



1015 Cultural Park Blvd.
Cape Coral, FL

BUDGET REVIEW COMMITTEE

August 9, 2018	9:00 AM	Conference Room 220A
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1. Call to Order

A. Chair Starnier

2. Roll Call:

A. Botkin, Doviak, Eidson, Jacquet-Castor, Osborn, Starnier, Wolfson,
and Alternate Smith

3. Public Input

4. Business

- A. Approval of meeting minutes - July 23, 2018 meeting
- B. Discussion of FY 19-21 City Manager's Proposed Budget

5. Public Input

6. Member Comment

7. Date and Time of Next Meeting:

A. Monday, August 13, 2018, 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:	8/9/2018
Item Type:	Business

AGENDA REQUEST FORM

CITY OF CAPE CORAL



TITLE:

Approval of meeting minutes - July 23, 2018 meeting

SUMMARY:

ADDITIONAL INFORMATION:

ATTACHMENTS:

Description	Type
▣ July 23, 2018 meeting minutes	Backup Material

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

Monday, July 23, 2018

CONFERENCE ROOM 220A

9:00 a.m.

Chair Starner called the meeting to order at 9:00 a.m.

ROLL CALL: Botkin, Doviak, Osborn, Starner, Wolfson, and Alternate Eidson were present. Jacquet-Castor arrived at 9:01 a.m.

ALSO PRESENT: John Gunter, Council Liaison
Chris Phillips, Mgt/Budget Administrator
John Szerlag, City Manager, arrived at 9:11 a.m., left at 10:49 a.m.

Public Input

No speakers.

BUSINESS

**Approval of meeting minutes
June 11, 2018 meeting**

Chair Starner stated the minutes from the June 11, 2018 meeting were presented for approval.

Committee Member Jacquet-Castor arrived at 9:01 a.m.

Committee Member Osborn moved, seconded by Vice Chair Wolfson, to approve the minutes for the June 11, 2018 meeting as presented. Voice Poll: All "ayes." Motion carried.

Discussion of FY 19-21 City Manager's Proposed Budget

Chair Starner noted the City Manager would be attending today's meeting to present an overview of the budget. He stated the BRC would be reviewing last year's power point presentation that was given to City Council last August. He noted how we needed to focus our attention on drafting a list of questions to present to the Finance Director who can disperse to the various departments. He stated when we review the power point we want to think in terms of the big picture and not micromanage any department.

Discussion held regarding the following:

- The City has tightened up their budgetary process.

- How is the FSA assessed? FSA has two tiers, improved vs. non-improved

City Manager Szerlag arrived at 9:11 a.m.

City Manager Szerlag stated this was his 7th budget as City Manager in the City and how the City has become one of the most sustainable cities in the State.

He discussed the following:

- The checkbook approach
- We are cost efficient with the exception of North Port amongst the cities we compare ourselves with.
- The City is well run due to a good staff and Council's policy direction.
- Since 2012, our population has grown by 30,000 people.
- Three-year rolling budget
- Even though we are economically sustainable, we are still playing capital catchup.
- We prioritize our resources, especially Public Safety.
- We are one of the safest cities in Florida.
- The second thing we budget for is Infrastructure.
- The next item to budget is Quality of Life which is for the Parks and Recreation programs.
- There is a \$60 million GO Bond going on the referendum in November for the citizens to vote on whether or not they want to fund it through ad valorem taxes.
- The last budgeted item is Administration.

Committee Member Eidson questioned how the government will sell the GO Bond.

City Manager Szerlag discussed how we will do the best we can to educate the public on this item. The Trust for Public Lands will also help in that regard. Our PIO Officer Connie Barron will get the word out to the public. He stated there was a survey done by the Trust for Public Lands where 58 percent stated they would vote for it.

Committee Member Eidson asked how much money this would cost for a home worth \$150,000.

City Manager Szerlag stated he estimated it would be approximately \$60 per year. He asked Chris Phillips to research it for an exact figure.

