10/1/2017		Internal Services Fund – The Fleet Manager’s analysis of the department has determined the Sr. Fleet Mechanic is not required to repair vehicles but is recommending that this position be used to hire a dedicated generator mechanic to maintain all the City’s portable and permanent standby generators. Presently an outside company maintains all the generators. A cost/benefit analysis is being completed.
Public Works	SW Operations Supervisor	1	\$ 54,683.20	\$ 54,683.20	10/1/2018		Stormwater - Developing a proposed reorganization of the department for approval by the City Manager’s office resulting in possible reclassification of this position.
Utilities Dept	Field Services Representative UCD	1	\$ 38,854.40	\$ 38,854.40	Pre 10/1/2017		Reclassification to UT Technician.
Utilities Dept	Instrumentation Tech-Util WR Col	1	\$ 47,236.80	\$ 47,236.80	7/14/2018	7/3/19 - 7/17/19	Interviews held on 8/7/2019; waiting on status change notice form to extend offer
				\$ 959,608.00			

### High Turnover or Hard to Fill Recruitments or Continuous Postings (laborers, etc.):

Department	Position Title	Vacancy (-ies)	Budgeted Wages per FTE	Budgeted Wages Total	Vacant Since	Job Posting Dates	Comments
Police	Police Officers *	18	\$ 48,006.40	\$ 864,115.20		7/01/19 - Continuous	*18 vacancies, as FYI another 10 are between predeployment and academy.
Police	Telecommunicator	5	\$ 38,854.40	\$ 194,272.00		7/12/19 - 7/26/19	Currently in the midst of testing and interviewing qualified applicants
Utilities Dept	Utilities Technician -Util Coll Dist	5	\$ 38,854.40	\$ 194,272.00		7/19/19 - 8/2/19	Currently interviewing internal employees
				\$ 1,252,659.20			
				\$ 2,354,123.20			



# FY 2020 – 2022 City Manager Recap from August 6, 2019 Workshop

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- Millage Rollback – Decrease to General Fund Revenue of \$884,834 in FY 2020. \$2.65 million impact on 3 year budget
- 3 Additional Code officers at \$289,000 in FY 2020. \$192,000 impact on subsequent budgets
- Additional Medians at \$1 million annually, \$ 3 million impact on 3 year budget
- Additional Sidewalks at \$1.5 million annually, \$4.5 million impact on 3 year budget
- Streetlights at \$500k annually, \$1.5 million impact on 3 year budget
- New Entryway Signs (CTAC) \$1 million
- Total Revenue decrease = \$884,834 annually
- Estimated Expenditure increase = \$4,189,000 annually
- Net Impact = \$5 million annually, \$15 million on 3 year budget

