



1015 Cultural Park Blvd.
Cape Coral, FL

BUDGET REVIEW COMMITTEE

July 10, 2017	9:00 AM	Conference Room 220A
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1. Call to Order

A. Chair Coviello

2. Roll Call:

A. Coviello, Doviak, Green, McQuality, Nelson, Starner, and Wolfson

3. Public Input

4. Business

A. Approval of Minutes - June 12, 2017 meeting

B. Proposed revised schedule of BRC meetings

C. Discussion of FY 18-20 City Manager's Proposed Budget

5. Public Input

6. Member Comment

7. Date and Time of Next Meeting:

A. Monday, July 31, 2017, 9:00 a.m Conference Room 220A

8. Adjournment

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

If a person decides to appeal any decision made by the

Board/Commission/Committee with respect to any matter considered at such meeting or hearing, he will need a record of the proceedings, and for such purpose, he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based.

Item Number:	4.A.
Meeting Date:	7/10/2017
Item Type:	Business

AGENDA REQUEST FORM
CITY OF CAPE CORAL



TITLE:

Approval of Minutes - June 12, 2017 meeting

SUMMARY:

ADDITIONAL INFORMATION:

ATTACHMENTS:

Description	Type
▢ June 12, 2017 regular meeting minutes	Backup Material

**MINUTES OF THE REGULAR MEETING OF
THE CAPE CORAL BUDGET REVIEW COMMITTEE**

Monday, June 12, 2017

CONFERENCE ROOM 220A

9:00 a.m.

Chair Coviello called the meeting to order at 9:02 a.m.

ROLL CALL: Coviello, Starner, and Wolfson were present. Green, McQuality, and Nelson were excused. Doviak arrived at 9:11 a.m.

ALSO PRESENT: Victoria Bateman, Financial Services Director
Monte Vavra, Deputy Financial Services Director
Chris Phillips, Management Budget Administrator
Marilyn Stout, Councilmember Liaison

Public Input

No speakers.

BUSINESS

At this point since there was no quorum, no voting could be held; only items to be discussed.

**APPROVAL OF MINUTES –TO NEXT MEETING – NO QUORUM
Approval of March 13, 2017 meeting minutes to next meeting**

Proposed Revised Schedule of BRC meetings

Chair Coviello requested that the schedule be sent to the Committee and ask for their agreement on the dates.

Financial Services Director Bateman stated the budget will come out in mid-July. The first public hearing on the millage at Council will be on July 31st.

Chair Coviello asked if the budget book will be available to the Committee before July 31st. Director Bateman stated the budget book will be available.

Discussion held regarding cancelling the July 24 through July 27th meetings and adding the 16th, 17th, and 21st of August.

Rising Property Values (Almost 8%) in Cape Coral for the upcoming year

Chair Coviello stated he saw an article in the Breeze where an increase was proposed in the property values to almost 8 percent.

Discussion held regarding the City Manager using 5 percent as a base point for his setting of the millage.

Chair Coviello hoped that since the property values are rising that the City Manager would consider that in his budget recommendations.

Director Bateman stated final property values would be available July 1st.

Councilmember Stout inquired if the Charter School would have a line item in the budget.

Director Bateman explained that the reimbursement of the Charter School in the amount of \$311,000 would not be included in the budget.

Discussion held regarding the following:

- Charter School Reserve Fund of \$5 million
- Their fund balance going down every year by \$1.6 million; PECO down, FEFP to be \$100 per student
- Charter School possibly to receive capital from the County

Committee Member Doviak arrived at 9:11 a.m.

Discussion held regarding the following:

- Paying school taxes through Lee County and taxpayers possibly having to fund the Charter Schools as well
- Possibly turning the schools over to the County
- Enrollment in the Charter School system; teacher turnover, losing students
- Audit done recently on the internal funds in the Charter School system
- Governor recently approving the sharing of the capital dollars

Director Bateman left the meeting at 9:28 a.m.

APPROVAL OF MINUTES

Approval of March 13, 2017 meeting minutes

Chair Coviello stated that since we now have a quorum voting can be done.

Committee Member Starner moved, seconded by Vice Chair Wolfson, to approve the minutes as presented for the March 13, 2017 meeting. Voice Poll: All "ayes." Motion carried.

Proposed Revised Schedule of BRC meetings

Chair Coviello noted we are striking meetings that were scheduled for July 24, 25, 26, and 27, 2017 and adding August 16, 17, and 21, 2017.

