

CITY COUNCIL BUDGET MEETING
CITY OF BONITA SPRINGS
FRIDAY, JULY 7, 2017
9:00 A.M. CITY HALL
9101 BONITA BEACH ROAD
BONITA SPRINGS, FLORIDA 34135
MINUTES

I. CALL TO ORDER.

Deputy Mayor Peter O'Flinn called the budget meeting to order at 9:00 A.M.

II. PLEDGE OF ALLEGIANCE.

At the request of Deputy Mayor O'Flinn, Council Member Steve Slachta led in the Pledge of Allegiance.

III. ROLL CALL.

Determination that Mayor Simmons can participate electronically. In accordance with the Administrative Code for meetings, the Mayor and Council Members can participate in the meeting when not physically at the meeting, subject to finding that Mayor Simmons not being able to attend was an extraordinary circumstance. A quorum must still be maintained physically and Mayor Simmons may participate and vote as long as he is able to hear the meeting and be heard.

Deputy Mayor O'Flinn entered a motion finding that Mayor Simmons not being able to attend is an extraordinary circumstance and for Mayor Simmons to participate via telephone; Council Member Amy Quaremba seconded; and the motion carried unanimously.

IV. PUBLIC COMMENT ON AGENDA ITEMS:

[9:02:15 AM](#) Rick Steinmeyer addressed government light and supports contracting.

[9:02:53 AM](#) Jim Wurster addressed written comments he furnished to City Council (copy in Clerk's file) relative to transportation project funding.

[9:10:18 AM](#) Dallas Revord, Chairman of the Historic Preservation Board, began by thanking City Council and Council Member Mike Gibson for his work on preserving the water tower. He next updated Council on future projects of the Board, including historic designations, the relocation of Dixie Moon, a fundraising committee for grants, etc.

[9:11:39 AM](#) Elly McKuen, a member of the Historic Preservation Board, addressed the historic village concept and the process involved, which would entail an RFP. They are here to ask Council for funds for the upcoming year to allow them to move forward with a feasibility study for the historic village. They are also seeking flexibility relating to funds that they have not spent, to be allowed to spend on other items.

[9:17:09 AM](#) Mr. Revord stated they were here to request \$50,000 for the grant funding, and make that flexible so that it's not just for granting funding, but would be able to be used for the historic village. There's also \$10,000 (FY 2017) allotted for the historic preservation project. They would also like to continue with the historic photos.

[9:20:15 AM](#) Nigel Fullick, a Member of the Art in Public Places Board, was in attendance to request City Council's support for the upcoming year, to move the budget from \$45,000 (FY 2017) to \$50,000 for projects and future projects.

9:24:06 AM Mayor Peter Simmons voiced his support relating to the request from the Historic Preservation Board.

9:25:53 AM Council Member Fred Forbes asked if the MPO didn't just get approval for the capital projects. He stated he liked Mr. Wurster's idea, but if MPO already approved their capital plan, he questioned how the City would go back and say they don't want the funds going to Old 41 south, but rather to the quadrant. Mr. Wurster stated that they can ask for an adjustment to the dollars.

9:27:37 AM Council Member Amy Quaremba stated that she feels might not have been aggressive enough. There are other communities that are getting grants. She would be in favor of trying to review the process the city is using so they can apply for some of these grants, and to have more direct interaction. She feels the concept brought up by Mr. Wurster is something they need to address.

V. PRESENTATION OF FIVE YEAR FINANCIAL PLAN.

9:29:13 AM Finance Director Anne Wright next addressed the Five Year Financial Plan included in the Budget packet.

VI. OVERVIEW OF FISCAL YEAR 2017-2018 DRAFT BUDGET.

9:40:25 AM City Manager Carl Schwing furnished a PowerPoint presentation to address the "Memorandum from the City Manager" as reflected in the budget packet. Director Wright next furnished a PowerPoint presentation on variable expenses (copy in Clerk's file), to address the General Fund Revenues, General Fund Expenditures, FY 2018 Budget Variances from FY 2017 original Budget and Expected; Retirement, Health & Life Insurance; Professional Services & Contractual Services; other current charges; and machinery and equipment budgeted for FY 2018.