General Fund							
	FY 2018 Actual	FY 2019 Adopted	FY 2019 Amended BA#1	FY 2020 CM Proposed	FY 2020 CM Proposed with Changes	FY 2021 CM Proposed with Changes	FY 2022 CM Proposed with Changes
Fund Balance Assigned	4,544,000	4,544,000	4,544,000	8,544,000	8,544,000	8,544,000	8,544,000
Use of Fund Balance R-E	12,354,427	-	8,825,655	-	2,347,288	2,615,763	6,881,825
Operating Fund Balance	33,612,230	24,786,548	24,786,548	34,188,996	31,841,708	29,225,945	22,344,120
Total Fund Balance	50,510,657	29,330,548	38,156,203	42,732,996	42,732,996	40,385,708	37,769,945
Revenue	177,858,333	182,311,944	183,308,120	190,676,134	190,169,858	196,783,337	203,263,425
Expenditure	190,212,760	174,683,927	178,731,327	187,619,665	192,517,146	199,399,100	210,145,250
Revenue - Expenditure	(12,354,427)	7,628,017	4,576,793	3,056,469	(2,347,288)	(2,615,763)	(6,881,825)
Assigned Fund Balance	4,544,000	4,544,000	4,544,000	8,544,000	8,544,000	8,544,000	8,544,000
Undesignated Reserve	33,612,230	32,414,565	38,188,996	37,245,465	31,841,708	29,225,945	22,344,120
Total Fund Balance - Ending	38,156,230	36,958,565	42,732,996	45,789,465	40,385,708	37,769,945	30,888,120
Source	228,368,990	211,642,492	221,464,323	233,409,130	232,902,854	237,169,045	241,033,370
Uses	228,368,990	211,642,492	221,464,323	233,409,130	232,902,854	237,169,045	241,033,370
	-	-	-	-	-	-	-
	FY 2018 Actual	FY 2019 Adopted	FY 2019 Amended BA#1	FY 2020 CM Proposed	Proposed with Changes	Proposed with Changes	Proposed with Changes
1 Payroll	110,494,441	117,482,623	117,841,340	120,642,725	120,668,536	125,161,867	131,572,786
2 Operating	44,807,072	38,461,566	40,213,699	40,975,083	46,226,753	44,903,664	47,095,066
3 Capital Outlay	6,988,656	3,854,840	4,683,153	5,411,886	6,031,886	5,151,897	7,058,762
5 Other				-	-	-	-
6 Transfer Out	27,922,591	14,884,898	15,993,135	20,589,971	19,589,971	24,181,672	24,418,636
7 Reserves	38,156,230	36,958,565	42,732,996	45,789,465	40,385,708	37,769,945	30,888,120
Total Expenditures	228,368,990	211,642,492	221,464,323	233,409,130	232,902,854	237,169,045	241,033,370
1 mn operating	15,268,675	12,995,349	13,171,253	14,822,982	15,262,772	15,633,366	16,312,874
# mn of reserves	2.50	2.84	3.24	3.09	2.65	2.42	1.89
Transfer out	27,922,591	14,884,898	15,993,135	20,589,971	19,589,971	24,181,672	24,418,636
for Capital Projects	-			4,332,000	3,332,000	6,646,806	7,332,000
Transfer out for month calc	27,922,591			16,257,971	16,257,971	17,534,866	17,086,636



# Stantec Full Cost Allocation Model

	A	B	C	D	E
1	Fund	City's Current FY 2019 Allocation	City's FY 2020 Projected Allocation	Calculated Allocation in This Report	Increase/ (Decrease) of Calculated Allocation versus City's FY 2020 Projected Allocation
2	Water & Sewer Fund	\$3,400,825	\$3,936,596	\$4,621,990	\$685,394
3	Stormwater Fund	\$1,509,711	\$1,343,159	\$1,082,850	(\$260,309)
4	Building Fund	\$1,049,198	\$1,057,917	\$1,878,990	\$821,073
5	Waterpark Fund	\$419,061	\$378,414	\$272,644	(\$105,770)
6	Golf Course Fund	\$389,222	\$398,783	\$333,869	(\$64,914)
7	Yacht Basin Fund	\$82,240	\$24,243	\$48,583	\$24,340
8	CDBG Fund	\$54,782	\$50,674	\$47,865	(\$2,809)
9	Total	\$6,905,039	\$7,189,786	\$8,286,791	\$1,097,005

