



1015 Cultural Park Blvd.  
Cape Coral, FL

## **BUDGET REVIEW COMMITTEE**

<b>October 1, 2018</b>	<b>9:00 AM</b>	<b>Conference Room 220A</b>
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**1. Call to Order**

- A. Chair Starnier

**2. Roll Call:**

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

**3. Public Input**

**4. Business**

- A. Welcome to Newly Appointed Budget Review Committee Members
- B. Election of Vice Chair
- C. Approval of meeting minutes - July 24, 2018 meeting
- D. Approval of meeting minutes - July 25, 2018 meeting
- E. Approval of meeting minutes - July 26, 2018 meeting
- F. Approval of meeting minutes - July 30, 2018 meeting
- G. Approval of meeting minutes - July 31, 2018 meeting
- H. Approval of meeting minutes - August 1, 2018 meeting
- I. Approval of meeting minutes - August 2, 2018 meeting
- J. Approval of meeting minutes - August 9, 2018 meeting
- K. 2019 Meeting Schedule

**5. Public Input**

**6. Member Comment**

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

- A. The next meeting will be held on Monday, November 5, 2018, at

9:00 a.m. in Conference Room 220A.

## **8. Adjournment**

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

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

<b>Item Number:</b>	<b>4.C.</b>
<b>Meeting Date:</b>	<b>10/1/2018</b>
<b>Item Type:</b>	<b>Business</b>

## AGENDA REQUEST FORM

CITY OF CAPE CORAL



### TITLE:

Approval of meeting minutes - July 24, 2018 meeting

### SUMMARY:

### ADDITIONAL INFORMATION:

### ATTACHMENTS:

<b>Description</b>	<b>Type</b>
▣ July 24, 2018 meeting minutes	Backup Material

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

**Tuesday, July 24, 2018**

**CONFERENCE ROOM 130C**

**9:00 a.m.**

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

**ROLL CALL:** Botkin, Doviak, Jacquet-Castor, Osborn, Starner, Wolfson, and Alternate Eidson were present.

**ALSO PRESENT:** John Gunter, Council Liaison

**Public Input**

No speakers.

**BUSINESS**

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

Chair Starner discussed the process the BRC has followed in the past.

Discussion held regarding the following:

- Overview of the slides from last year
- Second and third year of three-year budget are important especially when it comes to capital spending.
- Slide on 2019 Proposed Budget
- Slide on Millage, FSA, and PST
- Slide on Use of Reserves
- Slide on Revenue Diversification
- Emphasis to remain competitive with surrounding communities
- Tournaments bringing in business to the City
- Was there a recommendation last year to be more competitive? Need to review results this year
- Softball parks – Enterprise Fund, General Fund makes up the difference
- Spreadsheets of goals and accomplishments, need to review this year
- Explore opportunity of additional Public Private Partnerships (P3), Seven Islands
- Evaluate impact and permitting fees and compare to other municipalities
- 80/20 split between residential and commercial real estate taxes; actual is 92/8

Council Liaison Gunter stated work needs to be done on that ratio. He commented on the budget for the Economic Development Office and how results tell the story. That ratio has changed very little in the last ten years. There is only one director with two employees in that office. They have done a great job with what they have, but only so much can be done.

Discussion continued regarding:

- What does 20 percent translate into dollars?
- What would the ad valorem reduction be if you had that goal?
- With that economic development growth, there will be a cost of services; the more businesses you have, the more Police you need, etc.
- Building things that are not going to be used
- This could be the centerpiece.
- Fees for parks, encourage residents to use the parks, it brings in revenue
- Slide on Debt Management, refinance older debt at lower interest rates, not for this year with increasing interest rates
- Encourage cash purchases of capital equipment
- Seek opportunities to borrow funds internally; interfund advances; transfers

Discussion held regarding interfund borrowing; advances; what the budgetary laws in Florida dictate.

Discussion continued:

- CRA slide, SE 47<sup>th</sup> Terrace, burying utility lines
- Does the CRA affect any area besides the Southeast?
- CRA and TIF (Tax Increment Financing)
- CRA Advisory Board is made up of citizens living in the City; it is no longer made up of Councilmembers.
- If we're developing the whole Cape, is it possible for the CRA to be a tool to expand economic development in other areas of the Cape?
- CRA is mandated through regulations from the State.
- Create something that is a driver, encouraging development of other areas of the Cape similar to CRA
- Growth in the City anticipated to be 400,000 at build-out

Council Liaison Gunter recommended having an Economic Development Stakeholders Group.

Discussion continued:

- Should there be an EDO Advisory Board? An advisory board for all quadrants of the city?
- EDO slide – goals in their Strategic Plan
- How many new businesses have opened; how many have closed?

- Need a tangible dollar figure to strive for, long-term and incremental
- Quality is missing; number of businesses is incidental; a dollar store is not equal to a large Jeep dealer.

Council Liaison Gunter stated that the Economic Development Director is leaving on August 3<sup>rd</sup> so we will be down a person until that position is filled. He voiced his concern about pages 526 and 527 regarding staffing and unfunded positions where there is no mention of any additional personnel for EDO.

Discussion continued regarding:

- Strategic Planning Tab, Element A, bullet 3, EDO projects diverted for lack of inventory
- No airports, no expressway, no railroad, but lots of space
- Why not have a college or call center in the City?
- Absence of connection to I-75 does not have to be forever
- It's not that we cannot do things because we are pre-platted; it's because we have not made a commitment to do things.
- Lack of resources
- Effect of internet technology on the type of businesses
- Distribution centers for large stores
- Water and sewer will help economic development.
- Should have a plan for water and sewer for 3-5 years similar to the budget plan
- We are playing catchup currently, take advantage of the good economy, and have a plan for the future.

Council Liaison Gunter stated the re-design of the UEP 2 Project incorporated Seven Islands for commercial economic growth. The City needs to be looking at the large parcels of land like Academic Village that does not have water and sewer. What is going to be the best advantage for commercial growth when putting in water and sewer?

Discussion held regarding:

- How can we make those recommendations in the long-term plan?
- Set a dollar amount or percentage or goal for commercial economic development
- The Budget provides a **good** level of service. Will taxpayers be willing to pay for a **great** level of service?
- Code Enforcement needing more staff
- Raising the level of efficiency
- More efficient ways of using computers; maybe you don't need as many people.
- This committee can drive some of those recommendations.
- Zoning is critical.
- RV Park proposed development in the Northwest
- Commercial tax has no Homestead Exemption.

- Human Resources/Payroll/Benefits slide
- Having a centralized coordinator to organize all volunteer efforts

Discussion held regarding the elimination of unneeded funded vacant positions. What happens when you only fill two of ten requests for funded positions?

Discussion held regarding:

- Obtaining a list of unfunded vacant positions that were not filled.
- Page 5-27 Unfunded Position Requests
- Code Enforcement is not at a level of expectation where they should be.
- Code being proactive versus reactive.
- Where did we come up with funded vacant positions?
- They do not list the funded positions that are not utilized.
- Unstaffed funded positions – where is the list?
- Continue the elimination of unneeded funded vacant positions
- If a position has been vacant for a long time, it must not be a high priority or there is trouble recruiting.
- Out of 90 positions, 38.5 FTEs have been allocated or approved in the budget.
- The department of EDO is suffering and needs more positions, look at different departments and what unfunded positions or positions that are available and transfer it over.
- Is there a way currently to coordinate the volunteers?
- Last year the BRC recommended the hiring of a volunteer coordinator. Was that done? Departments track that.
- Slide on Participatory Budgeting, last year's discussion was to get input from the community as to what they want done next.

Discussion held regarding the slide on the Charter Schools; \$311,000 is the amount the Charter School pays to the City; this year the City Council approved not to charge the Charter Schools that amount in order to help them with their shortfall.

Council Liaison Gunter remarked that the Charter School had reserves in the amount of \$5 million.

Discussion held regarding the lawsuit by the Lee County School District.

Committee Member Doviak left the meeting at 10:33 a.m.

Chair Starner asked Member Botkin if he had access to the latest CAFR.

Member Botkin stated he looked at it a while ago electronically.

Chair Starner asked him to research, on behalf of the BRC, why the City was putting a significant amount of money into municipal bonds for diversification purposes. He questioned why not put it all into treasuries.