Discussion held regarding if businesses were included in ad valorem; they do not get the Homestead Exemption.

City Manager Szerlag discussed the following:

- Golden ratio of municipalities
- Forty percent of your entire value should ideally be commercial/industrial.

- Sixty percent should come from residential.
- Currently we are at 92 percent residential.
- The best we will ever get is 20/80 because of our pre-platted nature.
- There was an incentive program for businesses.
- We are the 9th largest city in Florida, population-wise.
- Economic development programs

Discussion held regarding how long it has been since the City had a new park.

City Manager Szerlag reviewed:

- 1) Personnel costs
- 2) Capital costs
- 3) Debt service, bond issues
- 4) Transfers to subsidize Coral Oaks and Sun Splash

Discussion held regarding the following:

- A sense of community
- Fire Service Assessment
- \$17 million went for Hurricane Irma
- \$6.5 million in road paving
- Transfers out
- Gasoline Taxes
- Two-month reserve policy

Chair Starner stated on page 5-4 26 percent of tax dollars was going into reserves. He noted that the public may question if we were overtaxed.

Mgt/Budget Administrator Phillips stated the General Fund has 2 to 2.68 months of reserves. It is not an inappropriate amount.

Discussion held regarding the following:

- Interconnection project between Cape Coral and Fort Myers
- Environmental firm has been hired from Tallahassee.
- Reserves
- Page 5-4
- Fire Service Assessment
- Many positions were cut out in the budget in the past couple of years.
- SROs were directed by the Governor; found the money for 24 officers.
- The Charter cannot be changed unless the people vote on the changes.
- There has not been a millage increase since 2012.
- Millage rate
- Diversification in the revenue
- Home values went up last year

City Manager Szerlag left the meeting at 9:54 a.m. and returned at 9:57 a.m.

Discussion held regarding:

- Page 5-5
- New fire station
- Streetscape

Chair Starner asked Mr. Phillips if the BRC should be taking any other steps.

Mgt/Budget Administrator Phillips stated the BRC looks for any glaring defects or if anything in the community is not being addressed. He stated we would answer any questions you have for any department.

Chair Starner asked about section 4 which is unreadable.

Mgt/Budget Administrator Phillips explained they had an issue and would have it reprinted for the BRC with larger font, as well as to be sent electronically through the Recording Secretary.

City Manager Szerlag noted he would like to attend the last BRC meeting.

Discussion held regarding making a list of questions and sending them to the Finance Director. ***Consensus agreed.***

City Manager Szerlag confirmed that the BRC should send a list of questions to Vicky and Chris.

Discussion held regarding how many people do not pay taxes in the City.

City Manager Szerlag went over the history of the FSA and the PST. He noted how the FSA methodology was set up in other municipalities. He explained the difference between improved and non-improved properties. He mentioned the challenge of the lawsuit from certain residents regarding the FSA. He stated the PST was at 7 percent and can be adjusted every three months by City Council. He stated what he would like to do is have every member give their background.

Committee Member Botkin stated he was from Ohio and moved here a little over a year ago. He worked for the Ohio State Auditor's Office and was fiscally conservative.

City Manager Szerlag asked the BRC members what they thought was the biggest problem in the City.

Committee Member Botkin mentioned how you cannot maintain that type of growth that occurred in 2004 and 2005. He noted how you had to be very competitive in the Sunshine State, as well as being conservative and fiscally responsible. He explained why he moved to Cape Coral and how he reviewed information before doing so.

City Manager Szerlag noted how we made the fastest growing city last year in Forbes. He wanted to bring Connie Barron in to a future meeting to discuss certain statistics.

Committee Member Doviak stated he has been in Cape Coral since 1980. He noted how the median age was around 60 in the 80s and now it is closer to 40. He stated a big issue right now is the water quality. He noted how the properties were easier to purchase here rather than California or some northern states.