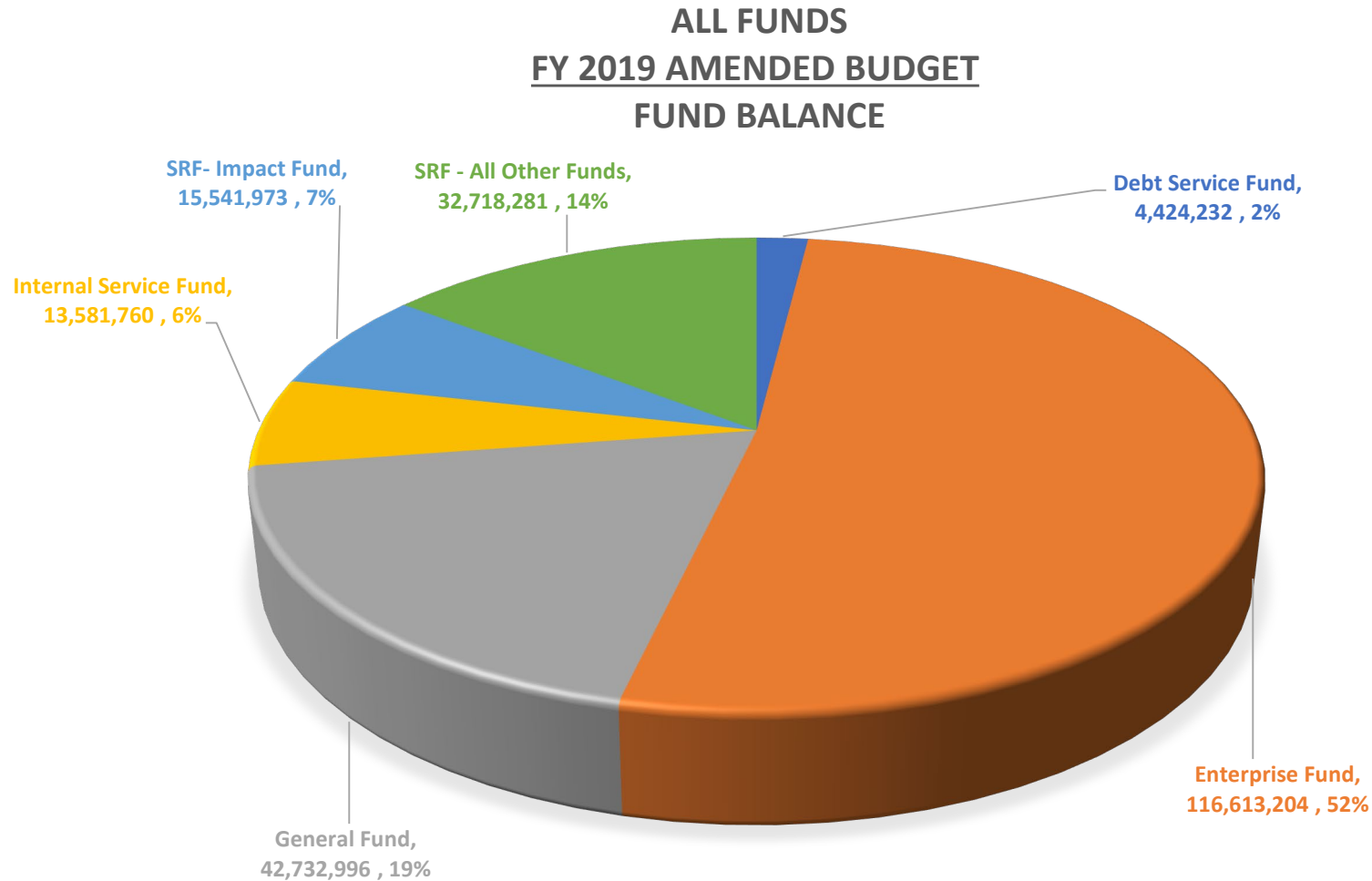
## Impact of proposed budget on \$150K taxable home (\$200K Valued):

	Proposed 6.550 Millage Rate			Rolled Back 6.4903 Millage Rate	
	Homesteaded	Non-Homesteaded		Homesteaded	Non-Homesteaded
FY 2019 @ 6.750 Mills	\$ 1,012.50	\$ 1,350.00	FY 2019 @ 6.750 Mills	\$ 1,012.50	\$ 1,350.00
FY 2020 @ 6.550 Mills	<u>\$ 1,002.15</u>	<u>\$ 1,414.28</u>	FY 2020 @ 6.4903 Mills	<u>\$ 993.02</u>	<u>\$ 1,401.38</u>
<b>Increase/(Decrease)</b>	<b>\$ (10.35)</b>	<b>\$ 64.28</b>	<b>Increase/(Decrease)</b>	<b>\$ (19.48)</b>	<b>\$ 51.38</b>