VII. REVIEW OF FISCAL IMPACT OF THE WONDER GARDENS LOAN.

10:30:46 AM Director Wright furnished an overview. Discussion followed.

VIII. DISCUSSION AND DIRECTION CONCERNING FISCAL YEAR 2017-2018 BUDGET.

- A. ASSIGNMENT OF FUND BALANCE TO DESIGNATE ADDITIONAL RESERVES BY SPECIFIC CATEGORIES.
- B. DISCUSSION OF HEALTH INSURANCE.
- C. DISCUSSION OF CORE ESSENTIAL SERVICES/OUTSOURCED SERVICES.
- D. REVIEW LIST OF FUNDING REQUESTS.
- E. DISCUSSION OF USE OF COMMUNICATIONS SERVICES TAX AND ELECTRICITY FRANCHISE FEE.
- F. DISCUSSION OF INCREASE IN ELECTRICITY FRANCHISE FEE.
- G. DISCUSSION OF THE MILLAGE.
- H. GENERAL FUND REPAYMENT OF LOAN OWED TO THE ROAD IMPACT FEE FUND.

10:59:16 AM Deputy Mayor O'Flinn next addressed the City's long term needs and funding. He addressed "funding requests" that are not in the budget Bonita Beach Road Visioning, the Old 41 Bridge look better, a signature piece on 41, etc. He addressed road impact fees which he stated were decreasing. He also addressed pages 18 and 19 of the budget. He next addressed his handout (copy in Clerk's file), and stated that the intent is to see what we are generating in the current year in pre-cash to fund all the things that need to be done as it relates to all the special projects. He referred to Estero who generated \$4.3 last year out of the general fund. He continued on funding. His suggestion is that they need to start budgeting for more savings out of the general fund. He would suggest setting a goal and go back to 2016 number which is \$12,189,000 and challenge City Management to come

back with a budget that fits within that number. He would begin with the City Council budget and revise it from \$594,000 to \$331,000. He looked at travel, communications, operating supplies, clothing allowance, books, publications and memberships and training. The City of Naples has \$21,000 and the City of Bonita Springs has budgeted \$56,000. He would reduce this to \$21,000. Also on health insurance, he feels that anyone on City Council who participates should be paying 15% towards their premiums – 15% of \$56,000. He also referred to economic development and would rather have it in a capital budget to make those improvements.

[11:21:48 AM](#) Council Member Forbes stated he agreed with Deputy O’Flinn’s suggestion on insurance as long as it’s equal. If impact fees are decreasing it means less permits are being processed, thus, resulting in the need to look at staffing. He also addressed the need to prioritize the capital projects, to which he feels the main objectives should be the Quadrant, Bonita Beach Road Visioning, bike paths and other things that would be nice should planning only. Deputy Mayor O’Flinn clarified that none of anything he would suggest relates to reduction in Staff.

[11:23:56 AM](#) City Manager Carl Schwing referred to comments made by Council Member Forbes relating to Staff. If it looks like permits are going down, the contract with CH2M includes a trigger that indicates they will reduce their workforce accordingly. It is his belief that based on revenue projects for impact fees, Staff did project a 30% reduction in the building fund. Assistant City Manager Arleen Hunter asked to clarify direction from Council. Economic development contains two categories – the downtown façade and beautification enhancement and the general economic development which includes the incentive package for job creation. Deputy Mayor O’Flinn stated that it’s a matter of priorities, and secondly, businesses are moving into Estero every day and they don’t have the package. It was put it at the time of the recession, to which he further explained. Staff to look at number and bring back. Council Member Forbes referred to Naples City Council and requested Staff look at the details of their budget compared to our budget. Council Member DeWitt stated he was in agreement with Deputy Mayor O’Flinn with respect to Council’s budget, which he addressed. He was elected by residents of District 2, not to cut taxes every year, but to make this place a viable place to live and where people want to come. If there is a need to raise taxes one year to maintain that, or to do a special project, that’s okay. He doesn’t agree with taking funds from those projects they want to do, as he would rather install the Quadrant Study, etc., rather than cut something that is needed now. All of these things are going to cost money, and they either need to start saving or raise taxes.