Member Botkin stated he would look at it again. He noted that in the notes to the financial statements there will be a disclosure for all the investments that are held, their annual rates of return, and their average days to maturity under GASB.

Discussion held regarding Member Jacquet-Castor to handle the editing of the slides in power point for these meetings.

**Public Input**

No speakers.

**Member Comments**

None

**Date and Time of Next Meeting**

The next meeting will be held on Wednesday, July 25, 2018, at 9:00 a.m. in Conference Room 220A.

**Adjournment**

There being no further business, the meeting was adjourned at 10:36 a.m.

Submitted by,

Barbara Kerr  
Recording Secretary



<b>Item Number:</b>	<b>4.D.</b>
<b>Meeting Date:</b>	<b>10/1/2018</b>
<b>Item Type:</b>	<b>Business</b>

## AGENDA REQUEST FORM

CITY OF CAPE CORAL



### TITLE:

Approval of meeting minutes - July 25, 2018 meeting

### SUMMARY:

### ADDITIONAL INFORMATION:

### ATTACHMENTS:

<b>Description</b>	<b>Type</b>
▣ July 25, 2018 meeting minutes	Backup Material

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

**Wednesday, July 25, 2018**

**CONFERENCE ROOM 220A**

**9:00 a.m.**

Chair Starner called the meeting to order at 9:01 a.m.

**ROLL CALL:** Botkin, Doviak, Jacquet-Castor, Osborn, Starner, Wolfson, and Alternate Eidson were present.

**ALSO PRESENT:** John Gunter, Council Liaison

**Public Input**

No speakers

**BUSINESS**

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

Chair Starner stated Member Botkin researched the fact that the City is permitted to invest in municipal bonds, but they do so at a very minimal rate. Of the \$265 million of investments, \$1.2 million is in municipal bonds. He asked the Committee for their input on slides that he revised last night.

Discussion held regarding the following:

- Millage rate of 6.75 produces an 8.5% increase in ad valorem taxes due to an increase in property values
- Increasing the FSA from 59% to 62% resulting in a 2% decrease in taxes due to the Appraiser's lower values for certain types of homes
- Could increasing it to 64% be used for Economic Development changes?
- FSA money cannot be used for EDO.
- Support the PST at 7% resulting in no increase or decrease of revenue.
- Rewriting the Land Development Code
- Struggle of manpower in Code Enforcement
- Police shortage already incorporated into the budget.
- There are 31 positions to be filled in the Police Department. 24 are needed for School Resource Officers (SRO). There are six or seven vacant positions available due to retirement.
- Not charging any more taxes but becoming more efficient

- Page 7-29 - Golf Course is not sustainable on its own and has transfers from the City's General Fund year after year. It no longer qualifies to be an Enterprise Fund; it must be reported for external financial reporting purposes as a Special Revenue Fund.
- There were interfund transfers of \$893,896. Adding together that amount from FY 2017 actual and the FY 2018 amended amount of \$643,794 plus the proposed budgets comes to \$2.8 million.

Discussion held regarding why there is no consideration that the City lease the golf course property and have a private company operate the golf course.

Discussion held regarding Page 6-2, Summary of General Fund Revenues by Category.

Discussion held that in 2017-2018, there was a property value increase of 9.5% and kept the millage rate the same last year because of the hurricane.

Discussion held why some departments had an increase; some greater than others; some very minimal.

Discussion held regarding Public Private Partnerships such as Seven Islands and Boat House Restaurant.

Discussion continued:

- How much money would the City be getting with the change from 59% to 62% in the FSA?
- Fire Department Budget Page 6-51
- Beneficial to have a Grant Writer
- Support 6.75 millage and change 64% to 62%
- Do a new slide for P3, EDO, Code Compliance
- Page 6-15, line item in the City Manager's Operating Budget, EDO proposed FY 19 budget of \$1,146,571, three people in the department, manpower is an issue
- How to get quality businesses?
- Zoning changes to accommodate businesses
- How many dollars for roads, don't know how many roads need to be done
- Five-Year Plan for using \$6.5 million per year for roads
- Use of Reserves slide, second bullet changed from original slides, this will increase the probability of maintaining or enhancing our investment grade bond ratings

Council Liaison Gunter commented that \$17 million was spent on Hurricane Irma. We may get back about 80% back. One of his recommendations will be to put a large portion of that money that we get back from FEMA into the reserves.

Discussion held regarding:

- Whatever portion we had in reserves has to go back into reserves
- Excess Fund Balance slide can stay the same
- Investment Strategies, maximizing earnings
- Other Revenues slide, name change from Revenue Diversification
- Use the words competitive and maximize somewhere in this slide
- Explore the opportunity for additional Public Private Partnerships (P3).
- Park Rangers have zero authority. What is the function of a Park Ranger?
- Look at having a centralized volunteer and market it correctly
- Recommend taking Sunsplash and Coral Oaks and putting it into P3
- Changes to Other Revenues slide
- We recommend evaluating impact and permitting fees to be competitive with other Lee County municipalities.
- Debt Management slide – Discontinue investments in municipal bonds due to lower yields and tax benefits that are of little or no value to the City.
- Encourage cash purchases of capital equipment – No changes.
- CRA slide – eliminate this slide
- Economic Development slide – Page 6-15 Operating Budget

Discussion held regarding having an EDO Committee; EDO needs to emphasize career-oriented businesses.

Discussion held regarding:

- Because of growing technology, more people are ordering online. We need research labs and call centers. I-75 is a distance away, need trucking or shipping company. What do we have to offer? Need educational and training facilities.
- Need to mention dollars on this slide
- Committee to think about development since we don't have the manpower and come up with strategy of adding career-oriented businesses.
- Will need another slide about the P3 partnerships before Revenue slide

Vice Chair Wolfson left the meeting at 10:23 a.m.

Discussion held regarding:

- Grant writing
- Human Resources slide changes made by Chair
- Hiring a Professional Volunteer Coordinator

Discussion held regarding page 6-27 Budget on City Clerk; unneeded funded position will be in the personnel line item; under Florida Law it appears that they are only required to appropriate at the fund level; they can budget at a lower level but then that becomes what is called the legal level of control; any change at that level can only be made by City Council.

Discussion held regarding:

- If you eliminate the position and it has been unfilled for two years, it obviously is not needed.
- Ask HR – how many unfunded positions are there in each department?
- Did not have the vacant funded numbers
- Finding out what it is? And figure out what to do with it?
- EDO does not have enough manpower.
- Present a list of questions to the Finance Director sometime next week
- Funded position not being used in one department can be transferred to another department where needed.
- Will lose people in departments that are overburdened
- Taxes are about the same as in 2006, right before the recession
- Search cost for the EDO Director
- Human Resources - no change today
- Participatory Budgeting – eliminate slide
- EDO advisory groups – having someone for each quadrant of the City
- Charter Schools slide – Our recommendation is for the City to subsidize the Charter Schools as needed until such time the contested funds are released. Reimbursement should then take place in a reasonable length of time.
- Study being done, results to come back in November to Council regarding City handling administrative support
- Charter School Ordinance
- Try to get the Charter Schools to be self-sufficient

### **Public Input**

No speakers

### **Member Comments**

Committee Member Doviak stated we had asked Council what the BRC should be doing initially. He questioned if we could incorporate that into the slides what Council requested of the BRC. He noted we would have a list of questions for the directors.

Chair Starner stated questions will not be part of the slide show because we want to have the questions answered before we get to the slide show.

Discussion held regarding listing the recommendations from last year and ask if they were done.

**Date and Time of Next Meeting**

The next meeting will be held on Thursday, July 26, 2018, at 9:00 a.m. in Conference Room 220A.

**Adjournment**

There being no further business, the meeting was adjourned at 11:05 a.m.

Submitted by,

Barbara Kerr  
Recording Secretary

<b>Item Number:</b>	<b>4.E.</b>
<b>Meeting Date:</b>	<b>10/1/2018</b>
<b>Item Type:</b>	<b>Business</b>

**AGENDA REQUEST FORM**  
CITY OF CAPE CORAL



**TITLE:**

Approval of meeting minutes - July 26, 2018 meeting

**SUMMARY:**

**ADDITIONAL INFORMATION:**

**ATTACHMENTS:**

<b>Description</b>	<b>Type</b>
▣ July 26, 2018 meeting minutes	Backup Material

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

**Thursday, July 26, 2018**

**CONFERENCE ROOM 220A**

**9:00 a.m.**

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

**ROLL CALL:** Botkin, Doviak, Jacquet-Castor, Osborn, Starner, Wolfson, and Alternate Eidson were present.

**ALSO PRESENT:** John Gunter, Council Liaison  
Victoria Bateman, Financial Services Director, arrived at 9:01 a.m.

**Public Input**

No speakers

**BUSINESS**

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

Chair Starner led the discussion on this item.