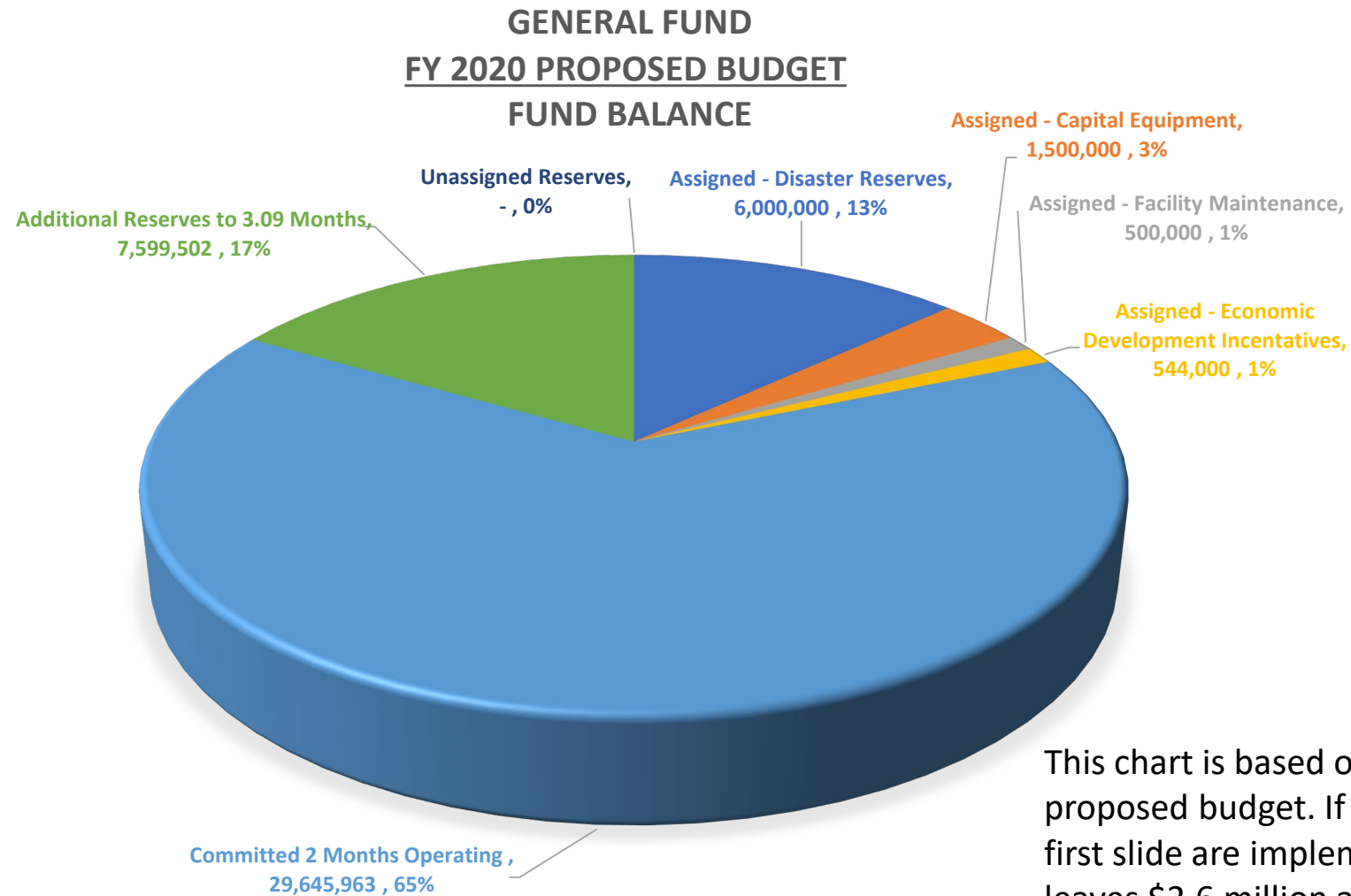
Proposed 6.550 vs Roll Back 6.4903			
	Homesteaded	Non Homesteaded	
6.5500	\$ 1,002.15	\$ 1,414.28	
6.4903	<u>\$ 993.02</u>	<u>\$ 1,401.38</u>	
<b>Difference in Tax Bill</b>	<b>\$ 9.13</b>	<b>\$ 12.90</b>	
<b>76 cents per month</b>			

# Questions by Council for the August 20, 2019 Budget Workshop

See Attachment A.