[11:36:29 AM](#) Council Member Quaremba stated that so far there is still growth in the market values of our properties and was an 8% increase in revenues just because of the growth, which she sees as a tax increase. The Quadrant project is an important and is an issue because they have to incorporate those design plans into already existing infrastructure. It’s the same with the bike and pedestrian paths. They need to do those projects up front rather than delay because it’s not going to get easier. She’s been talking about Coconut Road, which they haven’t even addressed. Overall, they need to be aware of these kinds of long term projects. They do need a prioritization, which she thinks they should clarify so they know how to go forward.

[11:38:39 AM](#) Council Member Forbes referred to the list of priorities, which he feels they need to look at the wording, and at that time they wanted to see more walkable/bikeable trails like extending Cullum’s trail. Overall, he feels they need to re-look at that list. Additionally, as they build out and run out of land, if they continue to improve the community and make things more attractive, they will get more money in ad valorem, because the homes are going to start demanding a better prices. He also feels that within 6 months they may want to look at whether they should borrow money to do some of this. Council Member DeWitt stated he doesn’t feel it should be on the part of the employee as in health insurance cost, or their pension. If they are going to do something on the back of the employees, he feels they need to look at themselves first.

[11:51:48 AM](#) Council Member Forbes stated that his hope is that the City Attorney can come up with a way, that if Council runs out of funds (in their budget) if they would be able to write that off. City Attorney Vance responded, giving the example that if Council Members don’t fill out millage and take it as a tax deduction, that’s between the Council person and their tax advisor.

[11:53:57 AM](#) City Manager Schwing requested a clarification, addressing requests from committees to remain at their funded levels, or to even increase for certain projects. Deputy Mayor O’Flinn stated that there is leverage in those committees, and are providing volunteer hours, so whatever they spend is being leveraged by their free work, and so he wouldn’t be inclined to go backwards on that. Council Member DeWitt agreed.

[12:02:01 PM](#) Council Member O'Flinn reiterated that he was not talking about reducing head count. One thing that is in here is unfilled jobs, which he feels savings can come from. Council Member DeWitt stated that we became a City and contracted with the Sheriff's Office to create community policing. He recalls that there are the same amount of deputies now as there were then. He feels that in the future they are going to have to look at increasing community policing.

[12:04:51 PM](#) Deputy Mayor O'Flinn next addressed the events held downtown, which he stated are extremely important. Mayor Simmons agreed they are great events, and the volunteers don't want to cut anything; however, he feels they need to take a harder look at it. He'd be interested in seeing more private donations involved. He questioned the ratio for these events of public taxpayer dollars versus private sponsorship. Council Member Forbes stated he feels they should look into seeing if there are other groups that would like to participate in these events. Council Member DeWitt cautioned that sometimes when you ask for sponsorships, they want to have a say in what the content is. City Manager Schwing stated that Staff does want to look at the special events Ordinance, which he expanded on. Mayor Simmons stated when you look at the groups that are the beneficiaries of the profits, i.e., the beer truck, food., are there groups that aren't being the recipient of that that should be, or should the formula be reevaluated to have more come back to the City or have it on a revolving basis from the various groups. He would like to have Staff come back with something different, or an alternative.

[12:11:20 PM](#) Deputy Mayor O'Flinn referred to Community Development and suggested the City Manager brief City Council on how the costs of community development are built up – i.e., the number of employees, etc. He next referred to Mr. Wurster's point relating to the MPO, which is structural, and not the fault of Lee County. He stated the City needs to be in a position where they are not getting .5%. Capital projects and stormwater is something he thinks the City should look into – it's a function that's being provided, and how can we establish a way to pay for it. It may be worth at least exploring.

A lunch break was taken to 12:46 P.M.