Discussion held regarding the following:

- Interfund loans – who is it governed by?
- At the July 23, 2018 Council meeting, it was voted on a not to exceed rate of 62% for FSA
- \$1.78 million for 19 Code staff members
- Have they looked at drones for building inspections?
- Live Face Time for inspections such as sea walls and roofs
- Code Enforcement slide needed
- Possible recommendation: long term to invest in a three-year upgrade to our outdated reporting systems to improve efficiency and productivity; short term recommendation to add inspectors
- Online permitting process
- What other cities are doing? What systems are they using? How much does it cost?

Finance Director Bateman requested that the BRC put a list together of questions. She will get the Directors to come in, if needed.

Discussion continued regarding the following:



- Increase software to increase efficiency, need to look at what DCD has or needs as far as software, whether it needs to be updated
- BRC to suggest a way to pay for any recommendations made
- Monetary value between the 59 and 62 percent increase

Director Bateman stated she would provide a spreadsheet on the FSA showing the monetary values.

Discussion continued on the following:

- We lost \$11 million in cash due to Hurricane Irma; we were below two months.
- Lot of adjustments were made.
- Model at the workshop will show 59, 62, and 64 percentages on the FSA.
- What will the old golf course do to our reserves by taking out a ten-year loan?
- What effect will the difference be based on ¼ mill? What is the difference between 6.50 and 6.75?
- One mill is \$13.1 million based on the new appraisals.
- How much more revenue this year? This was presented at last Monday's Council meeting.
- Page 5-7 Ad Valorem Taxes
- Property values went up 8.49
- Same millage rate would be the tax increase.
- Rollback rate is 6.44 which would bring in the same revenue as the previous year.
- Charter school slide – recommendation is for the City to subsidize the Charter Schools only after the reserve balance is reduced....
- Page 12-2 Charter School Authority proposed budget

Director Bateman stated she would send information to the BRC regarding the Charter School on the cash flow projection. She discussed how much the school would save if the City took over all their administrative duties, maintenance, and capital. It would be about \$3.3 million a year. The City did not charge the Charter School this past year for any services. It cost about \$650,000 to provide them with the minimum administrative services. We only charged them \$311,000.

Discussion continued with the following:

- Staff will be meeting with Lee County CFO of the School District and discuss options for them to take it over.
- RFI, request for information, asking private industry what would they charge
- City Manager intends to go to Council after a six-month period and inform them of what it costs the City to take it over, this is what the Charter School will save, and what it would cost for Lee County to take over, including the buildings
- How was the Charter School started?

- Stantec (formerly Burton and Associates) will be at the August 7<sup>th</sup> meeting with their General Fund models.
- Support the evaluation of the Charter Schools?
- City owns the buildings of the Charter Schools, they only pay the debt service.
- Charter School cannot own anything, and they cannot have debt.
- Options?

Director Bateman discussed the money that is in escrow for the Charter School; House Bill 7006; they are getting their money for capital; budget shortfall and how they balanced it for 2019. She will send the budget spreadsheet showing how they were at a shortfall.

Discussion continued with the following:

- City in charge of the Charter School budget now.
- Internal funds audit on the Charter School
- School will not be self-sufficient unless the City subsidizes.
- Maintenance is kicking up, and capital is needed.
- If you value having a Charter School, then the City will continue to subsidize.
- Charter Schools slide: to **continue** to subsidize the Charter Schools
- Understand that there is a study going on and how to continue support
- Support the ongoing studies to determine the economic feasibility of City participation
- Maintenance evaluation on the Charter School
- Average number of 3,150 students in the Charter Schools system
- Losing students in the high school due to their lack of athletics and cannot compete with the other high schools
- FEFP (Florida Education Finance Program) is the main revenue source from the Federal Government.
- How many students would the Charter School need to be self-sufficient? Charter School does not have enough space.
- High School gets about \$7200 per student; 800 or 850 students is the maximum.

Director Bateman suggested having the Business Manager from the Charter School come in if the BRC requested it.

Discussion held regarding:

- Adding a slide on Code Enforcement
- Other Revenues slide
- How much money does the City net from the Boathouse Restaurant?

Director Bateman stated they get 4% of the money over the first \$700,000. Monthly rent is approximately \$3,500. She will send the BRC the current spreadsheet on the income the City receives from the Boathouse Restaurant.

Discussion continued:

- Public Private Partnership (P3) brings in a lot of money.
- Why can't Coral Oaks and Sun Splash do the same thing?
- City subsidizes the golf course about \$800,000 per year.
- City subsidizes Sun Splash about \$500,000 per year.
- Explore the opportunity to convert Sun Splash and Coral Oaks Golf Course to P3 similar to the Boathouse Restaurant

Director Bateman discussed the evaluation of proposals for privatizing the golf course. Outsourcing would produce savings. The Golf Course Advisory Board spoke against it, so Council abandoned the idea. She noted the recommendation for Sun Splash was to have it open year-round if the pool is heated. The cost was prohibitive. She stated it would not hurt to go out and evaluate it again.

Discussion continued regarding:

- Biggest cost for the golf course is the maintenance.
- EDO needs more employees.
- All ad valorem goes into General Fund and then transferred to Special Revenue and Enterprise Funds

Director Bateman will send the BRC the actual numbers for the subsidy for the golf course and the water park.

Discussion continued:

- New slide for Code Enforcement if we want to go to 70/30 proactive/reactive
- Will require people, vehicles, new technology

Director Bateman noted that currently Code uses Trak-it; this will be replaced with another program. She asked the BRC if they wanted the ITS Director to come in and brief them on what is happening.

Discussion held whether to bring in some directors in before the first joint meeting with Council.

Director Bateman stated she could arrange for the ITS Director to come in Monday and discuss the Code Compliance system they will be implementing.

Discussion held regarding having the ITS Director come to the meeting on Monday.

***Committee Member Eidson moved, seconded by Vice Chair Wolfson, to have the ITS Director to come to the BRC to explain where we are with Code Enforcement Technology today and what they plan for tomorrow.***

Discussion held regarding what was requested from the ITS Director.

Discussion held regarding having other department directors present; have all or none.

***Committee polled as follows: Botkin, Jacquet-Castor, Starner, Wolfson, and Eidson voted "aye." Doviak and Osborn voted "nay." Five "ayes." Two "nays." Motion carried 5-2.***

Director Bateman will contact ITS Director Hoffmann to come to the Monday meeting.

Discussion continued regarding the slides:

- FSA at 62 percent
- PST
- Use of Reserves – no change

Discussion held regarding a struggle for 2021 with reserves low from Irma and the loss of \$3.8 million from the Homestead Exemption.

Discussion continued:

- Other Revenues slide - no change
- Debt Management slide
- North 1
- North 2
- SRF (State Revolving Funding)
- UEP design for next phase?
- What is the cost to have water/sewer put in for 8 zones?
- Economic Development slide
- Nearby association getting \$100,000 from a company that took over one of the local golf courses

Discussion held regarding the positives from outsourcing the golf course.

Discussion continued:

- Slide on Human Resources/Payroll/Benefits: Professional Volunteer; overstaffing and understaff undesirable
- Vacant unneeded positions

Director Bateman noted that HR can answer the question about vacant unneeded positions and positions in the budget that are not filled.

Discussion held regarding positions in the budget that are unfilled but funded.

Committee Member Eidson distributed a sheet entitled Water Sewer Expansion UEP Review, City of Cape Coral Proposed Utility Extension.

Discussion held regarding questions for Finance:

- Water and Sewer, concern in EDO recommendations, to get businesses in
- How does the water help EDO?
- What would be the cost for all 8 zones?
- Cost is being kept down by SRF.
- Enhance Code Enforcement
- Enhance Economic Development
- Bring those two department directors in to question
- What is the expected service life of a resurfaced major roadway, secondary road and alley?
- How many continuously vacant funded positions exist (timeframe 1-3 years)?
- Why do we need to pay someone a fee to invest?