# Questions by Council for the August 20, 2019 Budget Workshop



This chart is based on the City Manager's proposed budget. If all changes from the first slide are implemented (\$5 million), it leaves \$2.6 million and further decreases over the subsequent fiscal years.

# FY 2020 Future Budget Discussions

- Charter Schools possible solutions – Loan, Debt Service sharing, lease restructuring; currently utilizing Charter School fund balance to balance budget
- Allocation of FEMA reimbursements once received, anticipated maximum recovery is \$16.2 million (75% - 90% maximum allowed recovery of costs). Disbursements to Capital Projects / Disaster Relief Fund / Seawall Hardship Special Assessment is recommended
- Fleet Facility project currently estimated to be \$18 million
- Law Enforcement Training Facility project currently estimated to be \$8 million
- Athletic fields
- Additional Gas Tax Revenue

# Questions by Council for the August 20, 2019 Budget Workshop

1. How to calculate two months reserves? **Total budget of personnel + operating + transfers out (not to include transfers out to capital projects) divided by 12. That times 2 equals the minimum fund balance required.**
2. Clarification on Special Revenue legal use of funds? Impact Fees, Gas Tax, etc. **See Attachment A.**
3. What impact fees pay debt service? **See Attachment A.**
4. How much of the gas taxes are dedicated to debt service? **Currently no debt is paid for from Gas Taxes. Road Impact Fees are paying \$3.2M for 2010 Series Gas Tax Revenue Bond, \$2.6M for 2014 Series Gas Tax Revenue Bond and \$994,000 for 2015 Series Spec Obligation Revenue Bond. See Attachment A.**
5. Use of Police Impact Fees for new personnel related costs? **These fees can only be used for growth. See Attachment A.**
6. What is the FTE measure of growth for the Police Dept? **FY 2007 was the peak of sworn personnel for Police, with 281 FTE's. From 2007 to 2012, sworn personnel decreased from 281 to 225 and then FY 2013 to current, sworn has increased to a current FY 2020 proposed 270 FTE's. FY19 was impacted by 23 SRO FTE's specific to School Safety per legislation.**

	FY05	FY07*peak	FY10	FY15	FY20
Sworn FTE's	186	281	239	226	270

7. What is the breakdown of the new hire costs? **10 sworn personnel costs include \$793,381 payroll, \$199,880 operating (\$34,450 uniforms, \$35,940 small equipment, \$34,250 training, \$25,850 Toughbook laptops, etc.), and \$634,800 capital vehicles. (In regards to Councilmember Gunter's question on FY19's amended budget by line item detail in Section 14E, FY19 amended included \$352,007 for 23 new SRO Officers.)**

# Questions by Council for the August 20, 2019 Budget Workshop

8. How many vacancies are in the Police Department currently? **24 vacancies; 18 sworn Police Officers and 6 non-sworn Communications/Dispatch (some are in training). At the beginning of FY19, there were 33 police officer vacancies. To date, we have hired 25-30 officers. With attrition and a few applicants not making it through probation, we are now at 18 vacancies. The next testing date is August 25, 2019, and 57 applicants have been invited to participate. Please note, if not for the backfill due to the SRO positions, our sworn positions would be fully staffed.**
9. Police Overtime history: **Budgeted overtime for Police has been amended at the end of FY's to cover the actual costs. Actuals tend to run about \$1M per year. In FY20, the operating budget was reduced to align with actuals (fuel, electric, small equipment) and applied to the Overtime budget for an increase of \$480,000.**

FY16		FY17		FY18		FY19	FY19 Actual
Adopted	FY16 Actual	Adopted	FY17 Actual	Adopted	FY18 Actual	Adopted	(through 7.18)
\$547,827	\$1,033,080	\$564,262	\$1,836,500	\$598,122	\$1,095,014	\$616,692	\$948,123

10. Fire Overtime history: **Budgeted overtime for Fire has been amended at the end of FY's to cover the actual costs. Actuals tend to run over \$1M per year. During FY19, Fire added 6 new Fire Fighters to help reduce the overtime.**

