

**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 FOR THE BUDGET WORKSHOP OF THE  
CAPE CORAL CITY COUNCIL**

August 29, 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. MOMENT OF SILENCE**

**3. PLEDGE OF ALLEGIANCE**

**4. ROLL CALL**

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

**5. BUSINESS**

A. CITIZENS INPUT TIME

A maximum of 60 minutes is set for input of citizens on matters concerning the City Government to include Resolutions appearing in sections other than Consent Agenda or Public Hearing; 3 minutes per individual.

B. Budget Wrap Up - City Manager Szerlag

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

A. A Special Meeting of the Cape Coral City Council is Scheduled for Thursday, September 5, 2019 at 5:05 p.m. in Council Chambers

## 7. MOTION TO ADJOURN

This agenda should not be viewed as containing definitive information on matters of law with respect to ordinance and resolution summaries.

### **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>A.B.</b>
<b>Meeting Date:</b>	<b>8/29/2019</b>
<b>Item Type:</b>	<b>CITIZENS INPUT TIME</b>

**AGENDA REQUEST  
FORM**  
CITY OF CAPE CORAL



**TITLE:**

Budget Wrap Up - 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:**

Fund Balance combined Memos - order updated  
Budget Wrap up slides

**PREPARED BY:**

Division-    Department-

**SOURCE OF ADDITIONAL INFORMATION:**

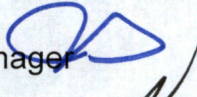
**ATTACHMENTS:**

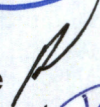
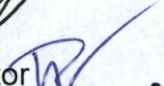


<b>Description</b>	<b>Type</b>
<input type="checkbox"/> Fund Balance combined memos - (updated order of pages)	Backup Material
<input type="checkbox"/> Budget Wrap up Slides	Backup Material



CAPE CORAL POLICE DEPARTMENT

*Office of the Chief of Police*

TO: John Szerlag, City Manager 

FROM: David Newlan, Chief of Police   
Victoria Bateman, Finance Director   
Christopher Phillips, Budget Administrator   
Monte Vavra, Deputy Financial Director 

DATE: August 26, 2019

SUBJECT: Special Revenue Funds

The Police Department has worked with the Financial Services Department to answer your following questions:

1. **Identify the fund:**  
Alarm Fees.
2. **What is the balance/reserves (April 15, 2019/Budget Amendment #1)**  
\$12,164
3. **How much is committed/designated in FY20?**  
\$12,164
4. **When and how will these funds be expended?**  
FY20 - payroll, operating and general administrative fees.
5. **What is the available balance in FY20?**  
\$0. This fund requires a subsidy from the General Fund.
6. **What are the restrictions for funds?**  
Only used to account for fees and fines collected by the City in connection with initial installation and false alarms thereafter.

**7. What are the plans for these funds in the City Manager's proposed budget (FY2020-2022)?**

Insufficient funds for the annual payroll and operating costs. General Fund subsidizes.

**8. Identify future plans for this fund (FY2023 and beyond):**

N/A no available funds to expend.

**9. Identify how this ties to the budget?**

Annual expenditures budgeted on page 7-18.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

There will be no funds remaining.

**11. What have been the expenditures for the last three years and for what?**

Payroll and Operating Costs.

FY17 \$110,105

FY18 \$111,039

FY19 \$84,274 (YTD 8.16.19)

---

**1. Identify the fund:**

Do The Right Thing

**2. What is the balance/reserves (April 15, 2019/Budget Amendment #1)?**

\$17,359

**3. How much is committed/designated in FY20?**

\$17,359

**4. When and how will these funds be expensed?**

FY20 – public relations

**5. What is the available balance in FY20?**

\$0

**6. What are the restrictions for funds?**

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.

**7. What are the plans for these funds in the City Manager's proposed budget (FY2020-2022)?**

Annual public relation expenses related to sponsoring the program.

**8. Identify future plans for this fund.**

Continue to support the program funded by donations

**9. Identify how this ties to the budget?**

Annual expenditures budgeted on page 7-8.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

There will be no funds remaining.

**11. What have been the expenditures for the last three years and for what?**

Public relations.

FY17 \$16,932

FY18 \$12,142

FY19 \$6,676 (YTD 8.16.19)

---

**1. Identify the fund:**

Police Confiscation Federal

**2. What is the balance/reserves (April 15, 2019/Budget Amendment #1)?**

\$211,522

**3. How much is committed/designated in FY20?**

\$211,522

**4. When and how will these funds be expensed?**

FY20 - Annual operating costs related to accreditation, travel and training, equipment and software.

**5. What is the available balance in FY20?**

\$0

**6. What are the restrictions for funds?**

Only used to account for monies received from federal confiscation cases and used to purchase equipment, training, for protracted investigations to offset cost for the Police Department. Shared funds shall not be used to replace or supplant the appropriated resources of the recipient.

**7. What are the plans for these funds in the City Manager's proposed budget (FY2020-2022)?**

Annual operating expenditures for a total of \$120,063 over 3 years.  
Police Department Crime Center and operating expense \$290,000 (unfunded).

**8. Identify future plans for this fund.**

- a. 5-year Capital Improvement Plan: N/A
- b. Long-term: Investigative software, and equipment

**9. Identify how this ties to the budget?**

Annual expenditures budgeted on page 7-10.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

There will be no funds remaining.

**11. What have been the expenditures for the last three years and for what?**

Operating costs for accreditation, travel, training, equipment, and software.

FY17 \$70,666

FY18 \$154,843

FY19 \$245,715 (YTD 8.16.19)

---

**1. Identify the fund:**

Police Confiscation State

**2. What is the balance/reserves (April 15, 2019/Budget Amendment #1)?**

\$395,732

**3. How much is committed/designated in FY20?**

\$395,732 - Florida State Statute 932.7055 (5)(c)3, if the Florida Contraband Forfeiture Act, agencies must expend 25% of total funds acquired each fiscal year. FY20 total is unknown at this time.

**4. When and how will these funds be expended?**

FY20 - Operating costs related to advertising, public relations and equipment.

FY20 – Florida Contraband Forfeiture Act expended, unknown amount. (11/19 finance provides this total).

**5. What is the available balance in FY20?**

\$0

**6. What are the restrictions for funds?**

Only used to account for monies received from the sale of confiscated items in nonfederal cases and used to purchase equipment and police programs for the Police Department. The proceeds and interest may not be used to meet normal operating expenses of the law enforcement agency.

**7. What are the plans for these funds in the City Manager's proposed budget (FY2020-2022)?**

Annual operating expenditures 3 years.

Florida Contraband Forfeiture Act expended, unknown amount. (finance provides this total in November each year).

Training Simulator System with a virtual training system expense estimated at \$150,000 and department AV and audio equipment (unfunded).

**8. Identify future plans for this fund.**

a. 5-year Capital Improvement Plan: N/A

b. Long-term: Department equipment for enhancement in investigations and forensics.

**9. Identify how this ties to the budget?**

Annual expenditures budgeted on page 7-9.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

There will be no funds remaining.

**11. What have been the expenditures for the last three years and for what?**

Operating and capital expenditures for advertising, public relations, and equipment.

FY17 \$43,412

FY18 \$55,509

FY19 \$25,582 (YTD 8.16.19)

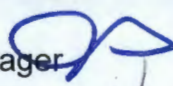
In closing, the future plans for the Special Revenue Funds have been accounted for and are intended to be utilized as described above.


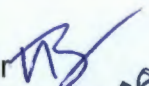


As always, please feel free to contact us if you have any specific questions.



## CAPE CORAL POLICE DEPARTMENT

Office of the Chief of Police

TO: John Szerlag, City Manager 

FROM: David Newlan, Chief of Police   
Victoria Bateman, Finance Director   
Christopher Phillips, Budget Administrator   
Monte Vavra, Deputy Financial Director 

DATE: August 26, 2019

SUBJECT: Impact Fees

The Police Department has worked with the Financial Services Department to answer your following questions:

1. **Identify the fund:**  
Police Protection Impact Fees.
2. **What is the balance/reserve (April 15, 2019/Budget Amendment #1)?**  
\$5,769,683
3. **How much is committed / designated in FY2020?**  
\$23,335
4. **When and how will these funds be expended?**  
In FY2020 fund will be utilized for applicable administrative fees.
5. **What is the available balance in FY2020?**  
\$5,746,348
6. **What are the restrictions for funds?**  
The City has established public safety impact fees (Code of Ordinances, Chapter 2: - Administration, Article II; -Fees, Division 3: -Public Safety Impact Fee). The funds accumulated by reason of the collection of police protection impact fees shall be used only for the purchase of capital improvements consisting of land, buildings, vehicles, and equipment for police protection services to benefit the public. Funds may not be used for the costs of operation, maintenance, repair, replacement, rehabilitation, renewal, or upgrading of any existing facility to meet the service needs of existing users.