Vice Chair Wolfson stated he has been in the City for 12 years and a Floridian raised in Miami, went through schools in Florida. He explained why he moved to Cape Coral mostly because of the housing costs and the slower pace of living. He noted how he lived in the D.C. area for 12 years working for a hospital. He mentioned the politics surrounding the water issue. He has enjoyed being on the BRC and is also Chair of the Audit Committee.

City Manager Szerlag agreed how the pollution is a big issue. He noted how he had to put no swimming signs this past weekend at the Yacht Club.

Vice Chair Wolfson stated he was interested about the distribution of funds around the City as far as parks, road construction, and landscaping.

City Manager Szerlag stated 60 percent of the GO bond will go north of Pine Island Road.

Chair Starner stated he has been in Cape Coral for 13 years, 3rd year on the BRC, spent most of his adult life working with money, investing, etc. He is on the Board of Directors for his church. His favorite concern in Cape Coral is infrastructure since he lives in the northernmost western part of the Cape near Burnt Store Marina. He noted he has been calling the County a lot about Burnt Store Road from Kismet to the Charlotte County line.

City Manager Szerlag asked Chris to make a note of the Burnt Store Road issue for follow up.

Committee Member Jacquet-Castor stated she moved to Cape Coral in 2002 because of housing affordability. She noted how having Parks and Recreation is the best thing you can have in this City since she has two daughters, 10 and 13. She had a concern about the water quality. She has compared other cities in Florida and Cape Coral is doing pretty good. She noted she was a college professor teaching business.

City Manager Szerlag stated an agenda on the Council tonight is expenditures for a pipeline on Burnt Store Road to take effluent from FGUA.

Committee Member Osborn stated he was from Chicago and moved here because of the good weather and lower taxes. His background was working in budgets in utilities. He stated he served on a City Council in a small town in Illinois.

Committee Member Eidson stated he has been in SW FL since 2000. His background has been mostly in sales and has no budget experience, but is an advocate to keep the City growing. He is a member of BUPAC. He got involved in Save our Recreation and was an advocate at a Council meeting supporting the public in their fight to keep the old golf course as greenspace. He is the President of the Cape Coral Computer Club. His biggest concern about Cape Coral is that each quadrant should get an identity. He would like to get rid of land that we do not use. We should work hard to do something creative in the northeast and northwest where there is plenty of land.

City Manager Szerlag stated there is a total rewriting of the LDC's being done currently. He noted the Seven Islands has an approved concept plan by Council. He discussed what it would include. He noted it may be similar to Cape Harbour and Tarpon Point.

Council Liaison Gunter stated he has lived in Cape Coral for 11 years. He explained why he decided to run for Council. He has been a business owner in the construction industry for 30 years. He wanted to take a look at the city and evaluate it and see if we can raise the level of expectation in some areas. The budget will reflect where you want to take the city. Two issues that are important to address are the water quality and economic development. 80/20 might be a good point to get to. Revenue diversification is very important.

City Manager Szerlag stated feedback from the public is very important, noting how there are stakeholder groups, and how we are moving in the right direction. He wanted the group to have a good level of comfort and reminded them to ask questions and they will be answered.

City Manager Szerlag left the meeting at 10:49 a.m.

Discussion held regarding:

- Value of City's unused property approximately \$13 million
- Unused parcels the City owns
- Get the infrastructure in place
- Housing has grown in the Northwest
- Cost of the utilities is a burden to many residents.

Chair Starner stated tomorrow we will look at the power point and update it, eliminate what we do not need, and get a list of questions to send to Vicky and Chris.

Public Input

No speakers.

Member Comments

Committee Member Doviak shared some comments about development in the City.

Committee Member Eidson stated he would like us to support the clean water issue and need to get that into our comments somehow.

Committee Member Jacquet-Castor commented about how realtors are finding that people who want to move here are holding off because of the water quality.

Date and Time of Next Meeting

The next meeting will be held on Tuesday, July 24, 2018, at 9:00 a.m. in Conference Room 130C.

Adjournment

There being no further business, the meeting was adjourned at 11:02 a.m.

Submitted by,

Barbara Kerr
Recording Secretary