FY16		FY17		FY18		FY19	FY19 Actual
Adopted	FY16 Actual	Adopted	FY17 Actual	Adopted	FY18 Actual	Adopted	(through 7.18)
\$593,160	\$798,167	\$595,449	\$1,102,028	\$668,696	\$1,276,459	\$712,401	\$1,110,573

11. What would the difference be for the Fire Service Assessment cost recovery rate of 62% vs 64%? **\$824,000 less in revenue. Assessed property value of \$150,000 would see a reduction of \$6.95.**

# Questions by Council for the August 20, 2019 Budget Workshop

12. For DCD to be more proactive vs reactive, what would the cost of 3 additional Code Compliance Officers be? **3 Code Officers would cost about \$289,000. 1 Code Officer is \$96,137 (payroll \$64,322 operating \$4,815 capital \$27,000).**
13. What is the revenue offset for Lot Mowing and what is the collection rate of what is billed? **Revenue from Lot Mowing assessment is budgeted at \$3.4M for FY20. Expenditures are expected to exceed revenue, resulting in use of fund balance of \$359,489. All 3 years of FY20-22's Proposed Budget has use of fund balance to cover expenditures. The collection rate for the assessment is about 96-98%.**
14. BRC asked why payroll decreased in Lot Mowing? **UAAL General Retirement decrease and retirement of an employee, leaving a vacancy to be filled.**
15. What would it cost to have a City crew for bulk pickup? **Per Department, to be discussed during Waste Pro negotiations.**
16. What are other funding sources to increase current median landscape improvements? **General Fund, assessments or private partnership (Adopt-a-Median).**
17. Research the need for streetlights, what is ideal annual budget for streetlighting? Stokes mentions increasing from \$100,000 to \$500,000. **Current LCEC staffing levels limit the installation capabilities of new streetlights. On average, 150-200 lights are designed and installed each year (\$100,000). Although FY 2017 authorized \$200,000 and funded the installation of 401 new streetlights, the physical construction rolled into FY 2018. LCEC will not allow any other entity (City staff, other power provider, private contractor, etc.) to utilize their poles for any equipment that is not owned and maintained by LCEC. Providing other grid connected lighting would require additional poles resulting in higher costs per streetlight.**

# Questions by Council for the August 20, 2019 Budget Workshop

18. Look into Solar Streetlight option for bus benches, as an alternative to fixed streetlights. **Staff explored bus stop solar lighting as an alternative to grid connected streetlighting in residential neighborhoods. The initial upfront cost including installation for a solar powered bus stop light is approximately \$2,000. The current average upfront cost (CIAC) for a grid connected streetlight provided by LCEC is approximately \$500. A cost-benefit analysis shows that over a 20-year period, each solar bus stop light is approximately \$600 per light more than a grid connected light provided by LCEC. The cost-benefit analysis compared the solar bus stop light to a 100 W LED LCEC streetlight (approximately \$12/month in power/lease). Assuming 1,246 remaining school bus stops, the cost increase over 20 years is approximately \$747,600 to use solar bus stop lighting instead of LCEC grid connected streetlights.**
19. If streetlighting budget doubles, what is the ongoing maintenance impact (i.e. electric)? **Currently, the Public Works Department budgets approximately \$3M per year to power/maintain existing City streetlights. On average, \$2.6M is paid to LCEC for approximately 19,000 streetlights. The remaining \$400,000 is used for maintenance of other City owned streetlights, traffic and approximately \$12.00 signals/overhead signage and traffic count stations. Each new streetlight increases power consumption costs by approximately \$21.00 per month for 250 W lighting on major roads and \$12.00 per month for 100 W lighting on local roads. For 200 lights, this equates to \$50,400/year (250 W) and \$28,800/year (100 W). These costs include power consumption and the 10-year lease costs from LCEC. Once the 10-year lease period is complete, the monthly cost is reduced by approximately \$7.00 per month.**
20. What is the cost for a new sidewalk crew versus hiring outside contract services for additional sidewalk construction? **Estimated startup cost for one crew is \$1.1M (Payroll \$535,000, Operating \$150,000, Capital \$450,000). This would include 7.5 FTE's, as well as equipment and materials. Recurring costs after year one will be approximately \$750,000. One in-house crew can build an estimated 2.5 linear miles of sidewalks a year (no design required). It is estimated that an outside contractor will build this amount of sidewalks for \$1.4M (including design). The City has been awarded sidewalk grants to keep the current two crews funded until FY23.**

