

## **Ad Hoc Planning Committee Discussion**

Proposal to form a citizens' ad hoc committee to help City Council/Staff better understand key imperatives which the City needs to consider to help address a potential fiscal crisis situation in the FY-2010 Budget, given current economic and State political trends.

### **Suggested Objectives:**

1. Analyze these future trends to help better understand what might happen if things continue as anticipated (most likely scenario)
2. Recommend what corrective actions which City Council might take to lessen the impact.

### **Composition:**

- Seven residents (one selected by each Councilor) with financial management expertise plus staff liaison and a Councilor as non-voting Chair.

### **Approach:**

- A working committee with individual assignments.

### **Time Frame:**

- December 2008 through April 2009 with a report to be provided to City Council for the FY-2010 Budget Process.

### **Community Involvement:**

- At least one public meeting in January /February time frame to gain public input on budget goals for the next fiscal year.

### **Desired Action:**

1. Motion to authorize the Ad Hoc Planning Committee
2. Each Councilor provides a nominee, with discussion of qualifications



# Financial Planning Committee Report

## April 20, 2009

# Financial Planning Committee (FPC) Report (4/20/09)

## Contents\*

1. Introduction: A) FPC Goals & Workshop Expectations; (B) External Situation Overview
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3. (A) Overall Recommendations (B) Financial Analysis Material
4. Observations Regarding Path Forward
5. Appendix: (A) Public Input (Workshop & Correspondence); (B) Department Head 20% Reduction Scenario

\* Also included are notes pages in each section

Members: Tom Kirstein, Larry Magel, Pat Neale, Irv Pavlow,  
Jim Riviere, Steve Stefanides, Bill Trotter  
Staff Support: Laura Litzan, Bill Harrison

## **(1,A) Key FPC Goals**

- Overall, develop additional input to City Council for the FY10 financial planning & budgeting process (General Fund focus)
  - Starting the process earlier with broader public participation
- Provide insights into likely external development and financial alternatives
- Create a portfolio of possible actions for each Department, along with an administration/cross-departmental category, with different levels of “advisability”
- Help increase the public awareness of the services provided for the City’s portion of their tax dollar

## **(1,A) City Council Workshop Expectations**

- Review FPC findings as input to FY10 financial planning/budgeting process
- Not come to a decision on specific opportunities at this Workshop, but focus on clarifying the points presented
- Position City Council to be able to consider more options depending on the June 1<sup>st</sup> property valuation report
  - And be more involved in detailed recommendations and evaluation of alternatives

## **(1,B) External Situation Overview**

- Planning scenario: 10% reduction in property valuation
- Note: this may be conservative since the County's & School Board's planning assumption is a 24% reduction, and Naples is planning on a 15% reduction
- Legislative assessments: there will be no additional legislation/referendums in FY10 which will impact ad valorem tax revenues
- Non-advalorem revenues (incl: gas tax; local option sales tax; municipal revenue sharing; & interest earned): contributions will decrease approximately \$420,000 for FY10
  - Resulting in current City Manager's actions (including initiating a hiring freeze and modifying administrative support arrangements)

**Department: COMMUNITY DEVELOPMENT**

**Overall Assessment:**

Currently there are 5 ½ paid employees in this department. They consist of the Director, City Planner, GIS/Administrator, Flood Plane Manager, Administrative Assistant and Environmental Tech. The Department runs smoothly and no additional employees are needed nor do I believe any should be eliminated.

This Department, unlike Code enforcement and Building Services, currently has limited income making abilities. The Building Services Enterprise Fund is providing a large part of the Community Development's wages & benefit expense. Payment of these wages & benefits are made from the Enterprise Fund in Building Services to the city's General Fund and that latter fund makes payment of Community Development's employee wages and benefits. Consideration is requested to implement some or all of the hereafter mentioned USER FEES. Most of the USER FEES should be tax deductible as most would apply to businesses.