**7. What are the plans for the these funds in the City Manager's proposed budget (FY2020-2022)?**

Police Training Facility in FY20 and FY21 at a cost of approximately \$8 million, found in the City Managers proposed budget on page 13-32.

**8. Identify future plans for this fund (FY2023 and beyond):**

- a. 5-year Capital Improvement Plan: N/A
- b. Long-term: Additional phases to the Police training facility

**9. Identify how this ties to the budget?**

Annual debt budgeted on page 7-6.

Training Facility plans listed on page 13-32.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

There will be no funds remaining.

**11. What have been the expenditures for the last three years and for what?**

For administrative fees

FY17: \$11,007

FY18: \$11,530

FY19: \$8,073 (YD 8.16.19.)

In closing, the future plans for the Police Impact Fees have been accounted for and are intended to be utilized as permitted by City Ordinance described above.

As always, please feel free to contact us if you have any specific questions.



CAPE CORAL FIRE DEPARTMENT  
OFFICE OF THE FIRE CHIEF

TO: John Szerlag, City Manager

FROM: Ryan W. Lamb, Fire Chief  
Victoria Bateman, Finance Director  
Monte Vavra, Deputy Finance Director  
Chris Philips, Budget Administrator

DATE: August 26, 2019

SUBJECT: Fire and Rescue Impact Fees

---

The Fire Department has worked with the Financial Services Department to answer your following questions:

1. **Identify the fund:**  
Fire and Rescue Impact Fee.
2. **What is the fund balance/reserve (April 15, 2019/Budget Amendment #1)?**  
\$3,461,564
3. **How much is committed/designated in FY2020?**  
\$362,356
4. **When and how will these funds be expended?**  
In FY2020 annual debt \$339,865 and administrative fees \$22,491
5. **What is the available balance in FY2020?**  
\$3,099,208

6. **What are the restrictions for the funds?**

The City has established public safety impact fees (Code of Ordinances, Chapter 2: - Administration, Article II; - Fees, Division 3: - Public Safety Impact Fee). Fire and Rescue Impact Fee funds shall be used only for the purchase of fire capital improvements consisting of land, buildings, vehicles and equipment for fire fighting

and fire protection services. Funds may not be used for the costs of operation, maintenance, repair, replacement, rehabilitation, renewal, or upgrading of any existing facility to meet the service needs of existing users.

**7. What are the plans for these funds in the City Manager's proposed budget (FY2020-2022)?**

Annual debt payments of \$340,000 through FY2024, for a total outstanding debt amount of \$1.9M and a Live Fire Training Facility in FY2021 and FY2022 in the amount of \$3.5M.

**8. Identify future plans for this fund (FY2023 and beyond):**

**a. 5-year CIP:** N/A

**b. Long-term plans:** Logistics Warehouse in FY 2025, Fire Department Administrative Headquarters in FY2025, and land acquisitions for future Fire Stations.

**9. Identify how this ties to the budget?**

Annual debt budgeted on page 7-13. Future plans listed on page 13-32.

**10. If proposed expenditure/plans are not modified by Council, what is left over?**

There will be no funds remaining.

**11. What has been expended in the last 3 years?**

Administrative fees, debt payments and land purchases.

FY2017 \$422,758

FY2018 \$440,999


FY2019 \$320,186 (YTD 8.16.19)


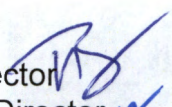


In closing, the future plans for the Fire and Rescue Impact Fees have been accounted for and are intended to be utilized as permitted by City Ordinance described above.

As always, please feel free to contact us if you have any specific questions.



CAPE CORAL FIRE DEPARTMENT  
OFFICE OF THE FIRE CHIEF

TO: John Szerlag, City Manager 

FROM: Ryan W. Lamb, Fire Chief   
Victoria Bateman, Finance Director   
Monte Vavra, Deputy Finance Director   
Chris Philips, Budget Administrator 

DATE: August 26, 2019

SUBJECT: Advanced Life Support Impact Fees and All Hazards Fund

---

The Fire Department has worked with the Financial Services Department to answer your following questions:

1. **Identify the fund:**  
Advanced Life Support Impact Fee.
2. **What is the fund balance/reserve (as of April 15, 2019/Budget Amendment #1)?**  
\$229,204
3. **How much is committed/designated in FY2020?**  
\$61,155
4. **When and how will these funds be expended?**  
In FY2020, cardiac monitors and warranties in the amount of \$59,780 and administrative fees in the amount of \$1,375.
5. **What is the available balance in FY2020?**  
\$168,049
6. **What are the restrictions for the funds?**  
The City has established public safety impact fees (Code of Ordinances, Chapter 2: - Administration, Article II; - Fees, Division 3: - Public Safety Impact Fee).

Advanced Life Support Impact Fees funds shall be used only for the purchase of capital improvements consisting of land, buildings, vehicles and equipment for ALS services. Funds may not be used for the costs of operation, maintenance, repair, replacement, rehabilitation, renewal, or upgrading of any existing facility to meet the service needs of existing users.

**7. What are the plans for these funds in the City Manager's proposed budget (FY2020-2022)?**

Annual cardiac monitor purchases to upgrade Fire Stations to ALS, totaling \$186,748 over 3 years.

**8. Identify future plans for this Fund (FY2023 and beyond):**

a. **5-year CIP:** N/A

b. **Long-term plans:** Further expansion and improvement of the ALS program.

**9. Identify how this ties to the budget?**

Annual expenditures budgeted on page 7-7. Capital by line item on page 13-14.

**10. If proposed expenditure/plans are not modified by Council, what is left over?**

There will be no funds remaining.

**11. What has been expended in the last 3 years?**

Administrative fees, equipment and warranties.

FY2017 \$645

FY2018 \$76,391

FY2019 \$80,605 (YTD 8.16.19)

The future plans for the Advanced Life Support Impact Fees have been accounted for and are intended to be utilized as permitted by City Ordinance described above.

---

**The All Hazards Fund:**

The All Hazards Fund was established by an interlocal agreement between the City of Cape Coral and Lee County. This fund supports the City's Emergency Management program and 5.5 associated employees. Each year the budget is submitted by the Fire Chief/Emergency Management Director to the City Manager and the Lee County Public Safety Director for approval. As a best practice, we maintain a reserve of at least \$1,000,000 within this fund, for contingencies and matching funds for hazard mitigation grants.

- 1. Identify the fund:**  
All Hazards Fund.
- 2. What is the fund balance/reserve (as of April 15, 2019/Budget Amendment #1)?**  
\$1,043,165
- 3. How much is committed/designated in FY2020?**  
\$1,043,165
- 4. When and how will these funds be expended?**  
In FY2020, payroll for Emergency Management staff, operating, capital expenses and transfer to the General Fund for Hazardous Materials specialty pay.
- 5. What is the available balance in FY2020?**  
\$0
- 6. What are the restrictions for the funds?**  
Funds are to be used for hazardous material response, emergency preparedness initiatives, emergency contingency fund, and property acquisition.
- 7. What are the plans for these funds in the City Manager's proposed budget (FY2020-2022)?**  
Annual payroll, operating expenses, and capital and debt payments over 3 years.
- 8. Identify future plans for this fund (FY2023 and beyond):**
  - a. 5-year CIP:** N/A
  - b. Long-term plans:** Further expansion and improvement of the City's Emergency Management program including upgrading the Emergency Operations Center.
- 9. Identify how this ties to the budget?**  
Annual expenditures budgeted on page 7-17. Capital by line item on pages 13-13 to 13-30.
- 10. If proposed expenditure/plans are not modified by Council, what is left over?**  
As a best practice, we maintain a reserve of at least \$1,000,000 within this fund, for contingencies and matching funds for hazard mitigation grants.

**11. What has been expended in the last 3 years?**

Payroll, operating, capital and specialty pay for Hazardous materials transferred to General Fund.