Discussion held regarding the Wellness Program and the self-insured health coverage.

Discussion held regarding considering an EDO Advisory Board.

Council Liaison Gunter left the meeting at 11:02 a.m.

Discussion continued with questions to ask:

- Would an Advisory Board to the EDO be beneficial?
- How do our fees compare to others in the area, i.e., golf courses, Sun Splash, boat ramps?
- What is the utilization for the above mentioned?

Finance Director Bateman left the meeting at 11:12 a.m.

### **Public Input**

No speakers.

### **Member Comments**

None

### **Date and Time of Next Meeting**

The next meeting will be held on Monday, July 30, 2018, at 9:00 a.m. in Conference Room 220A.

**Adjournment**

There being no further business, the meeting was adjourned at 11:13 a.m.

Submitted by,

Barbara Kerr  
Recording Secretary

<b>Item Number:</b>	<b>4.F.</b>
<b>Meeting Date:</b>	<b>10/1/2018</b>
<b>Item Type:</b>	<b>Business</b>

**AGENDA REQUEST FORM**  
CITY OF CAPE CORAL



**TITLE:**

Approval of meeting minutes - July 30, 2018 meeting

**SUMMARY:**

**ADDITIONAL INFORMATION:**

**ATTACHMENTS:**

<b>Description</b>	<b>Type</b>
▣ July 30, 2018 meeting minutes	Backup Material

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

**Monday, July 30, 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 9:09 a.m.

**ALSO PRESENT:** John Gunter, Council Liaison  
Victoria Bateman, Finance Director  
Chris Phillips, Mgt/Budget Administrator  
Michelle Hoffmann, ITS Director, left at 9:17 a.m.

**BUSINESS**

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

ITS Director Hoffmann discussed the replacement of the Trak-It system in Code Enforcement. She stated they would be bringing a proposal in front of Council to replace the entire system.

Discussion held regarding the following:

- Code Enforcement replacement of software
- OnBase – workflow and archival data storage
- Have funds to support replacing the system
- 16 months to get the new system up and running
- Training required for best use of the system
- Code system, 311 system, building, permits, licenses, planning, all integrated into one system, have it currently in Trak-it but not as good as getting the newer system

Committee Member Jacquet-Castor arrived at 9:09 a.m.

Discussion continued:

- Aerials of Cape Coral properties using pictometry
- GIS software that most cities and counties use
- ITS has appropriate budget
- Budget sufficient for staff
- ITS will provide services to Charter Schools, just like any other department.



- Last 4-6 weeks putting in cameras and security system in all four schools
- Chrome Books being configured
- One ITS person, second opening, writing job description for them
- Anything in department that precludes them from being more proactive?
- Always looking for areas that ITS can help departments

ITS Director Hoffmann left at 9:17 a.m.

### **Public Input**

No speakers.

Discussion held on the slides:

- Millage, FSA, and PST
- Page 5-13, structural values decreased by about 18 percent to do a correction from last year
- Use of Reserves
- Other Revenues
- Debt Management
- Economic Development
- Economic Development (continued)
- Code Enforcement
- Human Resources – hiring a professional volunteer coordinator, need to show savings if you spend \$50K, On the Move had an article on how much volunteers were saving the City (Police volunteers)
- Charter Schools – can we get a copy of the waiting list? (on sheet for list of items to ask departments)
- Financial Foot Notes – P3 can be beneficial, can add revenue
- Privatizing the golf course and Sun Splash
- Subsidies for the last two years are correct, projections for next two years, Finance will verify the numbers
- Financial Foot Notes (continued) – Oasis High School underused by how many students? How much is lost in revenue?

Committee Member Doviak left the meeting at 9:39 a.m.

Discussion continued on the slides:

- Facilities at parks
- How many students would it take to offset the costs of the required facilities?

Committee Member Doviak returned at 9:42 a.m.

Discussion continued:

- \$60M GO Bond Referendum – Stakeholders Group will revisit Charter School and sports parks
- Maximum capacity of Oasis High School - 800 or 850?

Discussion held regarding the list of questions:

- Rollover status of the last three years of road paving
- Will confirm question on current proactive reactive ratio for Code Enforcement
- Paving budget
- List of what has been spent in the Transportation Fund – list of projects, excel spreadsheet, how much has come in and how much has been spent for alleys, sidewalks, paving?
- In the Transportation Fund what has been spent for the past 3 years?
- Obtain a sheet for the Transportation Fund Capital Projects
- Improvement of alley ways are the responsibility of that lot owner. Do we do an assessment to the property owners?
- Until we get that resolved, \$512K for alleyways which already has a \$900K nest egg, can we use it for something else?
- Location in the budget book: 9-3 Capital Projects Funds
- Academic Village credits – why are we spending \$90K?
- There is currently \$900K in unspent money. Why are we putting another \$512K into that budget?
- Alley Improvement Fund, where is the \$900K of unspent money?

City Manager Szerlag arrived at the meeting at 10:04 a.m. and left at 10:05 a.m.

Discussion continued regarding the questions:

- Obtain the activity list of the Transportation Fund Capital Projects

Finance Director Bateman left the meeting at 10:05 a.m.

Discussion held regarding more questions:

- Can transportation funds be used to improve medians?

Discussion held regarding the cost of paving a mile of alleys compared to paving neighborhood streets was addressed at last year's joint meeting and it was astronomical.

Committee Member Botkin left the meeting at 10:11 a.m.

Discussion continued regarding what can the transportation funds be used for?

Committee Member Botkin returned at 10:13 a.m.

Discussion continued:

- 5 and 6 cent gas tax, page 5-9, what can be used from the gas tax?
- Medians are paid by the General Fund.
- How many students are on waiting lists for the Charter Schools - Elementary and Middle?

Chair Starner stated once we're done with the list, it is going to the Finance Director after today's meeting.

Discussion continued:

- Any fund for budgeting bridge repair? Budgeting ½ million dollars a year for bridges over canals
- \$200 million bond to do some type of utility project, what would it cost the city to do a 20 or 30-year bond and at what percentage? If we got a bond to speed up the project, at what cost? The answer is \$200 million for 20 years at 4 percent, \$14.5 million per year in debt service.
- Applied for and are receiving the SRF money very soon for North 2 – approximately \$242 million.
- Homeowners paying cash for the UEP have a discount.
- Estimate that at 7 percent and refunds go back, calculated every year what the actual interest rate was, monthly payment can fluctuate, rebate

Discussion held regarding more questions:

- How can we accelerate UEP expansion in northern Cape Coral to enhance economic development opportunities? These methods might include: bond issues, developer contribution, grant money, and State and Federal subsidies.

Discussion held regarding has the City ever participated in a project where a private business has paid for the actual extension of utilities out to a particular position in exchange for 10 or 20-year tax abatement?

Mgt/Budget Administrator Phillips will research the above question.

Committee Member Botkin left the meeting at 10:44 a.m.

Discussion held regarding when will the BRC presentation be held this year; be prepared for either August 7<sup>th</sup> or August 9<sup>th</sup>.

Discussion held regarding adding more questions:

- Last year's BRC recommendations included the following:
  - 1) Explore opportunities for P3 partnerships
  - 2) Hiring a City-wide Volunteer Coordinator
- What were the results of these recommendations?

Discussion held regarding what happens if Council drops the recommended millage.

Discussion held regarding the Referendum on the Homestead Exemption this November.

Discussion held regarding comments to questions and determine if needed.

Discussion held regarding:

- What is the role of the City Horticulturist in designing medians and commercial landscaping?
- Burden of maintaining seawalls is the homeowner's responsibility; however, if a seawall fails and there is no one there, does the City assume that responsibility because it is a risk to the contamination of the canal if that seawall is not maintained? Where would the money come from?
- Failed seawalls, if not repaired, causes erosion and will have a domino effect to other seawalls
- Where to find Code Enforcement salaries?

### **Public Input**

No speakers.

### **Member Comments**

Committee Member Doviak announced that the Army Corps of Engineers will be at the Yacht Club tomorrow to discuss the water quality.

### **Date and Time of Next Meeting**

The next meeting will be held on Tuesday, July 31, 2018, at 9:00 a.m. in Conference Room 130C.