Committee Member Starner moved, seconded by Committee Member Doviak, to approve the revised proposed meeting schedule as distributed. Voice Poll: All "ayes." Motion carried.

Rising Property Values (Almost 8%) in Cape Coral for the upcoming year (continuation)

Chair Coviello stated prices of houses in the Cape are going up. In order to offset that, taxes need to go down to keep up the appeal of moving to Cape Coral. He suggested some reduction in PST (Public Service Tax), FSA (Fire Service Assessment), and/or millage.

Discussion held regarding the following:

- Possible rollbacks happening this year due to the election
- Ad valorem taxes and how much of that is due to the increase in value and how much is due to new construction

Management Budget Administrator Phillips discussed the breakdown of current appraised values of homes and new construction. He discussed an example from June 1st, 2016.

Chair Coviello asked what was last year's estimate.

Administrator Phillips stated last year's estimate was \$11.852 million as values, and this year is \$12.9 million, 9 percent increase. When you look at what the values finally settled on July 1st, 2016, he calculated 7.86 but he saw 7.87 came out in the paper. It did increase 1.6 percent additional from June 1st to July 1st. They are conservative on the June 1st letter because they know everyone is going to budget based on that. When it comes out this July 1st, we expect the same 1.6 percent or so increase in value. Current year – new taxable value – is broken down by new construction, additions, rehabilitative improvements, annexations, etc. that was \$232 million of the \$12 billion.

Discussion held regarding an additional Homestead exemption in 2020 if it passes – approximately \$3.7 million in reduced revenue.

Chair Coviello stated we would still be looking at a three legged stool this year as a Committee and will be looking at where can we get some reductions, but we will not know until we see the budget. Last year the City Manager showed different scenarios of the millage rate. He noted the Committee last year recommended the rollback rate and it never came to fruition.

Discussion held regarding affordable housing with the deferred impact fees.

Discussion held regarding \$2 million additional revenue from taxes if the housing goes through on the old golf club property.

Chair Coviello stated prices are going to start rising, and we want to continue the growth in the City. We need to offset that with lower taxes.

Discussion held regarding the following:

- Proposed Fire Stations 11, 12, and 13
- Why larger fire stations were not built in each quadrant of the City rather than building so many smaller stations throughout the City.
- Response times from the fire stations to a call.
- Why a fire truck responds to fender benders throughout the City rather than just sending a smaller vehicle.

Councilmember Stout left at 10:07 a.m.

Public Input

No speakers

Member Comment

None.

Date and Time of Next Meeting

The next meeting will be held on Monday, July 10, 2017, at 9:00 a.m. in Conference Room 220A.

Adjournment

There being no further business, the meeting was adjourned at 10:10 a.m.

Submitted by,

Barbara Kerr
Recording Secretary

Item Number:	4.B.
Meeting Date:	7/10/2017
Item Type:	Business

AGENDA REQUEST FORM
CITY OF CAPE CORAL



TITLE:

Proposed revised schedule of BRC meetings

SUMMARY:

ADDITIONAL INFORMATION:

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Proposed revised schedule of BRC meetings	Backup Material

The Budget Review Committee will hold meetings on the dates noted below to review the proposed Fiscal Year 2018-2020 Budget. Meetings will be held in Conference Rooms (listed below); all are located in City Hall at 1015 Cultural Park Boulevard, Cape Coral, Florida.

Monday	July 31, 2017	9:00 a.m.	Conference Room 220 A
Tuesday	August 1, 2017	9:00 a.m.	Conference Room 130 C
Wednesday	August 2, 2017	9:00 a.m.	Conference Room 220 A
Thursday	August 3, 2017	9:00 a.m.	Conference Room 130 C
*Friday	August 4, 2017	1:00 p.m.	Conference Room 220A
Monday	August 7, 2017	9:00 a.m.	Conference Room 220 A
Tuesday	August 8, 2017	9:00 a.m.	Conference Room 130 C
**Tuesday	August 8, 2017	1:00 p.m.	Council Chambers
Wednesday	August 9, 2017	9:00 a.m.	Conference Room 220 A
**Thursday	August 10, 2017	1:00 p.m.	Council Chambers
Monday	August 14, 2017	9:00 a.m.	Conference Room 220A
<i>***Wednesday</i>	<i>August 16, 2017</i>	<i>9:00 a.m.</i>	<i>Conference Room 220A</i>
<i>***Thursday</i>	<i>August 17, 2017</i>	<i>9:00 a.m.</i>	<i>Conference Room 220A</i>
<i>***Monday</i>	<i>August 21, 2017</i>	<i>9:00 a.m.</i>	<i>Conference Room 220A</i>