# Questions by Council for the August 20, 2019 Budget Workshop

21. What is the expected cost of Sun Trail? How much is the City paying towards the project? **Total SUN Trail project cost for Phases 1 and 2 will be \$12M. No match from the City. At the same time SUN Trail Phase 1 is under construction, the City will 4-lane Kismet Parkway from Chiquita Boulevard to NW 18th Av) at an estimated \$1.1M cost; FY 20 - \$600,000 from Gas Tax, FY 21 - \$500,000 from Gas Tax.**
22. What is the carryover for Street paving? Are we caught up? What are the revenue sources? **The City is caught up and current with Street paving. Funding in FY20 of \$2.5M from General Fund, \$4M Gas Tax, FY21 of \$5.5M from General Fund and \$1M Gas Tax, and FY22 \$6.5M from General Fund.**
23. What is the W&S attrition rate? **Currently W&S has a 8% vacancy rate, which is down from FY18's 12% through August. Laborers, Utilities Technicians and Field Technicians represent the bulk of the vacancies. These are the lowest tiered positions with physically demanding work and emergency hours for breaks.**
24. List employees and description/responsibilities of staff in City Manager's office. **Response provided in separate email.**
25. Record keeping is state required, are we meeting the requirements? **Yes, there is a current contract for 2 more years with the current Vital Records vendor to meet the needs of storing "sensitive records". In the near future, the department will need to work with an Archivist to determine if any of our records can be categorized as archival. Temperature and humidity controls for Archival records are stringent and costly, which will need to be addressed upon the current contract expires.**
26. Why did Animal Control increase from \$624,000 in FY18? **Based on the Interlocal Agreements, Animal Control actuals for FY19 was \$664,000 and FY20 is \$643,000. The \$912,000 FY19 budget includes other animal service related costs, including the Animal Shelter capital costs.**
27. Cybersecurity capital items? **Director addressed, stating about \$115,000 worth of equipment is budgeted.**
28. Why are Yacht Club slip rates so low? **Proposed \$1 increase starting Oct 1<sup>st</sup>. Now pushing to \$3 increase bringing to \$12/\$15 per foot (resident/non-resident). Construction to begin FY20 which Director feels could potentially affect consumer sentiment. Post-construction, Director will review for possible increase to \$15/\$17.**

# Questions by Council for the August 20, 2019 Budget Workshop

29. Full time versus contract Park Rangers? Is the need for all 5 Park Ranger FTE's necessary for 7 new parks? **Additional FT ranger to provide for full zone coverage in North, Central, and South zones monitoring parks, shelters, and boat ramps. P&R currently is 62% contract personnel. There is a very high turnover rate due to this type of employment. Director feels contract ranger may not provide same stability as full time employee. Director explained the duties of the Park Rangers and the need for the new parks in FY22.**
30. Subsidies for Golf Course and Waterpark budget versus actuals vary in previous years? **Previously overaggressive in revenue projections thereby decreasing subsidy. Current methodology is to align revenues to stretch targets showing a more realistic view of revenues versus subsidy at time of budget preparation/adoption.**
31. Option to have Waterpark open all year round? **Analysis is being performed and will be presented at a later date.**
32. Perform a study to do P3 for Waterpark? Food and beverage as well as the Park itself. Savings? If Waterpark was privatized, would we get a % of revenue? **Information is being gathered and will be presented at a later date.**
33. Per Audit report on Golf Course findings, are there changes being implemented? **The Director has stated controls are being put into place based on the findings. The City Auditor confirmed 8 of the 15 findings are closed so far.**
34. Perform a study to do P3 for Golf Course, specifically the Greens Maintenance? What would the savings be? **Potential Golf Course savings related to greens maintenance of \$996,000 (\$674,000 payroll and \$322,000 operating). Personnel would be moved to other areas within the City. The cost of outsourcing the service would need to be done through a P3 study to see the true net saving. An estimated cost for contracting the services is to be about \$850,000.**
35. Perform a study to do P3 for Golf Course, specifically the Restaurant? What would the savings be? **Potential Golf Course savings for outsourcing the Restaurant of \$290,000 (\$149,000 payroll and \$141,000 operating). Personnel would be moved to other areas within the City. The cost of outsourcing the service would need to be done through a P3 study to see the true net savings.**