FY2017 \$640,372

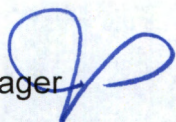
FY2018 \$729,655





FY2019 \$632,865 (YTD 8.16.19)

The future plans for the All Hazards Fund have been accounted for and are intended to be utilized as permitted by interlocal agreement described above.

As always, please feel free to contact us if you have any specific questions.

# MEMORANDUM

TO: John Szerlag, City Manager 

FROM: Vince Cautero, Community Development Director   
Victoria Bateman, Finance Director   
Monte Vavra, Deputy Financial Director   
Christopher Phillips, Budget Administrator 

DATE: August 26, 2019

SUBJECT: Building Division Special Fund

The answers to your questions on the Building Division Special Fund are listed below.

1. **Identify the fund:**  
Building Division Special Fund
2. **What is the balance/reserves (April 15, 2019/Budget Amendment #1)?**  
\$6,983,009
3. **How much is committed / designated in FY2020?**  
\$22,199
4. **When and how will these funds be expended?**  
In FY2020. Annual debt - \$22,199
5. **What is the available balance in FY2020?**  
\$6,960,810
6. **What are the restrictions for funds?**  
Funds can only be used for enforcement of the Florida Building Code in accordance with Section 553, FS
7. **What are the plans for these funds in the City Manager's proposed budget (FY2020-2022)?**  
Annual payroll, operating, capital, and debt payments for a total of \$22,482,169 for over three years.
8. **Identify future plans for this fund (FY2023 and beyond):**
  - a. 5-year Capital Improvement Plan – Not applicable
  - b. Long-term: Additional vehicles and equipment for inspectors, plans examiners, and customer service representatives.

**9. Identify how this ties to the budget?**

Expenditures listed by category on pages 7-22. Capital fleet items listed on pages 13-26.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

\$6,960,810

**11. What have been the expenditures for the last three years and for what?**

Payroll, operating, capital, and general administrative overhead costs.

FY17: \$5,292,016

FY18: \$6,440,233

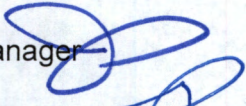
FY19: \$7,852,620 (YD 8.16.19.)

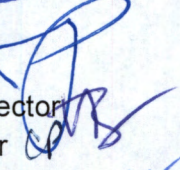

In closing, the future plans for the Building Fund have been accounted for and are intended to be utilized as permitted by Florida State Statute.

As always, please feel free to contact us if you have any specific questions.

**MEMORANDUM**

CITY OF CAPE CORAL  
UTILITIES DEPARTMENT

TO: John Szerlag, City Manager 

FROM: Jeff Pearson, Utilities Director   
Victoria Bateman, Finance Director  
Chris Phillips, Budget Manager  
Monte Vavra, Deputy Finance Director 

DATE: August 26, 2019

SUBJECT: Utilities Water and Sewer Operations Fund

---

The Utilities Department has worked with the Financial Services Department to answer your following questions:

**1. Identify the fund:**

Water & Sewer Operations

**2. What is the balance/reserves (April 15, 2019/Budget Amendment) #1?**

\$11,052,200

**3. How much is committed / designated in FY2020?**

\$11,052,200

**4. When and how will these funds be expended?**

Per Financial Management Policy, the above funds reflect the Water & Sewer Operations requirement to hold 25% of operating costs, plus 5% of prior year revenue.

**5. What is the available balance in FY2020?**

\$0

**6. What are the restrictions for funds?**

Provide funds for costs incidental to the operation of the utility system. The Financial Management policy is to maintain a 25% reserve of O&M expenses plus 5% of the prior year revenue. This helps when we borrow money to get better interest rates and to help maintain our current bond rating and cover unforeseen expenses.

**7. What are the plans for these funds in the City Manager's proposed budget (FY2020-2022)?**

To meet the requirements of the Financial Management Policy.

**8. Identify future plans for this fund (FY2023 and beyond):**

Reserves can only be appropriated for Water & Sewer related expenditures such as Personnel, Operating and Debt Service.

**9. Identify how this ties to the budget?**

Transfer details are available on pages 5-22 and 5-23. Annual expenditures budgeted on page 10-15. Capital line items are on pages 13-8 to 13-32.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

Nothing. Use of reserves can only be used for Water & Sewer related operations. Any remaining reserve above requirements rolls into the subsequent fiscal year. This also assists in keeping the rates level.

**11. What have been the expenditures for the last three years and for what?**

Payroll, operating, capital, debt service and transfers out to debt and capital projects.

FY17 \$108,878,107

FY18 \$112,316,530

FY19 \$82,742,903 (YTD 8.16.19)

In closing, future plans for the Utilities Department's Operating funds have been accounted for and are intended to be utilized. The current proposed Utilities Department's FY-2020 budget can satisfy its projected expenditure requirements and achieve targeted reserve and debt service coverage levels in FY-2020 without rate adjustments. The Rate Sufficiency Analysis assumes that the Utilities Department Water and Sewer Operations Fund continues to maintain 25% of operating expenses and 5% of prior year revenues as a reserve balance. Use of these funds outside of their intended purposes may result in future utility rate increases. The Utilities Department has hundreds of millions of dollars in outstanding debt. The Utility should continue to perform annual rate sufficiency analyses so that additional or revised information regarding timing and cost of significant capital projects, customer growth, water demands, revenue, and O&M expenses may be incorporated into the determination of rate increases that would be necessary to allow the Utility to meet its financial requirements. Advanced planning will play a prominent role in avoiding significant future rate impacts to the Utility's customers resulting from these variables occurring differently than projected.

As always, please feel free to contact us if you have any specific questions.

**MEMORANDUM**

CITY OF CAPE CORAL  
UTILITIES DEPARTMENT

TO: John Szerlag, City Manager

FROM: Jeff Pearson, Utilities Director  
Victoria Bateman, Finance Director  
Chris Phillips, Budget Manager  
Monte Vavra, Deputy Finance Director

DATE: August 26, 2019

SUBJECT: Utilities Department Water and Sewer Impact Fees

---

The Utilities Department has worked with the Financial Services Department to answer your following questions:

**1. Identify the fund:**

Water & Sewer Impact Fees (CIAC & CFEC).

**2. What is the balance/reserves (April 15, 2019/Budget Amendment #1)?**

\$79,441,520

**3. How much is committed / designated in FY2020?**

\$13,894,888

**4. When and how will these funds be expended?**

In FY2020 fund will be utilized for administrative fees \$18,550. Transfer out for W&S Operations for annual debt service \$1,087,571 and transfer out to W&S Debt and Capital Projects \$12,788,767.

**5. What is the available balance in FY2020?**

\$65,546,632

**6. What are the restrictions for funds?**

Per City Code of Ordinances, Chapter 2, Division 2, Section 2-23. These funds can only be used for capital expansion of utility facilities and paying off debt from prior capital expansion related projects.

**7. What are the plans for these funds in the City Manager's proposed budget (FY2020-2022)?**

Annual administrative fees and transfers out for debt and capital projects, totaling \$60,793,832 over 3 years. The Utilities 3-year CIP is \$92,081,970. Only a portion of these balances can be used to cover the 3-year CIP as CFEC and CIAC funds can only fund expansion related projects.

**8. Identify future plans for this fund (FY2023 and beyond):**

FY23 and FY24 Capital Improvement Plan	\$56,876,367
FY23 and FY24 Asset Management Plan	\$4,677,384
FY25 and beyond/unfunded: CIP =	\$150,000,000

**9. Identify how this ties to the budget?**

Transfer details are available on pages 5-22 and 5-23. Annual expenditures budgeted on page 10-15. Capital line items are on pages 13-8 to 13-32.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

\$0.

**11. What have been the expenditures for the last three years and for what?**

Administrative fees and transfers out for debt and capital projects.

FY17 \$3,678,493

FY18 \$1,321,203


FY19 \$1,138,014 (YTD 8.16.19)

In closing, future plans for the Utilities Department's Impact Fees have been accounted for and are intended to be utilized as permitted by City Ordinance described above. The current proposed Utilities Department's FY-2020 budget can satisfy its projected expenditure requirements and achieve targeted reserve and debt service coverage levels in FY-2020 without rate adjustments. Stantec Consulting Services, Inc., recommends that the City should maintain its existing water, sewer and irrigation rates for FY-2020 and utilize available impact fees (i.e. CFEC and CIAC balances on eligible projects and annual CFEC revenues to pay for expansion related debt service as available). The Rate Sufficiency Analysis assumes that the Utilities Department Water and Sewer Operations Fund continues to maintain 6-months of operating expenses as a reserve balance. Use of these funds outside of their intended purposes may result in future utility rate increases. The Utilities Department has hundreds of millions of dollars in outstanding debt. Any excess balances not used for expansion related capital projects in the future could be used to pay down debt and reduce rates.

