

**MINUTES FOR THE SPECIAL MEETING OF THE
CAPE CORAL CITY COUNCIL**

September 8, 2022

Council Chambers

5:05 P.M.

Meeting called to order by Mayor Gunter at 5:05 p.m.

INVOCATION/MOMENT OF SILENCE – Councilmember Tate

PLEDGE OF ALLEGIANCE – Councilmember Tate

Roll Call: Mayor Gunter, Councilmembers Cosden, Hayden, Long, Nelson, Sheppard, Tate, and Welsh were present.

CITIZENS INPUT TIME

No Speakers.

ORDINANCES/RESOLUTIONS - PUBLIC HEARINGS

Ordinance 80-22 First Public Hearing, Set Second Public Hearing for September 22, 2022
WHAT THE ORDINANCE ACCOMPLISHES:

The Ordinance establishes and levies ad valorem taxes within the corporate limits of the City Of Cape Coral, Florida, for the tax year 2022; provides for the levy of ad valorem taxes in the amount of 5.5568 mills (\$5.5568 per \$1,000) based on the assessed value on non-exempt real and personal property located within the city limits of the City of Cape Coral; provides for the levy of ad valorem taxes in the amount of 0.0471 mills (\$.0471 per \$1,000) based on the assessed value of the appropriate real and personal property located within the city limits of the City of Cape Coral, for funds for annual debt service for the City of Cape Coral, Florida, General Obligation Bond (Bank of America), Series 2019 and the City of Cape Coral, Florida, General Obligation Bonds, Series 2021; and provides for the manner of assessment and collection.

City Clerk Bruns read the title of the Ordinance.

The second and final public hearing was scheduled for September 22, 2022, in Council Chambers.

City Manager Hernandez stated that this was the first of two public hearings to adopt the budget for FY2023 and setting the millage rate for FY2023.

Financial Services Director Mason stated there would be one presentation to cover Ordinance 80-22 and Ordinance 81-22. He noted there were additional pages to the original packet sent last Friday. He pointed out that the millage rate must be approved prior to the tentative budget. Slides consisted of the following:

- City of Cape Coral Fiscal Year 2023 Budget
- Ordinance 80-22 Proposed Millage Rate
- Ordinance 81-22 Tentative Budget
- Ad Valorem Taxes
 - Provide for general operations of the City
 - Millage Rate Taxable Value = Ad Valorem Taxes
 - Expressed in terms of rate per \$1,000 of value
- TRIM Notice Millage Rate
 - Not to exceed rate of 5.5568 Mills established on July 27, 2022
 - 5.5568 rate included in TRIM notice mailed out in August 2022
 - Proposed rate is 0.1874 mills or 3.49% more than rolled-back rate of 5.3694
 - City Manager's Tentative Budget based on Millage Rate of 5.5568 Mills
 - \$249,278,980 – General Fund
 - \$944,681,592 – All Funds

- Proposed Millage Rate for the Parks General Obligation Bonds of 0.0471 Mills
- Proposed Millage Rate
 - By law, City Council **must** adopt a **proposed** millage rate.
 - Proposed millage rate must be set prior to adoption of tentative budget
 - Any resulting budgetary adjustments will be made during the public hearing of Ordinance 81-22.
- Millage Rate
 - Proposed Millage Rate of 5.5568 which is .1874 mills or 3.49% more than the Rolled-Back Rate
 - Alternate rate of 5.4631 which is .0937 mills or 1.75% more than the Rolled-Back Rate
 - Rolled-Back rate of 5.3694
- FY2023 Budget Summary
 - FY2023 Proposed Budget - \$965,427,198
 - Identified Changes – (\$20,745,606)
 - Tentative Budget Ordinance 81-22 - \$944,681,592
- FY2023 Budget Summary – Variance Highlights
 - General Fund
 - Capital Projects Fund
 - Special Revenue Funds
 - Enterprise Funds
- FY2023 Public Service Tax
 - Electric Public Service Tax
- Millage Rate Scenarios
 - Proposed Millage Rate 5.5568
 - Alternate Millage Rate 5.4631
 - Rolled-Back Millage Rate 5.3694
- FY2023 Budget Highlights
 - Staffing: 1,878.73 Full-Time Equivalents (+44.25 FTE's)
 - Public Safety
 - Infrastructure
 - Parks
 - Environment
- FY2023 Budget Summary – One-Time Funding
- Next Steps
 - Final public hearing – September 22, 2022, at 5:05 p.m.
 - Adopt final millage rates – cannot exceed proposed millage rates
 - Adopt final budget
- Forecasted Net Revenue/(Deficits) – (additional backup/final)
- Millage Rate Scenarios – (additional backup/final)
- Total Budget – (additional backup/final)

Mayor Gunter stated that this has been one of the more complex budgets, and he thanked Staff for all their work and efforts to get the budget presented to Council.

Public Hearing opened.

George Starner appeared as a resident to voice his concerns on the proposed budget page 11 reflecting two millage rates and reduction of \$4M. He had four words: If not now, when? His research showed history of the millage rate. He recommended to go with the City Manager's proposed rate (5.5568).

Tom Shadrach appeared as a resident to discuss the reduced millage rate in the past four years, Truth in Millage (TRIM), increased millage rate over the rolled-back rate for four of the last five years, property tax budgets, FY2020 Budget and FY2023 Proposed, increase of \$25M, General Fund Expenditures, should be managed to create a positive cash balance in each fund at the end of the fiscal year, FY2023 Expenditures, FY2024 Forecast is less, Actuals available through FY2021 and saved \$17M with a 9.5% reduction. He discussed the proposed tax increases; and he requested that the charts be distributed to Council.