### **Adjournment**

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

Submitted by,

Barbara Kerr  
Recording Secretary

<b>Item Number:</b>	<b>4.G.</b>
<b>Meeting Date:</b>	<b>10/1/2018</b>
<b>Item Type:</b>	<b>Business</b>

## AGENDA REQUEST FORM

CITY OF CAPE CORAL



### TITLE:

Approval of meeting minutes - July 31, 2018 meeting

### SUMMARY:

### ADDITIONAL INFORMATION:

### ATTACHMENTS:

<b>Description</b>	<b>Type</b>
▣ July 31, 2018 meeting minutes	Backup Material

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

**Tuesday, July 31, 2018**

**CONFERENCE ROOM 130C**

**9:00 a.m.**

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

**ROLL CALL:** Botkin, Doviak, Eidson, Jacquet-Castor, Osborn, Starner, Wolfson, and Alternate Smith were present.

ALSO PRESENT: John Gunter, Council Liaison

Chair Starner welcomed the newest member, Gene Smith, alternate.

Committee Member Smith provided a review of his background.

**Public Input**

No speakers.

**BUSINESS**

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

Chair Starner stated the BRC would be reviewing the City Manager's Proposed Budget and making recommendations to the City Council.

Discussion held regarding the following:

- Slide – Financial Foot Notes (changed two figures to red and in parentheses)
- Slide – Charter Schools – recommend exploring the closing of the high school
- Slide – Financial Foot Notes (cont'd.) changes

Committee Member Osborn provided some information regarding the outsourcing of Royal Tee Golf Course to Green Golf Partners, out of Illinois. The community still owns the grounds, buildings, and the irrigation. Everything else is done by Green Golf Partners. They do the normal maintenance and upkeep of the grounds and the building. They pay for any enhancements to the course or the building. They do the sod and they fertilize. Green Golf Partners pays monthly rent to the HOA and a percent of the gross, not the net. They took over in March and for their first year of operation, they are expecting \$150,000 plus net profit to the community.

Chair Starner stated that was a form of a P3, Public Private Partnership. He noted that was not in Cape Coral, but in unincorporated Lee County.

Council Liaison Gunter asked Member Osborn to send him that information.

Committee Member Eidson stated he was in support of that. He mentioned that at last night's Council meeting there was someone speaking during Citizens' Input that was from the Cape Coral Junior Golf Association. He stated we needed to be prepared for push back.

Discussion held regarding:

- How the equipment was handled at Royal Tee?
- Public Private Partnerships
- We need to trust City Manager and staff to negotiate P3s.
- BRC can only recommend to Council

Discussion held regarding there were no changes to the list of questions given to Vicky yesterday; waiting for answers.

Council Liaison Gunter stated he received a brief response on the vacant funded positions. In 2018, there were 149 continuous vacant positions, 24 of which are Police. For 2019, it seems to be 162/47 or 115 full time positions. He stated he would want more detail on those numbers: what department, how long has that position been vacant? He suggested asking for a more detailed question in order to get a more detailed response.

Discussion held regarding:

- If the department directors know they can't request a budgetary change, why is it being appropriated and just not moving it to reserves?
- Transportation Projects, General Fund and Gas Tax money

Council Liaison Gunter stated he would forward the email to the Recording Secretary to be sent to the BRC regarding the transportation numbers, what can be transferred, and what gets done with surplus money?

Discussion continued:

- Vacant funded positions – ask for more details
- Page 9-3 Public Works, road resurfacing, Page 7-3, 7-4, 7-5, cannot find where they appropriated money from what fund for road resurfacing projects

Chair Starner read from Page 2-4 of the Budget Book where the City Manager's proposed budget replenishes the \$4.5 million of emergency reserves. This will also lessen the burden of the General Fund this year by using \$6.5 million from the existing fund balance of the 5-cent and 6-cent local option gas tax. Special Revenue Funds will continue our road paving program.

Discussion continued:

- Why wasn't money appropriated in the budget for that? On pages 7-3 and 7-4 there does not appear to be any capital outlay budgeted from those two funds. Can you please explain?

The above question was added to the List of Questions.

Discussion continued:

- Using reserves for paving

Chair Starner left the meeting at 9:43 a.m.

*Recessed at 9:43 a.m. and reconvened at 9:50 a.m.*

Chair Starner returned to the meeting at 9:50 a.m.

Discussion continued regarding:

- How do items get added to the City Council agenda?
- What happens to the BRC presentation after it is presented to Council?

Council Liaison Gunter stated the BRC's ideas may shed some light on some questions that need to be answered. The Council may need to ask themselves to determine if this is a well-rounded budget.

Discussion continued:

- Public Private Partnerships – get majority consensus of Council for the City Manager to research some of the ideas, will not change this year's budget.

The following was added to an additional List of Questions:

- Vacant funded positions questions: Can we get a detailed job classification list for each position? What department for each year?
- Referring to our previous questions about funded vacant positions, on page 5-27 there is a list of **unfunded** positions. Please provide a similar list of funded vacant positions for the last four years.
- In reference to our question about Oasis High School enrollment, what is the capacity and what is the current enrollment?

Council Liaison Gunter stated he would call the Superintendent and try to get this number.

Discussion continued:

- What do we need to maximize the enrollment? And what if we can't? Option 2 would be to maximize the elementary and middle schools.



- What is the historical enrollment, increasing or is it stable? What is the projection for the enrollment for the next three years?

Council Liaison Gunter stated he would get this information regarding the enrollment.

Discussion continued:

- Some type of mutual agreement between the City and the Charter School may come in the future; schools are on City property

### **Public Input**

No speakers.

### **Member Comments**

None

### **Date and Time of Next Meeting**

The next meeting will be held on Wednesday, August 1, 2018, at 9:00 a.m. in Conference Room 220A.

### **Adjournment**

There being no further business, the meeting was adjourned at 10:22 a.m.

Submitted by,

Barbara Kerr  
Recording Secretary

<b>Item Number:</b>	<b>4.H.</b>
<b>Meeting Date:</b>	<b>10/1/2018</b>
<b>Item Type:</b>	<b>Business</b>

## AGENDA REQUEST FORM

CITY OF CAPE CORAL



### TITLE:

Approval of meeting minutes - August 1, 2018 meeting

### SUMMARY:

### ADDITIONAL INFORMATION:

### ATTACHMENTS:

<b>Description</b>	<b>Type</b>
▣ August 1, 2018 meeting minutes	Backup Material

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

**Wednesday, August 1, 2018**

**CONFERENCE ROOM 220A**

**9:00 a.m.**

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

**ROLL CALL:** Botkin, Doviak, Eidson, Jacquet-Castor, Osborn, Starner, Wolfson, and Alternate Smith were present.

**ALSO PRESENT:** John Gunter, Council Liaison  
Victoria Bateman, Financial Services Director, arrived at 9:37 a.m. and left at 10:04 a.m.  
Jo-Anne Velotti, Finance Assistant Budget Administrator, arrived at 9:46 a.m.

**Public Input**

No speakers

**BUSINESS**

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

Chair Starner led the discussion on this item.

Discussion held regarding the information concerning the Charter School System.

Discussion held regarding the following:

- Slides on Financial Foot Notes
- Total of 260 students on the waiting list.
- Filling seats with elementary and middle school students who are currently on the waiting list would restore revenue
- How much is lost in revenue?
- Per student cost
- School systems, municipalities, counties, different entities, all operated separately; this one has failed.
- Will be a public policy decision
- Original Ordinance of Charter School – No additional tax money was supposed to go to the Charter School.
- How long can the City help sustain the Charter Schools?
- Charter School has \$5 million in reserves, two months in reserves.

Discussion held regarding the list of questions:

- Roads not being repaired
- Breakdown of unfunded vacant positions
- How do our fees compare to others regarding Sun Splash and Coral Oaks?
- 800 to 850 was initial answer for Charter School enrollment
- Spreadsheet on Transportation Fund Capital Projects

Finance Director Bateman arrived at the meeting at 9:37 a.m.

Finance Director Bateman explained the detailed spreadsheet that Public Works has of all the past projects. There is also a list of possible future projects which the PW Director does not want to share yet since it has not been shown to Council first. She asked the BRC what their questions were today.

Council Liaison Gunter stated the BRC wanted the spreadsheet that was discussed the other day.

Director Bateman explained it was more than one page and had a lot of detail. If you wanted any detail on what is included in the budget, she could try to obtain that. If you look at the detailed budget for transportation, it will not agree with the lists by the PW Director. Sidewalks are not budgeted; it comes from grants.