As always, please feel free to contact us if you have specific questions.

## MEMORANDUM

### CITY OF CAPE CORAL PUBLIC WORKS DEPARTMENT

TO: John Szerlag, City Manager 

FROM: Paul Clinghan, Public Works Director *PRC*  
Victoria Bateman, Finance Director *VB for VLB*  
Christopher Phillips, Budget Administrator *CP*  
Monte Vavra, Deputy Financial Director *MV*

DATE: August 26, 2019

SUBJECT: 5 and 6 Cent Gas Tax

---

The Public Works Department worked with the Financial Services Department to answer your following questions:

1. **Identify the fund:**  
5 and 6 Cent Gas Tax
2. **What is the fund balance/reserve (April 15, 2019/Budget Amendment #1)?**  
\$23,172,326
3. **How much is committed/designated in FY20?**  
\$12,559,921
4. **When and how will these funds be expended?**  
FY20 - See attached 5-year CIP table
5. **What is the available balance in FY20?**  
\$10,612,405 (Balance goes towards future CIP)
6. **What are the restrictions for the funds?**
  - 5-Cent is used to fund transportation expenditures that meet the requirements of the CIP element of the adopted City comprehensive plan.
  - 6-Cent is used for transportation expenditures including, but not limited to, construction of new roads and reconstruction or resurfacing of existing paved roads.
7. **What are the plans for these funds? FY20-22**  
See attached 5-year CIP table.

**8. Identify future plans for this fund.**

5-year CIP - See attached 5-year CIP table

Long term plans – bridge rehabilitation and replacement

**9. Identify how this ties to the budget?**

Transfer details Page 5-22 and 5-23. Annual expenditures budgeted on Page 7-3. Capital line items Pages 13-8 to 13-32. Ongoing/existing projects listed on Page 13-31.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

\$0.

**11. What has been expended in the last 3 years?**

FY17, FY18 and FY19 (YTD 8.16.19) - \$22,463,761

In closing, the 5-Cent Gas Tax is used to fund transportation expenditures that meet the requirements of the CIP element of the adopted City comprehensive plan. The 6-Cent Gas Tax is used for transportation expenditures including, but not limited to, construction of new roads and reconstruction or resurfacing of existing paved roads.

As always, please feel free to contact us if you have any specific questions.

FY 2019					FY 2020			FY 2021			FY 2022			FY 2023		
TRANSPORTATION CAPITAL - August 26, 2019 Five and Six Cent Funds		Five/Six Cent	Grant	Totals	Five/Six Cent	Grant	Total	Five/Six Cent	Grant	Total	Five/Six Cent	Grant	Total	Five/Six Cent	Grant	Total
Misc.	Basic Maintenance Costs (Street Programs)	8,508,729		8,508,729	8,290,016		8,290,016	8,086,051		8,086,051	8,350,388		8,350,388	8,651,838		8,651,838
	Annual Debt Service							1,700,471		1,700,471	1,177,326		1,177,326	945,938		945,938
3040012	North 2 UEP Transportation	3,348,000		3,348,000												
3040016	N2 UEP- Additional lanes on OBSR, Tropicana and Nelson	900,000		900,000												
TBD	North 2 UEP Paving (debt)				250,000		250,000	250,000		250,000	250,000		250,000	250,000		250,000
3040017	Kismet/Littleton Realignment							1,400,000		1,400,000						
3011510	Existing Sidewalk repairs	50,000		50,000	200,000		200,000	200,000		200,000	300,000		300,000	400,000		400,000
Misc.	Roadway Resurfacing	1,170,017		1,170,017	4,000,000		4,000,000	1,000,000		1,000,000			0			0
3011010	Traffic Control /Intersections Imp.	500,000		500,000	400,000		400,000	400,000		400,000	400,000		400,000	400,000		400,000
	Streetlights				100,000		100,000	100,000		100,000	100,000		100,000	100,000		100,000
3011010	SR 78 and 24th Intersection Improvements	144,988		144,988	(100,000)		(100,000)									
3010110	Access Management				50,000		50,000	300,000		300,000	300,000		300,000	300,000		300,000
3010410	Median Curbing Projects				50,000		50,000	300,000		300,000	300,000		300,000	500,000		500,000
3011110	Turn Lane Improvements				100,000		100,000	500,000		500,000	500,000		500,000	500,000		500,000
3011110	Nicholas Parkway West design	2,793		2,793												
3011110	Nicholas Parkway East design	2,676		2,676												
3011110	Nicholas Parkway West construction				1,800,000		1,800,000									
3011110	Nicholas Parkway East construction							1,800,000		1,800,000						
3170011	Sign Shop	360,000		360,000												
TBD	Roadway improvements, part of Sun Trail (City)				600,000		600,000	500,000		500,000						
TBD	Sun Trail (Grant funded)		1,780,000	1,780,000		5,298,000	5,298,000									
TBD	Sidewalks (Grant funded)		1,623,868	1,623,868		997,475	997,475		792,412	792,412		1,787,487	1,787,487		275,740	275,740
3040013	ADA Sidewalks updates as part of road resurfacing	300,000		300,000	300,000		300,000	300,000		300,000	300,000		300,000	300,000		300,000
3040014	ADA Sidewalks updates as part of UEP	200,000		200,000							200,000		200,000	200,000		200,000
3010610	Median Landscaping			0			0			0			0			0
3010510	Alley Paving	520,000		520,000			0			0			0			0
3040011	North Area 1 Transportation	250,000		250,000	250,000		250,000									
3040011	North Area 1 Transportation construction costs										1,000,000		1,000,000	1,000,000		1,000,000
3040010	Downtown Circulation	250,000		250,000	150,000		150,000	250,000		250,000	250,000		250,000	250,000		250,000
3050010	S.R. 78 Parallel Access Road	250,000		250,000	175,000		175,000	250,000		250,000	250,000		250,000	250,000		250,000
3040019	Bridge rehabilitation and replacement fund	1,000,000		1,000,000	600,000		600,000	500,000		500,000	500,000		500,000	500,000		500,000
TBD	Benchmark survey	125,000		125,000	75,000		75,000									
TBD	Future Transp. Corridor Analysis				353,473		353,473									
TBD	MPO Evacuation Study							250,000		250,000						
	Total Project Costs	17,882,203	3,403,868	21,286,071	17,643,489	6,295,475	23,938,964	18,086,522	792,412	18,878,934	14,177,714	1,787,487	15,965,201	14,547,776	275,740	14,823,516
Five/Six Cent Total		17,882,203			17,643,489			18,086,522			14,177,714			14,547,776		
Grant Total			3,403,868			6,295,475			792,412			1,787,487			275,740	
Total				21,286,071			23,938,964			18,878,934			15,965,201			14,823,516


FY 2024		
Five/Six Cent	Grant	Total
9,230,388		9,230,388
991,236		991,236
250,000		250,000
500,000		500,000
		0
400,000		400,000
100,000		100,000
500,000		500,000
500,000		500,000
500,000		500,000
300,000		300,000
		0
		0
250,000		250,000
250,000		250,000
500,000		500,000
14,271,624	-	14,271,624
14,271,624		
	-	
		14,271,624