[12:47:30 PM](#) The meeting continued by addressing capital projects reflected on page 108. Deputy Mayor O'Flinn stated he would prefer to have a clear line of sight rather than have pockets of contingencies. He requested deleting the \$100,000 contingency. Referring to stormwater, Public Works Director Matt Feeney stated that the \$950,000 is dollars associated with what they expect the construction of the Pine Lake Preserve project will cost. They have been seeking alternate funding throughout the last year and a half through other grant opportunities through the water management district, as well as seeing if they can offset that. Permits were applied for a year ago, and they are awaiting an ACOE permit which they expect some time this year. Council Member DeWitt asked if there was a way that if they don't get it and this carries forward to put it in parenthesis near it, i.e., (Pine Lake). Discussion followed. Deputy Mayor O'Flinn suggested a discussion about the next five years and what the hurdles are, the costs, etc. Discussion followed on capital improvements.

The \$40,000 shown for the "downtown signage plan" would provide for a study and implementation. Deputy Mayor O'Flinn stated that whether to go ahead with the study would come back to City Council. Assistant City Manager Hunter, in response to Deputy Mayor O'Flinn, explained they would bring back a proposal whether an add on to an existing contract or a new RFP, all that would be brought to Council in the form of a contract. Survey work also needs to be done. Staff can also look at other examples of other cities and provide that to City Council, which would include engineering and design work. Council Member Forbes feels these are things that need to be done, but suggested not showing this as a line item, but rather when you get to DPZ and Alta, to give them a little extra to address. With respect to urban design, Deputy Mayor O'Flinn suggested \$140-\$200,000 for urban design, inclusive of urban design and parks master plan – to include all of it. Assistant City Manager Hunter stated that would provide a consistent branding message and architectural design for those signs. From FY 2016-2017 budget carry over, move \$50,000 from the Parks Maser Plan to urban design and add another \$100,000 to this year 2017-2018. Remove the Parks Master Plan and downtown signs line items. Council Member Forbes stated that there are three good companies on contract with the City – Toole, DPZ and Alta, and suggested going to them.

Deputy Mayor O'Flinn next referred to downtown parking study. Council Member Gibson asked if they needed a study, to which City Manager Schwing stated they can try to calculate that and try to implement, and bring recommendations to City Council. Per Deputy Mayor O'Flinn the \$20,000 for downtown parking study was removed and to be included in the white paper. Staff addressed the skate park reflecting \$175,000 which Ms. Perino explained would entail a very small skate park of approximately 4,000 square feet. Deputy Mayor O'Flinn

suggested this come back to City Council at a meeting to better understand. Council consensus yes.

In response to Council Member Quaremba, Director Perino addressed the \$227,437 depicted for River Park – US 41. She explained that that is all TDC funding that has been acquired over several years to build a fishing platform at River Park. It will be adjacent to the bridge on new 41. The reason it's been carried over is that they are still awaiting their ACOE permitting. It's the last project scheduled for River Park.

1:29:00 PM Council next addressed the handout titled "FY 2018 Funding Requests (as of 6/30/2017)." The first is funding for the high school. City Manager Schwing explained this came from a funding request for sponsorship of certain items at the high school from the School Board. The \$200,000 would sponsor the construction of a particular item there. Mayor Simmons informed Council of efforts underway, at least in Bonita Bay, in terms of funding. He asked Deputy Mayor O'Flinn the status, to which he stated he did not have anything recent, however, as of a month ago they said they were up to \$150,000 for naming rights on the gym which was good for five years, and if it was wanted a longer period of time it would be \$300,000. Mayor Simmons informed Council of a gentleman who indicated that was where they were at with Bonita Bay and that they would like the City to be involved.

Mayor Simmons stated he did not know where things would or wouldn't be in terms of the water tower project given what transpired the last couple of weeks. On the highway, discussion was held on branding and tying in aspects of Old 41, and work on the various bridges, and the architectural rendering of downtown. Assistant City Manager Hunter responded to Mayor Simmons on the I-75 project. The Art in Public Places Board recommendation is that the City should not pursue a mural on the water tower on Hickory Island because of conditions relating to salt water and maintenance issues. They did feel that the observation deck was in-keeping with the architectural design of the City and tying into downtown. They were concerned about costs, public access and parking. They were very interested in I-75 and prioritized city owned property or other Interlocal government property, i.e., school board property as first priority. She further explained. They can do an RFP to have a firm on board to start design work, or continue working with the city's architect. Deputy Mayor O'Flinn suggested having Mr. Vincent work to start brainstorming. Mayor Simmons stated he felt there is a need to figure out if there's an appetite from Council to fund this or put this in this year's budget. Assistant City Manager Hunter stated that the \$450,000 is a very raw estimate from Mr. Vincent based on size, materials, etc. Mayor Simmons stated he is very interested in moving forward on this if the majority of Council is and would support a placeholder for it in this year's budget. Deputy Mayor O'Flinn suggested going with what Mayor Simmons said – to put the money in and then figure out sooner rather than later what the next step is.