Discussion held regarding another question:

- Can transportation money be used for medians?

Council Liaison Gunter stated that the five-cent gas tax and six-cent gas tax cannot be used unless it is a transportation type project.

Director Bateman stated \$6.5 million was budgeted from five-cent and six-cent monies. \$6.5 million was transferred from the General Fund for paving, alleyways, medians, and Parks and Rec. This year we are not transferring any of that from the General Fund to the Transportation Fund because there is a Special Revenue Fund where we get all the five-cent and six-cent money that comes in to the City.

Discussion held regarding this question:

- On Page 2-4 of the Budget Book the City Manager indicates \$6.5 million will be spent from the existing fund balance of the five-cent and six-cent local tax option. On pages 7-3 and 7-4 there does not appear to be any capital outlay budgeted from those two funds.

Director Bateman explained that paving is maintenance and not capital.

Director Bateman left the meeting at 9:42 a.m.

Discussion held regarding:

- Money for medians
- Building up Economic Development for a prettier City
- Page 7-3, under Expenditures, Reserves
- Page 7-4, Transfers Out

Director Bateman returned to the meeting at 9:45 a.m. with Jo-Anne Velotti.

Finance Assistant Budget Administrator Velotti explained page 7-4, transfers and paving.

Director Bateman explained the transfer out in the Special Revenue. No money was transferred out of the General Fund since Public Works had enough of a fund balance in the six-cent gas tax to cover FY 19. Six-cent gas tax can be used for road paving, five-cent gas tax is for new roads. There is a spreadsheet of all open transportation projects and what is being spent and what future costs. A lot of that has not been bid out yet so that cannot be shared yet. We do not budget the sidewalks until the grant money comes in, and then the budget is amended.

Discussion held regarding:

- Transfers out to General Fund \$5.8 million

Administrator Velotti stated the six-cent gas tax pays for a portion of the maintenance of the Public Works area that sits in the General Fund.

Finance Director Bateman reviewed the following:

- Six-cent does not have anything to do with paving.
- Six-cent is used for road repairs, pot holes, and staff.
- Public Works has many funds, General Fund is only one.
- Other funds are the five-cent and six-cent gas taxes.
- Still another fund is Transportation Capital Projects.
- Five-cent gas tax can be used for new roads or debt.
- Most ad valorem goes into the General Fund.
- General Fund gets distributed into other funds.
- Council will transfer money as part of the budget.
- General Fund can be used for any public purpose.
- Special Revenue and Enterprise Funds are restricted for legal purposes and Finance Director cannot transfer.
- She can ask Council to loan money temporarily from those funds into the General Fund.

Discussion held regarding borrowing money internally and not co-mingling funds.

Discussion held regarding Water and Sewer Funds has very strict covenants and reports need to be done yearly to be compliant.

Discussion held regarding the requirement to carry certain debt ratios; 1.25% of the annual debt service has to stay in reserves.

Director Bateman stated most of our debt is secured. General Fund has very little debt.

Discussion held regarding the new fire station.

Discussion held on what would the impact be if the millage went down from 6.75 to 6.5; \$3.3 million would be the impact; would need to delay more capital or lower road paving.

Discussion held regarding the Homestead Exemption, if passed in November, was already built into the proposed 2019 budget; it will be about \$4 million per year.

Discussion held regarding the annual debt.

Discussion held regarding \$6.5 million per year will continue until Council changes it.

Discussion held regarding trying to identify roads and medians to be beautified and whether this is a Public Works decision on how to allocate the funds; more of a Council direction.

Discussion held regarding \$900,000 in alley paving reserves; one question is do we still want to put \$520,000 in it?

Director Bateman left the meeting at 10:05 a.m.

Discussion continued on the questions:

- How much have we spent in the last three years of the annual \$6.5 million for road paving? How much do we have in reserves? Same for alleyways.
- Is there any money that can be transferred?

Administrator Velotti explained Special Revenue Fund; trial balance; assets, liabilities, revenues, expenditures. She noted that Section E has detail by line item.

Discussion held regarding:

- 15 E 120 - line items for the capital projects
- 15 E 117 - road paving and median landscaping line items

- Need to ask specific question for fund balance on the line item for medians, roads, and sidewalks
- Appropriations legally carry over from year to year in capital project fund
- HR will have to provide the detailed vacant funded positions list

Administrator Velotti left the meeting at 10:20 a.m.

Chair Starner discussed the presentation he will make on behalf of the BRC next Tuesday, August 7, 2018, at 1:00 p.m. in Council Chambers. The group should be prepared to answer any questions.

Discussion held regarding whether or not to cancel the meeting on August 7<sup>th</sup> at 9 a.m.

Discussion held regarding still having the meeting on Thursday, August 2<sup>nd</sup>.

Discussion held to keep the meeting on Monday, August 6<sup>th</sup>, depending on how much gets done at tomorrow's meeting.

Committee Member Jacquet-Castor stated she may have jury duty tomorrow.

***Consensus agreed to cancel the meeting on Tuesday, August 7<sup>th</sup>, at 9:00 a.m.***

Committee Member Smith stated he will be flying to Wyoming on Tuesday, August 7<sup>th</sup> and will not return until Thursday, August 23<sup>rd</sup>. He will be excused for any meetings during that time.

Discussion held regarding still having a regular meeting on Monday, August 13<sup>th</sup>.

Chair Starner stated a postmortem meeting could be held that day.

Discussion held regarding BRC members are part of the Joint City Council Budget Review Committee Budget Workshop; there are three meetings: August 7<sup>th</sup>, August 9<sup>th</sup>, and August 23<sup>rd</sup>, all at 1:00 p.m. in Council Chambers.

Council Liaison Gunter stated he would not be present at the August 9<sup>th</sup> joint workshop.

***Consensus agreed to cancel the meeting of Wednesday, August 8<sup>th</sup>, at 9:00 a.m.***

Chair Starner went over the schedule.

- The BRC will meet tomorrow and what happens then will determine whether or not to have the meeting on Monday, August 6<sup>th</sup>.
- The presentation is on Tuesday, August 7<sup>th</sup> at 1:00 p.m. in Council Chambers.
- The meeting for Wednesday, August 8<sup>th</sup> is canceled.

- Thursday, August 9<sup>th</sup>, the BRC will meet jointly with City Council in Chambers at 1:00 p.m.
- Monday, August 13<sup>th</sup> is a regular meeting. He felt it was good to maybe have a postmortem discussion.
- Thursday, August 23<sup>rd</sup> at 1 pm is a joint workshop with Council in Chambers.

Committee Member Doviak stated he would not be present at the meeting on Tuesday, August 7<sup>th</sup>.

Council Liaison Gunter left the meeting at 10:34 a.m.

Discussion held regarding review of the slides.

### **Public Input**

No speakers.

### **Member Comments**

Committee Member Eidson stated the Chair has done a great job keeping the Committee focused in getting this review done.

Chair Starner noted that the BRC has learned a lot from the people who came in to answer our questions.

### **Date and Time of Next Meeting**

The next meeting will be held on Thursday, August 2, 2018, at 9:00 a.m. in Conference Room 220A.

### **Adjournment**

There being no further business, the meeting was adjourned at 10:38 a.m.

Submitted by,

Barbara Kerr  
Recording Secretary



<b>Item Number:</b>	<b>4.I.</b>
<b>Meeting Date:</b>	<b>10/1/2018</b>
<b>Item Type:</b>	<b>Business</b>

**AGENDA REQUEST FORM**  
CITY OF CAPE CORAL



**TITLE:**

Approval of meeting minutes - August 2, 2018 meeting

**SUMMARY:**

**ADDITIONAL INFORMATION:**

**ATTACHMENTS:**

<b>Description</b>	<b>Type</b>
▣ August 2, 2018 meeting minutes	Backup Material

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

**Thursday, August 2, 2018**

**CONFERENCE ROOM 220A**

**9:00 a.m.**

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

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

**ALSO PRESENT:** Victoria Bateman, Finance Director  
Chris Phillips, Mgt/Budget Administrator  
Jay Murphy, CT Business Manager, arrived at 9:25 a.m.  
John Szerlag, City Manager, arrived at 9:57 a.m.  
Connie Barron, Public Affairs Manager, arrived at 9:57 a.m.