***Added this meeting in case the Committee needs it, note afternoon time from 1 to 5.**

**** These are budget workshops with Council in Council Chambers.**

*****These meetings may not be necessary. The BRC presentation to Council will be on Monday, August 21, 2017, at 4:30 p.m. in Council Chambers, and the deadline for submission of slides from the Committee is Tuesday, August 15th.**

Item Number:	4.C.
Meeting Date:	7/10/2017
Item Type:	Business

AGENDA REQUEST FORM
CITY OF CAPE CORAL



TITLE:

Discussion of FY 18-20 City Manager's Proposed Budget

SUMMARY:

ADDITIONAL INFORMATION:

ATTACHMENTS:

Description	Type
▫ Draft Budget Review Committee Recommendations	Backup Material

**DRAFT Budget Review Committee Recommendations
for the FY 2018
City Manager's Proposed Budget**

Budget Review Committee Members:

Joe Coviello, Chair
Jerry Doviak
Jeff Green
James McQuality

Harvey Wolfson, Vice-Chair
Jennifer Nelson
George Starner

Council Liaison:

Councilmember Marilyn Stout

2018 Proposed Budget

- The Budget Review Committee continues to support the concept of the City Manager's three year rolling budget projections, recognizing that the actual budget is for a one year period.
- The Committee accepts the City Manager's FY 2018 Proposed Budget with the following recommendations:

Millage

- We recommend adopting the **rollback** millage rate of **6.5702** while maintaining the FSA at **64%** and the PST at **7%**.

Use of Reserves

- Committee endorses the prudent use of Reserves to balance the needs of the coming year while continuing to maintain Undesignated Reserves at a minimum of two months of operating expenditures and where able to increase this to three months.

Excess Fund Balance

- We recommend a Financial Policy to include any excess fund balance at the end of the fiscal year, above our suggested three month reserve, be allocated for future capital purchases.

Revenue Diversification

- Continue to reduce reliance on AVT (Ad Valorem Taxation), and explore more equitable revenue alternatives.
 - ❖ Evaluate fees wherever applicable and increase when feasible: Slip rental/boat ramps, Parks and Recreation programs (Sunsplash, Coral Oaks Golf Course), Building permits, etc.
 - ❖ Ensure Cape Coral is receiving an equitable share of incentives provided by Lee County Economic Development Office
 - ❖ Continue to explore new and existing franchise fees as a source of additional revenues.
 - ❖ EDO should seek additional incentives to encourage commercial development.
- Continue collecting impact fees at current levels
- Continue partnering with Lee County on projects similar to road paving on Pelican Boulevard for the new convention center

Debt Management

- Continue efforts to raise bond ratings.
- When feasible continue to refinance older debt at lower interest rates.
- Encourage cash purchases of capital equipment.

CRA

- We recommend the CRA continue to reimburse the City for the cost of underground wiring.
- We recommend that CRA reserves be used for CRA district enhancements.
- CRA projects should fall within the means of the CRA budget and not require subsidies from the General Fund.

EDO

- Increase marketing and travel budgets.
- Explore partnering with telecommunications companies to install conduit (fiber optic) in conjunction with water expansion project with the expectation of eliminating cost to the homeowner.

Human Resources/Payroll/Benefits

- We feel the City Manager should have a policy of establishing employment levels based on today's departmental needs and using contract employees for temporary increased workloads.
- We recommend ongoing education, training, and departmental evaluations for all city employees.
- Increase the use of volunteers in all departments.
- Continue the elimination of unneeded funded vacant positions.
- Continue the possibility of shared services with other government entities such as Lee County, Florida State Government, and the surrounding cities and municipalities.

Participatory Budgeting

- We support establishing participatory or discretionary budget funds to be made available for publicly selected projects.

Zucker Report Recommendations

- All properties receiving an occupancy permit should be included no later than the next tax assessment period.
- The budget for the development of employees should include a line item for training, which is equal to 2% of each department's annual personnel budget, and 5% of staff's time.