1:45:15 PM Council Member Quaremba addressed item 4, the water tower on the beach. Her hope is to acquire the property since it is access to the bay, and instead of an observation tower, they could have access to the bay without expending tons of money. There is already parking there, and maybe they can provide a launch of some sort. Deputy Mayor O'Flinn agreed that is a great idea. Council Member Quaremba stated that Council needs another look at all.

Deputy Mayor O'Flinn addressed item 8 for funding for \$2,500. Council consensus yes. Next, item 9., regarding the replacement of street sign faces for \$125,000. He feels this should be a basic level of service and not a special funding request. After further discussion, funds to be moved to urban design.

2:09:21 PM Item 11., additional funding for land purchases in the DRGR. Council Member Quaremba stated she feels this is something they really need to focus on, and try to tap into funding sources for this. The City needs to purchase more property for the future of the City. Council Member DeWitt agreed and questioned if \$200,000 was enough. Deputy Mayor O'Flinn stated it needs to be an effort to find funding sources consistent with the fact that it entails privately owned property.

2:12:08 PM Item 12., speed/message trailer and related costs depicted for \$18,000. City Manager Schwing referred to the attachment in this request from the Sheriff's Department for this specific piece of equipment to assist them with traffic concerns throughout the City. Council Member DeWitt supports the request. Council consensus yes.

2:16:50 PM Item 15 Boardwalk replacement at Riverside Park. Council consensus to wait and place in the budget a year out.

[2:18:22 PM](#) Item 16., involving a funding request from the downtown alliance. Assistant City Manager Hunter explained she was comfortable with direction received for urban design and additional work with Waldrop Engineering to accomplish many of those goals.

[2:19:31 PM](#) TBD reflected in item 2 for the Fiesta. Mayor Simmons explained that his request is to have this event added to whatever “x” number is as part of all the events for total budget. He stated that there is a need to reevaluate what they do with events. It needs to be included in the total number. He will continue to try to privately fund the event, and encourage the other events to do the same. He also suggested looking at the non-profit groups that get the proceeds from the food sales, the beer trucks, etc., and evaluate what non-profits are in the mix. Communication Director Lora Taylor explained that total there are 11 city events they are adding the wounded warrior event. He wants to evaluate how the events are funded and what, if any, private participation is involved.

[2:31:00 PM](#) Mayor Simmons addressed item 4 “Official history book of Bonita Springs” explaining that this is something the Historic Preservation Board discussed slightly, but came from the Historical Society that there have been a few books written about certain parts of Bonita Springs history. The thought was whether there would be an appetite for a book reflecting the entire history of Bonita Springs. Deputy Mayor O’Flinn questioned whether it would be better to get a line of sight on exactly what they are thinking about for money and who would write it, to which Mayor Simmons agreed. Council consensus to leave the funding explanation as shown as TBD (To Be Determined.)

Council consensus to approve the \$40,000 reflected for the flagpole and flag placement on I-75.

[2:32:22 PM](#) Item 10 US 41 Bridge Beautification project. Deputy O’Flinn provided an update and addressed the process. Council consensus to include \$250,000.

[2:42:57 PM](#) Item 13 Enhanced holiday lighting in the downtown area. Communications Director Lora Taylor explained this item is for direction to Staff as to what Council would like them look into. Council Member Forbes suggested coming up with something you can do other times of the year. Council Member Quaremba feels they should not put anything in the budget year, but look at the lights when they are put up. No action.

[2:45:31 PM](#) Item 14 replaced exterior lights with LED bulbs. Parks and Recreation Director Nicole Perino furnished a brief overview of the intent, which is to replace all of the sports lighting to LED. Council Member DeWitt suggested addressing field by field. Council Member Quaremba suggested doing on a piece by piece basis. Staff to add some appropriate numbers.