# Questions by Council for the August 20, 2019 Budget Workshop

36. Net results for Special Events? Last 3 year history. **The major events the City hosts for FY19 is at 59% cost recovery. See Attachment B.**
37. What is the total in cash sponsorships? **FY16 – FY18 average \$58,000 (FY16 outlier at \$93,000). Lost key sponsors in FY17. Current budgeted \$75,000 as new sponsors coming on late FY19 and into FY20.**
38. What do the sponsorship packets look like that vendors receive? **See Attachment C.**
39. Look into adding crosswalk(s) and flashing lights down in the CRA Area (similar to Matlacha)? **PW will research.**
40. Removing the wooden bollards at the foot of the bridge? Does this fall under CRA area? **PW will research.**
41. Can budgeted funds for the bridge be applied to the Streetscape debt? **Yes, \$2.7M estimated cash budgeted for the bridge could be applied to current CRA debt. The other \$2.8M for the project is budgeted from debt proceeds.**
42. Use the budgeted funds for the bridge project on other projects in the area? **Under CRA Advisory Board.**
43. Could the Charter School contract out the Security Guard for the Guard House? **Charter School to review. Police Chief mentioned best practice would be a full time employee to build consistency and relationship with staff, students, and families. Per Public Works, Guard House is about 2 months away from completion.**
44. What will the cost savings be when the bus routes are analyzed and updated to be more efficient? **Charter School is researching.**
45. Vacant positions 1+ years. **18 positions are vacant for 1 year+ with about 12 expected to remain vacant through 10/1/19. (HR's list has 24 vacancies, but some are filled with contract employees or Acting/Out of Title). See Attachment D.**

# Questions by Council for the August 20, 2019 Budget Workshop

- 46. Why budget payroll at 100% and what happens to unused budgeted payroll (i.e. vacancies)? **Payroll is projected at a snapshot in time 8 months prior to October 1<sup>st</sup> in order to get a budget in place, therefore there are several components that change. Examples being self insurance rates, workers compensation rates, special/add pays, leave buyback, retirement costs, etc. There are also unbudgeted expenses that occur throughout the year, such as leave payouts for employee separation, overtime costs, vacancies hired above minimum pay, out of title pay, and approved over hires for critical positions. The most costly unbudgeted items include leave payout which was \$870,000 in FY18, Overtime costs were \$1.7M over the adopted budget in FY18 and about 16% of new hires were brought in above the minimum pay in FY18, which was about \$314,000. Any unused payroll funds at the end of the fiscal year returns to the respective fund balance. Departments do not have access to use these funds.**
- 47. What is the Old Golf Course debt for? **Anticipated debt for \$11.5M purchase of the Old Golf Course, 10 year debt.**
- 48. How much was the Zucker report? **The report was done by Zucker Systems in 2013 for \$65,000. Zucker Systems Scope of Services was to evaluate historical and current service demands and how staff resources are applied to meet customer service demands and regulatory requirements. Analysis of service levels was applied to: permit process, long range planning projects, code enforcement, customer inquiries, field inspection, plan review.**
- 49. What are the potential savings on elections moving to even years? **Estimated \$250,000.**
- 50. Where is the funding for the Health Clinic? **Funds will come from Self Insurance Fund reserves.**
- 51. Surplus property proceeds/Seven Islands? **The original purchase price, plus assessments/fees paid out (including but not limited to appraisals, surveys, lot mowing, etc.) and interest will be returned to respective funds. Any profits remaining will be placed into General Fund fund balance.**