**Public Input**

No speakers.

**BUSINESS**

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

Chair Starner noted that he made a few cosmetic changes on the presentation since the last meeting.

Discussion held regarding the following:

- Slide – Revenue – title name changed to Diversified Revenue
- Slide – Other Revenue – moved to follow Diversified Revenue
- Slide – Use of Reserves was in between those two slides.
- Email regarding the figures on Fund Balances in Paving, Median Landscaping, Alley Paving
- Cost of replacing streetlights or obtaining a new one
- Cost of paving, contract is bid per mile and that is why they do not spend the entire \$6.5 million and some money is carried over
- What happens when there are not three bids?
- Cost per mile to pave a road versus an alley way, huge difference
- Sidewalks, annual grant money comes from FDOT, priority around schools, City maintains the sidewalks, \$150,000 per year is budgeted for maintenance, Bike-Ped grant money
- Slide review

- Slide 2 - 2019 Proposed Budget
- Slide 3 - Diversified Revenue, PST at 7 percent; 6.75 millage and 62% FSA are locked in. PST can be changed on a quarterly basis.

Mgt/Budget Administrator Phillips addressed the question on the streetlights with information he received from Public Works. The cost varies based on the existence or lack of infrastructure. If a power pole exists in the location and has the appropriate wiring, the initial cost of a streetlight can be zero. If there is no infrastructure, it can be upwards of \$4,000 to \$5,000. In general, most range in the area of \$200 to \$1,000 which is the cost of a pole, wiring, etc. The City has a monthly bill for power that averages \$220,000.

Director Bateman added that the City pays \$2.7 million per year to maintain our streetlights.

Discussion held regarding Communications Service Tax.

Discussion continued:

- Slide 4 - Other Revenues
- Slide 5 – Other Revenues Continued
- Slide 6 – Use of Reserves
- Slide 7 – Debt Management

Discussion held regarding “seek opportunities to borrow funds internally.”

Director Bateman stated she did not think it was a good idea to mix the purpose of funds and to be loaning to other funds.

Administrator Phillips stated the only time you see interfund borrowing is when there is a cash flow issue at the beginning of a fiscal year.

CT Business Manager Murphy arrived at 9:25 a.m.

Discussion held regarding investing in municipal bonds due to the yield for diversification; there is an investment advisor as well as an Investment Committee that makes these decisions.

Discussion continued regarding:

- Transfers, many purposes for five-cent and six-cent gas taxes
- Continue to refinance older debt at lower interest rates.
- Encourage cash purchases of capital equipment.
- Transfer of Special Revenue into your capital projects fund instead of the General Fund supporting it is not borrowing.

- Months are spent formulating the budget with the directors
- Budget Amendments
- Debt Management is not part of a budget.
- Our policy is not to put a lot into corporate funds.
- Investment policy, certain statutes for the City and for pension funds, our policy is not to invest in stocks.
- Seek opportunities to borrow funds internally – does this line need revision?
- Do we want to encourage borrowing funds internally if you have to pay interest on it?
- Slide 7 – Debt Management - no change on slide
- Slide 8 - Economic Development
- More interest in jobs gained than businesses
- Ad valorem
- Last strategic session discussion on measures leaned on brick and mortar, goals need to be somewhat controllable
- Increase opportunities to overcome the pre-platted syndrome
- Big inventory not coming because of pre-platted properties.
- Manufacturing would be difficult in our City; it is five hours just to get out of state.
- There is acreage to build a high tech park.
- Ad Valorem taxes, sales taxes, home businesses
- Does the location of the business establish the ad valorem value of the company?

City Manager Szerlag and Public Affairs Manager Barron arrived at the meeting at 9:57 a.m.

Discussion continued:

- Measuring ad valorem gains based on EDO
- What would be a fair goal setting to determine how successful EDO is?
- Can't control the market, but can factor in a business that brings in a certain amount of jobs that pays a living wage

City Manager Szerlag discussed metrics and how Cape Coral is the fastest growing city according to Forbes. He did not see the correlation between EDO and the City Manager's budget.

Discussion held regarding:

- EDO and the number of businesses that have been brought in
- What happens if EDO becomes a consolidator and turn parcels into large blocks through creative sources?
- How does that relate to the budget document?
- Slide on Economic Development – bullets 4 and 5 come into play; bullet 4: "funding could come from the savings of converting the Coral Oaks Golf Course

and Sun Splash to public private partnerships”; bullet 5: “career oriented businesses should be targeted; for example, light manufacturing, call centers, medical/research companies, branch campuses of Florida colleges.”

City Manager Szerlag continued to discuss the following:

- Value of golf course not a profit center, even if it were privatized
- Sun Splash is a benefit for the community.
- This budget is tailored for a growing city.
- Revenues minus expenditures have a plus or minor effect on the fund balance.
- Millage rate and the PST have not been increased but the FSA has increased.
- Safest city with a population over 100,000 in the State of Florida
- 5<sup>th</sup> fastest growing city (The City Manager stated this is to be verified.)
- Very good Fire Department, response time is always improving
- Infrastructure looking good
- Economic Development is a subjective department.
- Biggest challenge that we have is being pre-platted
- 8% of all our revenue is from commercial
- 92% is residential
- Residential properties are consumers of tax dollars.
- Commercial/industrial properties are donors of tax dollars.
- We get a higher level of service than what we pay for in our taxes.
- Want to modify that ratio to 80/20
- Our job is to have the most cost-efficient and effective service.
- We look at best practices all the time.
- Checkbook approach
- What does it cost to live in Cape Coral compared to other cities such as Fort Myers, Northport, Fort Lauderdale, Port Saint Lucie, and Coral Springs?
- Advertising nationally for a new Economic Development Manager
- Need to make sure we have the demographics educationally and town-wise to build jobs that large corporations want
- How there are not enough jobs in SWFL, especially when kids return with their college degrees
- Revenues, expenditures, priorities, level of service
- Since he has been Manager, the City has grown by 30,000 people.
- 2012 financial situation – How long before we ran out of money? 18 months
- Still playing capital catch up
- Goal to have a better relationship with the County
- Response times in Fire Department getting better all the time
- Request to put aside the EDO and golf courses
- Don't know if we hired more people in EDO if it will give us more ad valorem taxes
- There has not been a request for more people in EDO.

Chair Starner commented on how the Director in EDO has not asked for more people; maybe he could not afford more people because of his budget.

City Manager Szerlag continued:

- Look at current level of service and try to make it better
- What he's looking for in the next EDO

Chair Starner stated for the vast majority of the budget, the BRC did not have any issues. He noted that the BRC was obliged to look at new sources of additional revenue without raising taxes.

City Manager Szerlag thanked the BRC for their time and would not discount anything that is being presented to Council. He has given instruction to Jay Murphy, Kerry Runyon, and Allen Manguson to research privatizing the golf course.

Discussion continued:

- Slide 5 – Other Revenues Continued, subsidy for the golf course and Sun Splash, important to the quality of life in Cape Coral, P3 could not only eliminate the subsidies but add revenue

Committee Member Osborn explained the information he obtained concerning the Royal Tee privatization and how Cape Royal did not assess the homeowners.

Discussion held regarding:

- Do we need a golf course with that kind of drain?
- Are enough people playing golf?
- Can we maintain the rates?
- Competitive rates of playing golf
- P3 has latitude as proven by the Boat House Restaurant at the Yacht Club
- Slide 12 – Charter Schools - recommend exploring the idea of repurposing the High School (projected deficit = \$790,244) for use as an Elementary and/or Middle School

City Manager Szerlag stated he has made a recommendation to City Council to take a look at all best practices in the entire Charter School system.

Discussion held regarding how no money from the General Fund would be used towards the Charter School.

City Manager Szerlag stated how the Charter School would not be economically sustainable unless they were subsidized. He noted how the City was taking over transportation for them and going out for RFPs.

Business Manager Murphy left the meeting at 10:40 a.m.

Discussion held regarding:

- Slide 13 – Charter School, Page 2, Oasis HS underused by 51 students, this represents lost revenue of approximately \$330,000.
- Filling those seats with elementary and middle school students would restore that revenue.
- The current waiting list for elementary and middle schools is 260 students (260 x \$7038 = \$1,829.880)
- We don't make this recommendation lightly.
- We understand that the academic performance at the high school is something of which the community should be proud.
- However, annual deficits of over \$700,000 are unsustainable.