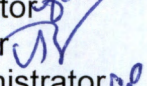


2019 to 2024 Five and Six Cent Funds Total	Projects	Notes
51,117,410	Basic Maintenance Costs (Street Programs)	Transportation funds contribution to maintenance, operating and salary.
4,814,971	Annual Debt Service	Annual debt for SBB and DP widening - Impact fees and/or gas tax used
3,348,000	North 2 UEP Transportation	Non-assessed improvements such as 2 foot road widening, structural repairs
900,000	N2 UEP- Additional lanes on OBSR, Tropicana and Nelson	Complete four lane sections
1,250,000	North 2 UEP Paving (debt)	Debt payment for 2nd lift of asphalt
1,400,000	Kismet/Littleton Realignment	City contribution for intersection improvements. Total \$5.6 M. \$4.2 M from Impact Fees.
1,650,000	Existing Sidewalk repairs	Repair of existing sidewalks
6,170,017	Roadway Resurfacing	\$6.5 M per year from Transportation or General Fund or combination. Added \$1 M FY20
2,500,000	Traffic Control /Intersections Imp.	Any identified safety improvements. Transferred \$100,000/yr FY20-FY24 for Streetlights
500,000	Streetlights	\$100,000/yr - General Fund and added \$100,000/yr - Gas Tax
44,988	SR 78 and 24th Intersection Improvements	Remaining from City costs for new signals at SR78/24th, SR 78/Hibiscus. Transferred \$100,000 to Paving FY20
1,450,000	Access Management	Any identified safety improvements and/or as part of median improvement. Transferred \$250,000 to Paving FY20
1,650,000	Median Curbing Projects	Any identified safety improvements and/or as part of median improvement. Transferred \$250,000 to Paving FY20
2,100,000	Turn Lane Improvements	Any identified safety improvements and/or as part of median improvement. Transferred \$400,000 to Paving FY20
2,793	Nicholas Parkway West design	Remaining from Nicholas Pkwy from SR78 to SBB design
2,676	Nicholas Parkway East design	Remaining from Nicholas Pkwy from SBB to Country Club design
1,800,000	Nicholas Parkway West construction	Nicholas Pkwy from SR 78 to SBB construction
1,800,000	Nicholas Parkway East construction	Nicholas Pkwy from SBB to Country Club construction
360,000	Sign Shop	Transportation fund contribution to cost of new sign shop
1,100,000	Roadway improvements, part of Sun Trail (City)	Road improvements Kismet and Chiquita
7,078,000	Sun Trail (Grant funded)	Grants obtained from FDOT for Sun Trail design in FY 2019 and Phase I construction in FY 2020. Grant for additional \$5.3 for Phase 2 construction TBD
5,476,982	Sidewalks (Grant funded)	Grants obtained from FDOT for sidewalk construction
1,800,000	ADA Sidewalks updates as part of road resurfacing	Required ADA improvements for all resurfacing projects
600,000	ADA Sidewalks updates as part of UEP	Any identified safety improvements. Funds not expended can be used for other projects
0	Median Landscaping	General fund contribution of \$312,000/yr.
520,000	Alley Paving	\$520,000 in FY19 from Transportation funds, \$520,000/yr. from General fund in FY20 & FY21
500,000	North Area 1 Transportation	Upfront design costs
2,000,000	North Area 1 Transportation construction costs	Non-assessed improvements such as 2 foot road widening, structural repairs
1,400,000	Downtown Circulation	Potential improvements required as part of Bimini Basin or other CRA projects
1,425,000	S.R. 78 Parallel Access Road	Any identified opportunities to facilitate project. Could also be used for any future roadway improvements
3,600,000	Bridge rehabilitation and replacement fund	Yearly contribution to on-going fund for maintenance, rehabilitation or replacement
200,000	Benchmark survey	Establish benchmarks for tide stations and new datum
353,473	Future Transportation Corridor Analysis	Transportation Planning/Engineering study (Transfer Funds to Operating Budget).
250,000	MPO Evacuation Study	Transportation Planning/Engineering study by MPO (Transfer Funds to Operating Budget).
109,164,310	Total Project Costs	
96,609,328	Five/Six Cent Total	
12,554,982	Grant Total	
109,164,310	Total Check	

Date of Spreadsheet 8-26-19

## MEMORANDUM

### CITY OF CAPE CORAL PUBLIC WORKS DEPARTMENT

TO: John Szerlag, City Manager 

FROM: Paul Clinghan, Public Works Director   
Victoria Bateman, Finance Director   
Christopher Phillips, Budget Administrator   
Monte Vavra, Deputy Financial Director 

DATE: August 26, 2019

SUBJECT: Stormwater Assessment

---

The Public Works Department worked with the Financial Services Department to answer your following questions:

1. **Identify the fund:**  
Stormwater Assessment
2. **What is the fund balance/reserve (April 15, 2019/Budget Amendment #1)?**  
\$6,398,402
3. **How much is committed/designated in FY20?**  
\$4,971,345
4. **When and how will these funds be expensed?**  
Two months reserve requirement of \$4,528,345 and debt service of \$443,000.
5. **What is the available balance in FY20?**  
\$1,427,057
6. **What are the restrictions for the funds?**  
Used for the City's stormwater drainage program in compliance with federal, state, and local regulations. This includes any related capital improvements. The City's Financial Management Policy calls for 2 month's reserve.

**7. What are the plans for these funds? FY20-22?**

Reserves can only be appropriated for Stormwater related expenditures such as Personnel, Operating and Debt Service.

**8. Identify future plans for this fund:**

**5-year CIP - FY20 to FY24**

Storm Drain Improvements - \$7,492,290

North 1 UEP - Drain Pipe Improvement (Debt) - \$1,383,000

North 1 UEP - Cash \$2,000,000

North 2 UEP - Drain Pipe Improvements (Debt) - \$2,305,000

North 3 UEP – Future Debt - \$500,000

Flood Prevention - \$3,750,000

Weir Improvements - \$5,000,000

Chiquita Lock - \$500,000

**9. Identify how this ties to the budget:**

Transfer details Page 5-22 and 5-23. Annual expenditures budgeted on page 10-17 and 10-18. Capital line items Pages 13-8 to 13-32.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

\$0.

**11. What has been expended in the last 3 years?**

Payroll, operating and capital.

FY17 \$14,484,999

FY18 \$17,831,814


FY19 \$10,799,624 (YTD 8.16.19)


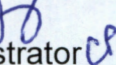


In closing, the Stormwater Assessment Fees can only be used for the City's stormwater drainage program in compliance with federal, state, and local regulations.

As always, please feel free to contact us if you have any specific questions.

## MEMORANDUM

### CITY OF CAPE CORAL PUBLIC WORKS DEPARTMENT

TO: John Szerlag, City Manager 

FROM: Paul Clinghan, Public Works Director   
Victoria Bateman, Finance Director   
Christopher Phillips, Budget Administrator   
Monte Vavra, Deputy Financial Director 

DATE: August 26, 2019

SUBJECT: Road Impact Fees

---

The Public Works Department worked with the Financial Services Department to answer your following questions:

1. **Identify the fund:**  
Road Impact Fee
2. **What is the fund balance/reserve (April 15, 2019/Budget Amendment #1)?**  
\$5,462,768
3. **How much is committed/designated in FY20?**  
\$7,020,721
4. **When and how will these funds be expensed?**  
FY20 - Annual debt of \$6,775,399 for Del Prado Blvd., and Santa Barbara Blvd., general overhead allocation of \$190,322 and administrative fees of \$55,000.
5. **What is the available balance in FY20?**  
(\$1,557,953)
6. **What are the restrictions for the funds?**  
Road Impact Fees can only be used to provide new roads or increase roadway capacity.
7. **What are the plans for these funds? FY20-22**  
Annual debt payments each year of \$6.8 M until 2030.

**8. Identify future plans for this fund.**

- a. Annual debt payments each year of \$6.8 M until 2030.

**9. Identify how this ties to the budget?**

Annual debt budgeted on Page 7-5.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

\$0.

**11. What has been expended in the last 3 years?**

Debt payments, Administrative fees, and general fund overhead transfers:

FY17 \$7,003,626

FY18 \$7,070,930


FY19 \$5,490,598 (YTD 8.16.19)





In closing, Road Impact Fees can only be used to provide new roads or increase roadway capacity.

As always, please feel free to contact us if you have any specific questions.

## MEMORANDUM

### CITY OF CAPE CORAL PUBLIC WORKS DEPARTMENT

TO: John Szerlag, City Manager 

FROM: Paul Clinghan, Public Works Director   
Victoria Bateman, Finance Director   
Christopher Phillips, Budget Administrator   
Monte Vavra, Deputy Financial Director 

DATE: August 26, 2019

SUBJECT: Lot Mowing Assessment

---

The Public Works Department worked with the Financial Services Department to answer your following questions:

1. **Identify the fund:**  
Lot Mowing Assessment
2. **What is the fund balance/reserve (April 15, 2019/Budget Amendment #1)?**  
\$526,664
3. **How much is committed/designated in FY20?**  
\$0
4. **When and how will these funds be expensed?**  
FY20 - Payroll and operating for lot mowing program including burrowing owl trimming and pepper tree removal.
5. **What is the available balance in FY20?**  
\$526,664
6. **What are the restrictions for the funds?**  
Can only be used for the lot mowing program for vacant unimproved property and removal of exotic vegetation.
7. **What are the plans for these funds? FY20-22**  
Annual payroll, operating and capital over 3 years.