ITEM	ADVISABILITY/DOLLAR IMPACT/SERVICE IMPACT
<b>CONSIDER THE FOLLOWING USER FEES</b>	
1. Establish a new Rental Housing Fee with on-line registration	HIGH/HIGH/MEDIUM
2. Establish a new renewal fee for existing business zoning	HIGH/HIGH/MEDIUM
3. Increase fees for new business_Commercial Land Use & Zoning Certificate	HIGH/MEDIUM/LOW
4. Establish a schedule of fees for GIS_services/mapping	HIGH/LOW/LOW
5. Increase existing fee for Home Occupation license	HIGH/LOW/LOW
6. Establish policy to inspect two story dwellings for flood plane violations at time of sale of property	LOW/LOW/MEDIUM

**CONSIDER**

7. Reduce Educational, travel, training & Development Programs	LOW/LOW/MEDIUM
8. Reduce Water Quality testing costs	HIGH/HIGH/LOW
9. Place a temporary moratorium on Longevity and performance pay	LOW/LOW/MEDIUM
10. Reduce Professional Service fees	HIGH/MEDIUM/LOW
11. Consider savings in mailings by establishing mail communication by a paperless/e-mail system	MEDIUM/MEDIUM/LOW
12. Eliminate Iguana Abatement Program	
13. Eliminate uniforms	MEDIUM/LOW/LOW
<b>DRASTIC:</b>	
14. Consider Banking Time plan	LOW/HIGH/MEDIUM
15. Consider eliminating a position	LOW/HIGH/HIGH



Department: Building Services

Overall Assessment:

This department operates out of its own Enterprise Fund that is financed through permit fees. The number of permits have remained fairly constant however the dollar amount has suffered due to lack of major buildings being constructed such as the Belize, Cozumel, Vera Cruz and the Madeira. As a result the department is losing money and has had to dip into its reserve fund. It is projected that \$500K will be withdrawn from the reserve account this year leaving a balance of \$1M. The Department will be unfunded when the Reserve Fund is depleted. It should be noted that the Building Services Fund Expenses include payment to the city's General Fund of \$413,567. This is itemized as Central Adm. Allocation and that amount consists of a percentage of the actual wages and benefits that are paid to staff in such departments as Community Development, Public Works and others.

Payment of this will be substantially reduced or entirely eliminated if the proposed USER FEES (listed in the accompanying Community Development document) are implemented, especially those fees related to Rental Housing.

There has recently been a reduction in its staff. The Department will be able to function at this new level and there will be a reduction of \$80K from its budget as a result of this reduction in staff.

ITEMS	ADVISABILITY/DOLLAR IMPACT/ SERVICE IMPACT
1. Maintain Current Payroll Level	High/Low/Low
2. Negotiate a lower fee for Collier County Services	High/High/Low
3. Reduce Central Adm Allocation when Community Development's Funds increase	High/Low/Low
4. Cross-train existing inspectors to handle multiple types of inspections.	High/Medium/Low
5. Temporarily freeze hiring in this Department	High/High/Low

**Department: CODE ENFORCEMENT**

**Overall Assessment:**

Approximately 83% of the Code Enforcement Department's budget is related to wages and benefits. Currently there are only two employees in this department including Chief Wardle. There is a need for more assistance in this department. Any reduction in personnel will have an adverse effect on our community.

Additional assistance is needed in this department. Although there has been cross-training with the Building Department its staff has been reduced by one employee. It is suggested that a temporary volunteer or community watch program begin with the Chief of Code Enforcement supplying the training that is needed.

Currently there is approximately \$1,740,500.00 outstanding in code enforcement liens. Some of these are against Homesteaded property but most are against non-Homesteaded property. To date our department has not added interest to the lien amounts, however this is a strong recommendation. Several properties are in a mortgage foreclosure situation. There are different means employed in the collection of these different types of liens nevertheless it is recommended that all avenues of collecting these liens be acted upon.