City Manager Szerlag stated we are already exploring the possibility of privatizing the golf course; information should be available some time in FY 19. He did not look at the possibility of privatizing Sun Splash yet, but he will. We're already working on the Charter School issue.

Discussion continued regarding:

- Sustainability of Charter Schools
- Look forward to Manager's Report in January to see how it will be addressed

City Manager Szerlag stated he did not recommend exploring the idea of closing Oasis High School and will not know the answer until January.

Committee Member Botkin left the meeting at 10:47 a.m.

Discussion continued regarding:

- Charter School Budget
- School Board Budget document shows that the High School is projected to lose \$790,000 in this fiscal year.

Discussion held regarding when the BRC presentation will be held next week.

Finance Director Bateman stated the Stantec consultant was scheduled to present on Tuesday.

Committee Member Jacquet-Castor left the meeting at 10:51 a.m.

Discussion held regarding the BRC presentation last year was on the last day of the three days scheduled for the joint workshop with Council.

Business Manager Murphy came back to the meeting at 11:01 a.m.

Discussion held regarding the displayed checkbook approach.

Public Affairs Manager Barron explained what you pay in Cape Coral property tax, solid waste, MSTU, and non-City property taxes (County and School). It breaks down your non-ad valorem assessment, Fire, Stormwater, and any other fees. The PST is also listed. It also provides a comparison with other cities: Fort Myers, North Port, Fort Lauderdale, Port St. Lucie, and Coral Springs.

Chair Starner asked the City Manager what type of study was being done on the Charter School.

City Manager Szerlag stated it was on Charter School Best Practices. It includes specifically I.T., HR, Recordkeeping, Fleet, Facilities, Procurement, Finance, and Budget.

City Manager Szerlag, Public Affairs Manager Barron, Finance Director Bateman and Mgt/Budget Administrator Phillips left the meeting at 11:12 a.m.

Committee Members Eidson and Smith left the meeting at 11:12 a.m.

Discussion continued regarding:

- Using the language sustainable versus profitable

Committee Member Eidson returned to the meeting at 11:13 a.m.

Committee Member Smith returned to the meeting at 11:14 a.m.

Chair Starner left the meeting at 11:14 a.m.

Discussion continued regarding:

- Royal Tee, HOA fees
- Golf courses

Chair Starner returned to the meeting at 11:17 a.m.

Business Manager Murphy stated this will be the fourth attempt at changing the business operation at Coral Oaks.

Business Manager Murphy left the meeting at 11:19 a.m.

Discussion continued regarding:

- Charter School slide, changes made



- What are the best practices?
- We support the ongoing studies to determine the economic feasibility of the City supporting the Charter Schools.
- We look forward to the City Manager's report on Best Practices due in January 2019.
- Economic Development slide
- We could add one of the measurements that there would be an effort to get more consolidation of parcels to make it attractive.
- Support for the 80/20 ratio
- Still make P3 recommendation, maybe change the way it is written
- Emphasize the advisory board to the EDO
- Investment Advisor

### **Public Input**

No speakers.

### **Member Comments**

None

### **Date and Time of Next Meeting**

The next meeting scheduled for Monday, August 6, 2018, at 9:00 a.m. in Conference Room 220A was canceled.

### **Adjournment**

There being no further business, the meeting was adjourned at 11:41 a.m.

Submitted by,

Barbara Kerr  
Recording Secretary

<b>Item Number:</b>	<b>4.J.</b>
<b>Meeting Date:</b>	<b>10/1/2018</b>
<b>Item Type:</b>	<b>Business</b>

**AGENDA REQUEST FORM**  
CITY OF CAPE CORAL



**TITLE:**

Approval of meeting minutes - August 9, 2018 meeting

**SUMMARY:**

**ADDITIONAL INFORMATION:**

**ATTACHMENTS:**

Description	Type
□ August 9, 2018 meeting minutes	Backup Material

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

**Thursday, August 9, 2018**

**CONFERENCE ROOM 220A**

**9:00 a.m.**

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

**ROLL CALL:** Botkin, Jacquet-Castor, Starner, and Wolfson were present. Osborn and Alternate Smith were excused. Doviak arrived at 9:03 a.m. and Eidson arrived at 9:04 a.m.

**Public Input**

No speakers.

**BUSINESS**

**Approval of meeting minutes (moved to after Item 4B - Discussion of FY 19-21  
City Manager's Proposed Budget)**

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

Chair Starner led the discussion on this item.

Discussion held regarding the following:

- Changes in slides on Economic Development, eliminate anything that has to do with footnotes

Committee Member Doviak arrived at 9:03 a.m.

Discussion continued regarding the slide on Economic Development regarding P3.

Committee Member Eidson arrived at 9:04 a.m.

Discussion continued on the following:

- Economic Development slide regarding fourth bullet
- Slide on Other Revenues
- Slide on Other Revenues Continued
- Millage of 6.75
- Effect of going to the rollback rate
- Economic Development slide – adding new brick and mortar commercial construction
- Changes to Human Resources slide

- Change in first bullet to eliminate the word training
- Charter Schools slide
- Supporting the ongoing studies to determine the economic feasibility of the City supporting the Charter Schools and look forward to the City Manager's report on Best Practices due in January 2019.
- Recommend exploring the repurposing of the high school for use as an elementary or middle school
- Promise made years ago that the Charter School would not use money from the City
- Questionable if we should subsidize
- Eliminate first bullet of recommending subsidizing
- Understand that the academic performance at the high school is something of which the community should be proud. However, annual deficits of over \$700,000 are unsustainable.
- Oasis High School is underutilized by 51 students which represents lost revenue of approximately \$330,000.

Chair Starner reviewed the introduction to these slides for this afternoon's joint budget workshop with City Council.

**Approval of meeting minutes - July 23, 2018 meeting  
(moved to after discussion of slides)**

Chair Starner stated the minutes from the July 23, 2018 meeting were presented for approval.

***Vice Chair Wolfson moved, seconded by Committee Member Doviak, to approve the minutes for the July 23, 2018 meeting as presented. Voice Poll: All "ayes." Motion carried.***

**Public Input**

No speakers.

Recording Secretary Kerr reminded the BRC to make a motion to accept the BRC final presentation.

***Vice Chair Wolfson moved, seconded by Committee Member Eidson, to approve the slides as the final presentation to be presented at the Joint City Council and Budget Review Committee Budget Workshop. Voice Poll: All "ayes." Motion carried.***

**Member Comments**

Chair Starner asked if there would be any issues uploading this presentation for the workshop this afternoon.

Recording Secretary Kerr responded there were no problems in having it uploaded.

### **Date and Time of Next Meeting**

Discussion held whether or not to cancel the meeting scheduled for Monday, August 13, 2018, at 9:00 a.m. in Conference Room 220A.

Recording Secretary Kerr stated it would be easier to leave the meeting on the calendar and if it needed to be canceled after today's workshop, it would be done at the direction of an email from the Chair. ***(note for file: the meeting was canceled after the workshop.)***

### **Adjournment**

There being no further business, the meeting was adjourned at 9:47 a.m.

Submitted by,

Barbara Kerr  
Recording Secretary

<b>Item Number:</b>	<b>4.K.</b>
<b>Meeting Date:</b>	<b>10/1/2018</b>
<b>Item Type:</b>	<b>Business</b>

**AGENDA REQUEST FORM**  
CITY OF CAPE CORAL



**TITLE:**  
2019 Meeting Schedule

**SUMMARY:**

**ADDITIONAL INFORMATION:**

**ATTACHMENTS:**

<b>Description</b>	<b>Type</b>
<input type="checkbox"/> 2019 Meeting Schedule	Backup Material

**2019**

**Budget Review Committee**

**Meeting Dates**

January 14

February 11

March 11

April 8

May 13

June 10

July 8

August 12

September 9

October 7\*

(a week earlier since October 14<sup>th</sup> is a City Holiday)

November 4\*

(a week earlier since November 11<sup>th</sup> is a City Holiday)

December 9

Meetings will be held at 9:00 a.m. in Conference Room 220A

Unless otherwise noted

Also please note that the annual meetings to go over the Budget are tentatively scheduled to start on July 22<sup>nd</sup> and may include daily meetings until around the middle of August with the possibility of having joint workshops/meetings with Council in August.

9/20/18