**8. Identify future plans for this fund.**

Annual Lot Mowing Program, burrowing owl trimming and pepper tree removal.

**9. Identify how this ties to the budget?**

Annual expenditures budgeted on Page 7-21.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

\$0.

**11. What has been expended in the last 3 years?**

Payroll, operating and capital related to Lot Mowing program.

FY17 \$3,502,211

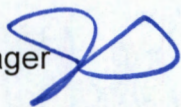
FY18 \$4,776,893


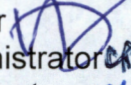


FY19 \$1,969,195 (YTD 8.16.19)

In closing, this fund can only be used for the lot mowing program for vacant unimproved property.

As always, please feel free to contact us if you have any specific questions.

MEMORANDUM  
CITY OF CAPE CORAL  
PARKS & RECREATION DEPARTMENT

TO: John Szerlag, City Manager 

FROM: Kerry Runyon, Parks and Recreation Director   
Victoria Bateman, Finance Director   
Christopher Phillips, Budget Administrator   
Monte Vavra, Deputy Financial Director 

DATE: August 26, 2019

SUBJECT: Impact Fees – Parks Recreational Facilities

---

The Parks and Recreation Department worked with Financial Services Department to answer your following questions:

1. **Identify the fund.**  
Parks Recreational Facilities
2. **What is the fund balance/reserves? (April 15, 2019/Budget Amendment #1)**  
\$847,958
3. **How much is committed/designated in FY20?**  
\$847,958
4. **When and how will these funds be expensed?**  
FY20 annual debt and administrative fees.
5. **What is the available balance in FY20?**  
\$0. General Fund subsidizes the debt payments made from this fund. The FY 2020 subsidy is approximately \$1.7 million.
6. **What are the restrictions for the funds?**  
Only used to account for impact fees which are used to provide recreational park facilities and to pay debt services.
7. **What are the plans for these funds in City Manager's proposed FY20-22 budget?**  
Annual debt service payments. General Fund pays the remaining balance of annual debt payments.

**8. Identify future plans for this fund (2023 and beyond)?**

5-year CIP: N/A

Long term plans: Continued debt service payments – no available funds to expend.

**9. Identify how these tie to the budget?**

Annual debt budget on page 7-14.

**10. If proposed expenditure/plans are not modified by Council, what is left over?**

As a best practice, we maintain a reserve of at least \$1,000,000 within this fund, for contingencies and matching funds for hazard mitigation grants.

**11. What has been expended in the last 3 years?**

Administrative fees and annual debt

FY17 \$2,732,622

FY18 \$2,739,959


FY 19 \$2,725,805





In closing, there are no additional Parks Recreational Facilities Impact fees available to expend.

As always, please feel free to contact us if you have any specific questions.

KR/kep

MEMORANDUM  
CITY OF CAPE CORAL  
PARKS & RECREATION DEPARTMENT

TO: John Szerlag, City Manager 

FROM: Kerry Runyon, Parks and Recreation Director   
Victoria Bateman, Finance Director   
Christopher Phillips, Budget Administrator   
Monte Vavra, Deputy Financial Director 

DATE: August 26, 2019

SUBJECT: Impact Fees – Parks Recreational Facilities

---

The Parks and Recreation Department worked with Financial Services Department to answer your following questions:

- 1. Identify the fund.**  
Parks Recreational Facilities
- 2. What is the fund balance/reserves? (April 15, 2019/Budget Amendment #1)**  
\$847,958
- 3. How much is committed/designated in FY20?**  
\$847,958
- 4. When and how will these funds be expensed?**  
FY20 annual debt and administrative fees.
- 5. What is the available balance in FY20?**  
\$0. General Fund subsidizes the debt payments made from this fund. The FY 2020 subsidy is approximately \$300,000.
- 6. What are the restrictions for the funds?**  
Only used to account for impact fees which are used to provide recreational park facilities and to pay debt services.
- 7. What are the plans for these funds in City Manager's proposed FY20-22 budget?**  
Annual debt service payments. General Fund pays the remaining balance of annual debt payments.

**8. Identify future plans for this fund (2023 and beyond)?**

5-year CIP: N/A

Long term plans: Continued debt service payments – no available funds to expend.

**9. Identify how these tie to the budget?**

Annual debt budget on page 7-14.

**10. If proposed expenditure/plans are not modified by Council, what is left over?**

As a best practice, we maintain a reserve of at least \$1,000,000 within this fund, for contingencies and matching funds for hazard mitigation grants.

**11. What has been expended in the last 3 years?**

Administrative fees and annual debt

FY17 \$2,732,622

FY18 \$2,739,959


FY 19 \$2,725,805

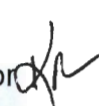
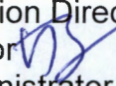


In closing, there are no additional Parks Recreational Facilities Impact fees available to expend.

As always, please feel free to contact us if you have any specific questions.

KR/kep

MEMORANDUM  
CITY OF CAPE CORAL  
PARKS & RECREATION DEPARTMENT

TO: John Szerlag, City Manager 

FROM: Kerry Runyon, Parks and Recreation Director   
Victoria Bateman, Finance Director   
Christopher Phillips, Budget Administrator   
Monte Vavra, Deputy Financial Director 

DATE: August 26, 2019

SUBJECT: Yacht Basin Fund

---

Parks and Recreation worked with Financial Services Department regarding the Yacht Basin Fund to answer your following questions:

1. **Identify the fund.**  
Yacht Basin
2. **What is the fund balance/reserves? (April 15, 2019/Budget Amendment #1)**  
\$1,039,168
3. **How much is committed/designated in FY20?**  
\$0
4. **When and how will these funds be expensed?**  
FY20 payroll, operating, and transfer to Parks Programs at the Yacht Basin Complex.
5. **What is the available balance in FY20?**  
\$1,039,168
6. **What are the restrictions for the funds?**  
Only used to account for the activities of the City's public marina and docks.
7. **What are the plans for these funds in City Manager's proposed FY20-22 budget?**  
Annual payroll and operating, transfer out to the Parks and Recreation Programs fund to support the activities of the facilities at the Yacht Basin Complex.

**8. Identify future plans for this fund (2023 and beyond)?**

5-year CIP; N/A

Long term plans

Fuel pumps at Rosen Park \$100,000 and Rosen Park Marina – shops, store, restaurant \$750,000. Long term plans would include seawall repair.

**9. Identify how these tie to the budget?**

Annual expenditures budgeted on page 10-19.

Future plans listed on page 13-37.

**10. If proposed expenditure/plans are not modified by Council, what is left over?**

\$0.

**11. What has been expended in the last 3 years?**

Payroll, operating, and capital.

FY17 \$490,647

FY18 \$519,359

FY 19 \$444,164 (YTD-8/16/2019)


In closing, Yacht Basin fund can only be used for Yacht Club Complex and Rosen Park Marina.


As always, please feel free to contact us if you have any specific questions.

KR/kep

## MEMORANDUM

### CITY OF CAPE CORAL CITY MANAGER'S OFFICE

TO: John Szerlag, City Manager 

FROM: Victoria Bateman, CPA, CGFM, Financial Services Director   
Monte Vavra, CGFO, Deputy Financial Services Director   
Chris Phillips, CGFM, Management/Budget Administrator 

DATE: August 26, 2019

SUBJECT: General Fund Reserve Balances

---

The Financial Services Department has provided answers to your following questions:

**1. Identify the fund:**

General Fund

**2. What is the balance/reserve (April 15, 2019/Budget Amendment #1)?**

\$42,732,996 Please see attached fund balance calculation.

**3. How much is committed / designated in FY2020?**

\$29,867,298 for a 2 month reserve

\$8,5440,000 for disaster, capital equipment, facilities maintenance and economic incentives.

**4. When and how will these funds be expended?**

The reserves listed above are held in place per the Financial Management Policy adopted by City Council.