City Manager Hernandez discussed the millage rate of 5.5568 based on information before August, and those figures did not factor in the additional monies from the Power Cost Adjustment from LCEC. He noted that the update distributed today reflected the absolute final revenue numbers from the Communications Services Tax received through the State of Florida and also Municipal Revenue Sharing.

Public Hearing closed.

City Attorney Menendez clarified that Council would motion to set the proposed millage rate at the amount selected and could not go higher than 5.5568.

Councilmember Nelson moved, seconded by Councilmember Long, to set the Proposed Operating Millage Rate at 5.3694 mills and setting the proposed millage rate for the Parks General Obligation Bond at .0471 mills.

Councilmember Welsh inquired about putting both millage rate and adoption of the budget into one motion. He discussed that at the August 31st meeting he proposed spending of the one-time funds and inquired if Council would agree to his proposal of the shopping cart items.

Councilmember Tate stated that she was concerned with the shopping cart items proposal from Councilmember Welsh, especially the Parks reduction and she could not support reducing the \$2.5M, leaned toward rolled-back rate, and could not be persuaded with the proposed parking lot items.

Mayor Gunter explained why he was not in favor of reducing that parking lot item as proposed. He supported the rolled-back rate due to the additional revenues identified in the last two weeks, and parking lot items identified by the Council.

Councilmember Long agreed with the Mayor's sentiments. He suggested surveying the rest of Council on their preferred millage rate.

Councilmember Nelson favored the rolled-back rate and the additional \$4M, she felt confident that items could be added to the list later in the year.

Councilmember Welsh pointed out that the suggestions were brought forward by Staff and were fully aware of the conditions such as Carpet Replacement and need for the Compensation and Classification Study. He has been trying to find a middle ground, and he would vote against the rolled-back rate.

City Manager Hernandez requested that Councilmember Nelson repeat her motion.

Councilmember Nelson moved, seconded by Councilmember Long, to set the Proposed Operating Millage Rate at 5.3694 mills and setting the proposed millage rate for the Parks General Obligation Bond at .0471 mills.

Council polled as follows: Tate, Gunter, Long, Nelson, and Sheppard voted "aye." Welsh, Cosden, and Hayden voted "nay." Five "ayes." Three "nays." Motion carried 5-3.

Ordinance 81-22 First Public Hearing, Set Second Public Hearing for September 22, 2022
WHAT THE ORDINANCE ACCOMPLISHES:

The ordinance adopts the City of Cape Coral Operating Budget, Revenues (sources) and Expenditures (uses), and Capital Budget for the Fiscal Year 2023 for the City of Cape Coral, Florida, and repeals all ordinances in conflict with this ordinance.

City Clerk Bruns read the title of the Ordinance.

The second and final public hearing was scheduled for September 22, 2022, in Council Chambers.

City Manager Hernandez noted as stated previously by Financial Services Director Mason the presentation for the two Ordinances were combined.

Financial Services Director Mason noted the proposed budget at the rolled-back millage rate would be \$944,595,558 which includes the \$4M.

Public Hearing opened.

Tom Shadrach appeared as a resident and discussed the FY2023 Budget and Capital Projects about \$8M and 29 one-time projects being considered for about \$17M. He inquired what projects are on the books. What projects can be started? What resources are needed? How long will it take? Need a milestone schedule. What will it cost? How many Capitals Projects are still not complete from prior year budgets? He requested the status of the current projects. He suggested before starting any more projects, make sure these questions are answered for existing work, pick top projects, get a plan before authorizing any work, and track performance of scheduling and cost.

Public Hearing closed.

Councilmember Nelson moved, seconded by Councilmember Long, to set the Tentative Operating and Capital Budget at \$944,595,558.

Mayor Gunter inquired if there were any concerns with completing the items listed as the parking lot items.

City Manager Hernandez stated that many of the projects have lengthy timeframes. At the next COW meeting on September 14, 2022, Staff would be providing a Capital Projects Quarterly Report. The projects will get started in the fiscal year; however, the projects may not be completed in the same fiscal year. Staff is dedicated to getting things done.

Discussion held regarding:

- Dollar value or scope of work proposal
- Design proposal, design build, procurement process for RFP
- Budgeting for multi-year projects

Councilmember Welsh inquired if any of the Councilmembers that voted for the millage rate would be willing to consider his proposal for the shopping cart items.

Councilmember Tate stated that she was not inclined to change her preference on the millage rate and shopping cart items. She addressed the comment made during Public Hearing and stated that she supported City Staff 100%.

Councilmember Cosden supported the list compromised by Council as a whole and would not consider Councilmember Welsh's list. Information on expenditures is readily available on the City's website.

Mayor Gunter stated that he was in favor of the list as agreed upon by Council. There would be further discussions about the parking lot items by the end of the year.

Councilmember Welsh stated that during the budget meetings, the parking lot items were changed at the third budget meeting. He hoped that next year a different approach would be used.

Council polled as follows: Tate, Welsh, Gunter, Long, Nelson, and Sheppard voted "aye." Cosden and Hayden voted "nay." Six "ayes." Two "nays." Motion carried 6-2.


TIME AND PLACE OF FUTURE MEETINGS

A Committee of the Whole Meeting was scheduled for Wednesday, September 14, 2022, at 9:00 a.m. in Council Chambers.

MOTION TO ADJOURN

There being no further business, the meeting adjourned at 6:32 p.m.

Submitted by,


Kimberly Bruns, CMC
City Clerk