[2:51:27 PM](#) Discussion next followed on the three items on the bottom of the funding request page. 1. Stormwater Management Fee. City Attorney Vance addressed this history when this previously came before City Council shortly after incorporation. She explained that the problem was setting up a fee and Council decided against doing the fee for legal reasons and determined to use the regular ad valorem rather than placing an assessment or a fee. Discussion followed, with City Attorney Vance stating that they do use a firm (Nabors Giblon & Nickerson) every now and then as a financial advisor, and she can call to see if they can provide some information to City Council and provide a presentation to explain this. Deputy Mayor O’Flinn suggested Staff contacting the City of Naples and learn from what they’ve done.

[2:56:21 PM](#) Item 2, the \$25,000 tax exemption. Director Wright explained that this was an informational item to City Council. Deputy Mayor O’Flinn suggested item 3, regarding the electricity franchise be addressed on the other list.

[2:56:21 PM](#) Deputy Mayor O’Flinn referred to Mr. Fullick’s request which was Council consensus to increase funding from \$45,000 (FY 2017 budget was \$45,000) to \$50,000.

Discussion was next held on Mr. Revord’s request. Assistant City Manager Hunter addressed their request. They are requesting \$10,000, and then to maintain the grant fund at \$50,000 and then request an additional \$25,000 for the feasibility study for the historic village. And as stated by Ms. McKuen at least some flexibility or some work within the grant program that they don’t necessarily use all of that for grants and that they can use a portion of that for the feasibility study. Council consensus \$50,000, \$10,000 and \$25,000., with the flexibility as addressed.

A short recess was taken.

3:19:35 PM Agenda H. Director Wright furnished an overview. She will bring back a resolution for the next meeting. Council consensus to move forward with the General Fund repaying the Interfund loan from the Road Impact Fee Fund. Agenda item A., addresses assignment of fund balance.

3:28:55 PM Staff to pursue a replacement fund. Council Member Quaremba stated she was in favor of replacing the air conditioner at City Hall. The focus should be on larger items.

3:33:39 PM Agenda Item E. for a discussion on the Communication Services Tax and Electricity Franchise Fee. Director Wright explained that in 2016 Council originally approved increasing the Electricity Franchise fee from 3% to 4.5%. There is a restriction that allows only a 1% increase per year. She explained that these are funds that have been accumulating in the 2011 debt service fund and that by the end of this fiscal year it will have accumulated to \$1 million. Director Wright stated that the CST and Electricity Franchise Fee are unrestricted revenues and as such, can be used for anything. Council consensus to use the CST and electricity franchise fee to pay the scheduled debt payment portion of the 2011 debt which has been budgeted to be funded by the general fund. Discussion was held on whether Council would now like to increase the rate by .5%, since the 2016 increase was only for 1%.

IX. ESTABLISH THE PROPOSED OPERATING AD VALOREM MILLAGE RATE FOR 2017 TAX YEAR AND SET DATE FOR THE FIRST REQUIRED PUBLIC HEARING FOR THURSDAY, SEPTEMBER 7TH, 2017, AT 5:05 P.M.

3:49:08 PM Council Member DeWitt entered a motion setting the operating ad valorem millage rate at .8173; Deputy Mayor O'Flinn seconded; and the motion carried unanimously.

The next budget meeting was scheduled for August 2, 2017, at 4:00 P.M.

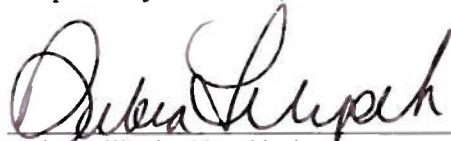
X. PUBLIC COMMENT.

4:00:18 PM Rick Steinmeyer commented on the CST and Electricity Franchise fee.

XI. ADJOURNMENT.

There being no further items to discuss, the meeting adjourned at 4:02 P.M.

Respectfully submitted,



Debra Filipek, City Clerk

APPROVED:
BONITA SPRINGS CITY COUNCIL:

Date: 8/21/17

AUTHENTICATED:



Peter Simmons, Mayor