**5. What is the available balance in FY2020?**

All reserves are available at Council's discretion. The current CM's proposed budget has reserves at 2.99 months in order to maintain the recommended reserves for FY 2021 at 2.89 months and FY 2022 at 2.50 months. This includes Council's consideration relative to revenue and expenditure modifications.

**6. What are the restrictions for funds?**

The General Fund is the operating fund for the City of Cape Coral including the general government, public safety, public works, community development, parks and recreation, and transportation functional activities. It is used to account for all financial resources, except those required to be accounted for in another fund. The revenue sources are taxes (property, sales, public service, fuel, alcohol and

beverage, franchise, and communications), special assessments, licenses and permits, intergovernmental (Federal, state, or local), charges for services, fines and forfeitures, impact fees, rent and royalties, interest income, contributions and donations, and other revenues that are not received for a specific purpose and accounting for in a special revenue or proprietary fund group.

**7. What are the plans for these funds in the City Manager's proposed budget (FY2020-2022)?**

The detail is presented throughout the General Fund section (specifically section 6, pages 1-72) in the CM's proposed budget book. In FY 2021, the proposed use of fund balance is \$92,354 and in FY 2022 \$4,391,083. In FY 2022 increases in expenditures include additional personnel and maintenance for new parks, Charter School support and increased paving contributions to the transportation fund.

**8. Identify future plans for this fund (FY2023 and beyond):**

A minimum of 2 months reserve is required per Financial Management Policies. Reserves above that threshold are available for unanticipated expenditures, grant matching and bond rating purposes.

**9. Identify how this ties to the budget?**

General Fund's fund balance is described and calculated on page 5-25 of the FY 2020 – 2022 City Manager's Proposed Budget document.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

Only Unassigned Fund Balance has no specific use, project or purpose tied to that balance. This amount is \$4,321,698, however the use of these funds reduce the FY 2020 – 2022 planned reserves.

**11. What have been the expenditures for the last three years and for what?**

In FY 2018 \$1,145,569 was utilized to balance the budget. Other than FY 2018, there has been no other use of fund balance once the revenues and expenditures were reconciled. In other words, Revenues were over Expenditures thus requiring no actual use of fund balance.

In closing, the future plans for the General Fund's reserve balances have been accounted for and are intended to be utilized as permitted by City Ordinance described above.

As always, please feel free to contact us if you have any specific questions.

## General Fund

	FY 2018 Actual	FY 2019 Adopted	FY 2019 Amended BA#1	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
Use of Fund Balance R-E	12,354,427	-	8,825,655	-	92,354	4,391,083
Operating Fund Balance	33,612,230	24,786,548	24,786,548	34,188,996	35,985,983	31,594,900
Total Fund Balance	50,510,657	29,330,548	38,156,203	42,732,996	44,622,337	44,529,983
Revenue	177,858,333	182,311,944	183,308,120	190,539,935	196,344,250	202,795,872
Expenditure	190,212,760	174,683,927	178,731,327	188,650,594	196,436,604	207,186,955
Revenue - Expenditure	(12,354,427)	7,628,017	4,576,793	1,889,341	(92,354)	(4,391,083)
Assigned Fund Balance	4,544,000	4,544,000	4,544,000	8,544,000	8,544,000	8,544,000
Undesignated Reserve	33,612,230	32,414,565	38,188,996	36,078,337	35,985,983	31,594,900
Total Fund Balance - Ending	38,156,230	36,958,565	42,732,996	44,622,337	44,529,983	40,138,900
Source	228,368,990	211,642,492	221,464,323	233,272,931	240,966,587	247,325,855
Uses	228,368,990	211,642,492	221,464,323	233,272,931	240,966,587	247,325,855
	-	-	-	-	-	-
	FY 2018 Actual	FY 2019 Adopted	FY 2019 Amended BA#1	Proposed with Changes	Proposed with Changes	Proposed with Changes
1 Payroll	110,494,441	117,482,623	117,841,340	120,861,502	125,363,749	131,784,142
2 Operating	44,807,072	38,461,566	40,213,699	42,255,002	41,915,090	44,106,492
3 Capital Outlay	6,988,656	3,854,840	4,683,153	6,114,803	5,151,897	7,058,762
5 Other				-	-	-
6 Transfer Out	27,922,591	14,884,898	15,993,135	19,419,287	24,005,868	24,237,559
7 Reserves	38,156,230	36,958,565	42,732,996	44,622,337	44,529,983	40,138,900
Total Expenditures	228,368,990	211,642,492	221,464,323	233,272,931	240,966,587	247,325,855
1 mn operating	15,122,734	14,158,924	14,340,080	14,933,649	15,386,492	16,066,349
# mn of reserves	2.52	2.61	2.98	2.99	2.89	2.50
Transfer out	27,922,591	14,884,898	15,993,135	19,419,287	24,005,868	24,237,559
for Capital Projects	1,751,297	922,000	1,967,211	3,332,000	6,646,806	7,332,000
Transfer out for month calc	26,171,294	13,962,898	14,025,924	16,087,287	17,359,062	16,905,559

## General Fund

	FY 2018 Actual	FY 2019 Adopted	FY 2019 Amended BA#1	FY 2020 CM Proposed with Changes	FY 2021 CM Proposed with Changes	FY 2022 CM Proposed with Changes
<b>General Fund</b>						
Transfer out for Capital Projects						
Fire Station					314,806	
PW - Paving	297,000	-	-	2,500,000	5,500,000	6,500,000
PW - Alleyway	312,000	312,000	312,000	312,000	312,000	312,000
PW - Median	520,000	520,000	520,000	520,000	520,000	520,000
P&R - Festival Park	200,000					
P&R - Art Studio	200,000					
P&R - D&D Boat Ramp	222,297					
P&R - Lake Saratoga			143,000			
Gov Ser - Computer Software			902,211			
Gov Ser - Academic Village		90,000	90,000			
Total Transfer out	1,751,297	922,000	1,967,211	3,332,000	6,646,806	7,332,000

**MEMORANDUM**

CITY OF CAPE CORAL  
CITY MANAGER'S OFFICE

TO: John Szerlag, City Manager 

FROM: Victoria Bateman, CPA, CGFM, Financial Services Director   
Monte Vavra, CGFO, Deputy Financial Services Director   
Chris Phillips, CGFM, Management/Budget Administrator 

DATE: August 26, 2019

SUBJECT: Internal Service Funds Reserve Balances

---

The Financial Services Division has provided answers to your following questions:

**1. Identify the fund:**

Risk – Property Liability  
Risk – Workers Comp  
Health Self Insurance

**2. What is the balance/reserve (April 15, 2019/Budget Amendment #1)?**

Risk – Property Liability - \$2,370,146  
Risk – Workers Comp - \$4,011,024  
Health Self Insurance - \$7,200,590

**3. How much is committed / designated in FY2020?**

Risk Insurance funds are all restricted to the payment of insurance claims, deductibles and premiums for stop loss.  
Health Self- Insurance fund is restricted to the payment of health insurance claims by covered members, administrative costs, stop loss premiums and Wellness benefits. The required reserve is 2 months of average claims and start up costs for the employee health facility.

**4. When and how will these funds be expended?**

In the Risk fund, funds are to be expended upon unexpected losses or when claims occur in Property Liability and Workers Comp.  
In the Health Self Insurance fund, a new employee health facility is planned for FY 2020.

**5. What is the available balance in FY2020?**

All funds are restricted for the purpose of insuring the City's assets and its employees and their dependents.

**6. What are the restrictions for funds?**

All funds are restricted for the purpose of insuring the City's assets and its employees and their dependents.

**7. What are the plans for these funds in the City Manager's proposed budget (FY2020-2022)?**

Planned use of these funds are to remain as reserves, with the exception of the Health Self Insurance fund regarding the employee health facility.

**8. Identify future plans for this fund (FY2023 and beyond):**

Planned use of these funds are to remain as reserves. Premiums will be analyzed annually for appropriate funding levels.

**9. Identify how this ties to the budget?**

These funds are described and accounted for in the Internal Service Funds portion of the City Manager's FY 2020 – 2022 proposed budget book, beginning on page 11-1.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

Risk – Property Liability - \$2,370,146

Risk – Workers Comp - \$4,011,024

Health Self Insurance - \$5,700,590

**11. What have been the expenditures for the last three years and for what?**

None

In closing, the future plans for the Internal Service Fund(s) reserve balances have been accounted for and are intended to be utilized as permitted by City Ordinance described above.

As always, please feel free to contact us if you have any specific questions.

JS/VB/CP:cp

**MEMORANDUM**

CITY OF CAPE CORAL  
CITY MANAGER'S OFFICE

TO: John Szerlag, City Manager 

FROM: Victoria Bateman, CPA, CGFM, Financial Services Director   
Monte Vavra, CGFO, Deputy Financial Services Director   
Chris Phillips, CGFM, Management/Budget Administrator 

DATE: August 26, 2019

SUBJECT: Debt Service Reserve Balances

---

The Financial Services Department has provided answers to your following questions:

- 1. Identify the fund:**  
Debt Service Funds
- 2. What is the balance/reserve (April 15, 2019/Budget Amendment #1)?**  
\$4,424,232
- 3. How much is committed / designated in FY2020?**  
No funds are anticipated to be utilized from the reserves in FY 2020
- 4. When and how will these funds be expended?**  
There is no plan for these funds to be expended unless unexpected decreases in revenue occur.
- 5. What is the available balance in FY2020?**  
\$0. Per the bond covenant agreements, this amount must remain in escrow.
- 6. What are the restrictions for funds?**  
The only use of these funds are for the retirement of debt.
- 7. What are the plans for these funds in the City Manager's proposed budget (FY2020-2022)?**  
Planned use of these funds are to remain as reserves, which satisfies debt service requirements.
- 8. Identify future plans for this fund (FY2023 and beyond):**  
Planned use of these funds are to remain as reserves, which satisfies debt service requirements.

**9. Identify how this ties to the budget?**

Debt Service is budgeted in the Debt Management Program portion of the City Manager's FY 2020 – 2022 proposed budget book, beginning on page 14-1.

**10. If proposed expenditure/plans are not modified by Council, what is leftover?**

Current bond covenants legally require these reserves.

**11. What have been the expenditures for the last three years and for what?**

None

In closing, the future plans for the Debt Service Fund(s) reserve balances have been accounted for and are intended to be utilized as required by City Ordinance and Bond Covenants described above.

As always, please feel free to contact us if you have any specific questions.

JS/VB/CP:cp



CAPE CORAL FIRE DEPARTMENT  
OFFICE OF THE FIRE CHIEF

TO: Mayor Coviello and Council Members

FROM: John Szerlag, City Manager   
Ryan W. Lamb, Fire Chief   
David Newlan, Chief of Police   
Paul Clinghan, Public Works Director   
Victoria Bateman, Finance Director 

DATE: August 23, 2019

SUBJECT: Disaster Reserves Fund

---

Background

The City of Cape Coral is vulnerable to a wide variety of disasters, the most prominent being hurricanes. Nevertheless, the best practice “all-hazards” approach is used to prepare for all possible disasters. Before, during, and after a disaster, the City will incur expenses to protect and safeguard the City. Some of these disasters will not reach the financial threshold for reimbursement from the state or federal governments (e.g., the 2016 tornado at an approximate cost of \$2 million). For disasters that reach a reimbursable threshold, reimbursement could take years (e.g., Hurricane Irma’s impact to Cape Coral on September 10, 2017, at an approximate cost of \$18.6 million, and the City received its first significant obligation on July 10, 2019, but no funds have been received yet).

The City Manager’s current budget designates the equivalent of two months of operating costs in reserves for continuity of general operations (approximately \$30 million) and \$6 million for disaster reserves.

Summary

A review of the Federal Emergency Management Agency’s (FEMA) materials and other major municipalities was conducted to determine best practices for disaster reserves funding. However, there is very little information provided by FEMA on the subject of

disaster reserves funding. Additionally, the reviewed major municipalities had wide variations, and Cape Coral is unique in size, topography, resources, and infrastructure.

The \$18.6 million financial impact to Cape Coral from Hurricane Irma was a least-case scenario. The City should expect to expend at least \$20 million in response to a hurricane. The financial impact of a disaster varies widely and a catastrophic event, such as Hurricane Michael in 2018, would require an “all-in” response from the City before, during, and immediately after the event. Of further concern is the long-term implication of a catastrophic event in significantly reducing property values due to damage. The obligation of all necessary funds for catastrophic events is not sustainable.

### Recommendations

Based on the research conducted and historical experiences, it is recommended that the City of Cape Coral establish and maintain an Emergency Reserve Fund between \$15 and \$20 million. A baseline of \$15 million should be established as a bare minimum of necessary emergency reserve funding. A benchmark or goal should be \$20 million. The variation would allow for an emergency reserve expenditure and time for replenishment over future fiscal years or until reimbursement is received.

Furthermore, it is recommended that the City’s financial management policies be revised to dictate permissible uses of the disaster reserves, and the required action to utilize them.


The recommended increase of the disaster reserves fund will fiscally prepare the City for most disasters while retaining the best practice of two months of reserves for continuity of general operations. If a catastrophic event impacts Cape Coral, disaster and general reserves should be adequate to sustain the City until state or federal reimbursement is received.



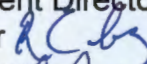
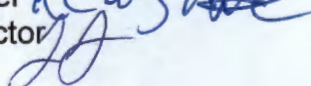
JS/RWL:lak



## CAPE CORAL POLICE DEPARTMENT

Office of the Chief of Police

TO: John Szerlag, City Manager 

FROM: David Newlan, Chief of Police   
Vince Cautero, Community Development Director   
Rich Carr, Code Compliance Manager   
Lisa Sonego, Human Resource Director 

DATE: August 26, 2019

SUBJECT: Code Enforcement Position

This memo is in response to questions posed by Council members in regards to the proposed additional Code Enforcement FTE's for FY20. The question was asked if we can utilize Public Service Aides (PSA) from the police department to conduct the duties of Code Compliance Officers (CCO) in whole or in part, as a savings due to the position of PSA's being a lower pay grade then CCO's.

Utilizing PSA personnel to replace or support CCO's, to perform as a CCO, on a regular basis to compensate for insufficient staffing would be considered a violation of the Fair Labor Standards Act. Doing so would disrupt the pay structure that recognizes skill level and value brought to the organization. You may use other position(s) to perform job duties outside their normal functions on a temporary basis for a specific purpose. This was done in the past, assisting with monitoring watering violations during the severe water restriction period.

The police department currently has (4) PSA positions, which does not allow for any extra time to perform duties outside their job description. Even on a temporary basis, this would require additional FTE's.

In regards to the use of volunteers for in the field code compliance work; they are not intended to conduct any fieldwork that would require consistency, training or indendence in the work day. Code volunteers are primarily utilized in administrative functions, ride-a-longs, and for minor matters that would not require any citizen interaction. If volunteers were to perform in the same manner as a CCO, it could lead to union grievances and increases in liability and safety concerns.

Enhancing service levels in the Code Compliance Division is directly related to the number of full-time staff.

# FY 2020 – 2022 Budget Wrap Up – Summary of Budget

- Millage to Rollback rate - \$884,834 decrease to revenue FY 2020. \$2.76 million impact on 3 year budget (at 4% estimated property value growth)
- Fire Service Assessment – 62% cost recovery rate, \$824,053 decrease to FY 2020. \$2.57 million impact on 3 year budget.
- 3 Additional Code officers at \$288,411 in FY 2020. \$672,000 impact on 3 year budget
- Streetlights at \$100,000 annually, \$300,000 impact on 3 year budget (6 Cent Gas Tax)

---

## General Fund Impact

- Total Revenue decrease = \$1,708,887 in FY 2020, \$5.2 million over 3 years
- Estimated Expenditure increase = \$288,411 in FY 2020, \$672,000 over 3 years
- Net General Fund Impact = \$1,997,298 in FY 2020, \$5.9 million impact on 3 year budget
- Months of Reserve after updates: 2.99 in FY 2020, 2.89 in FY 2021 and 2.50 in FY 2022

# Future Budget Impact 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 (Medians and others) / Disaster Relief Fund / Seawall Hardship Special Assessment is recommended
- Fleet Facility project currently estimated to be \$18 million
- Police Training Facility project currently estimated to be \$8 million
- Oasis Athletic fields – Fund balance (General Fund and/or Charter Schools) can be used to leverage any grant match opportunities
- Extra Sidewalk instruction will be discussed once additional Gas Tax revenue is realized

# Next Steps

- September 5, 2019 Initial Public Hearing to set millage rate
- September 19, 2019 Final Public Hearing to adopt the FY 2020 City of Cape Coral annual budget