**Potential Opportunities:**

ITEMS	ADVISABILITY/DOLLAR IMPACT/ SERVICE IMPACT
1. Maintain Current Payroll Level	High/Low/Low
2. Consider temporary volunteer or neighborhood watch with training by the Department Consider adding interest to liens	High/Low/Low High/Medium/Low
3. Consider a policy to collect Code Enforcement liens: Foreclosure, execution against personal property, transfer of lien out of county and/or state if real property can be located.	High/High/Low
4. Send notices of liens to mortgagees notifying them to: pay lien, correct violation or interest & penalties will continue	High/High/Low

Departmental Review Template (B-2)

Department: FIRE-RESCUE

Overall Assessment:

The original FPC member responsible for this Department, Al Musico, thought that overall the Fire-Rescue Services and service levels and resource levels were appropriate. He also did not feel qualified to make more detailed budget recommendations. After his resignation, the responsibility for analyzing this area was assumed by the overall committee. Additional committee observations are as follows:

- Maintain current funding level for Fire-Rescue, with no increase, if the property value reduction is at the 10% -- with reduced funding if property valuations are lower. It is a priority to try and maintain current levels of fire/rescue services in terms of key variables, such as response time.
- Pursue additional fees where either the total cost is not currently recovered, or there is a public safety benefit in initiating them.

Potential Opportunities:

REVENUE ITEMS	ADVISABILITY (Comments)	Priority
<ul style="list-style-type: none"> <li>• Ensure Goodland Service Contract fees are appropriate.</li> <li>• Create enterprise fund for all fire inspection and prevention fees.</li> </ul>	<ul style="list-style-type: none"> <li>• Would be useful to ensure we are adequately compensated for the cost to serve. \$100,000 +</li> <li>• Currently collect \$200K + for inspections on remodels and plan review, this would help determine if all costs are recovered.</li> </ul>	<p><u>HIGH</u> / MEDIUM / LOW / NR</p> <p><u>HIGH</u> / MEDIUM / LOW / NR</p>
<ul style="list-style-type: none"> <li>• Increasing fees for F/R services currently charged for (including false alarms.)</li> </ul>	<ul style="list-style-type: none"> <li>• Current charges are very reasonable. False Alarm focus here should be on correction of problems more than revenue generation.</li> </ul>	<p>HIGH / <u>MEDIUM</u> / LOW / NR</p>
<ul style="list-style-type: none"> <li>• Start annual inspections for business properties 489 condo buildings and 797 businesses. Generate between \$60 - \$100,000</li> </ul>	<ul style="list-style-type: none"> <li>• Safety benefit in terms of fire alarms, exits, capacity, etc.</li> <li>• Annual inspection also ensures compliance to City codes.</li> <li>• Fee would be established to building size.</li> <li>• Revenue could be much higher if charged each condo unit (with approximately 11K Units)</li> </ul>	<p>HIGH / <u>MEDIUM</u> / LOW / NR</p>
<ul style="list-style-type: none"> <li>• Institute single family home rental property inspection (Estimate 1,500 homes @ \$75/each = \$ 112,500 annually)</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure protection of renters, neighbors, City and property owners. Important aspect of rental property registration from a Safety aspect, including fire alarm inspection, exit posting, and other hazards.</li> </ul>	<p><u>HIGH</u> / MEDIUM / LOW / NR</p>

REVENUE ITEMS	ADVISABILITY	Priority
<ul style="list-style-type: none"> <li>Charging for auto accidents where F/R actively involved in extraction (85 calls at \$250 with 50% collection = \$10,625)</li> </ul>	<ul style="list-style-type: none"> <li>Only a minimal revenue benefit at this time. Can be done with fire computer software. State Senate Bill 2282 may stop Fire Departments from charging fee.</li> </ul>	HIGH / MEDIUM / <u>LOW</u> / NR
<ul style="list-style-type: none"> <li>Charging for fire calls (480 possible calls at \$500, with 50% collection = \$120/K)</li> </ul>	<ul style="list-style-type: none"> <li>Fire Department has concern that people will not call when needed and that, if claimed on insurance, would result in policy rate increase or termination.</li> </ul>	HIGH / MEDIUM / <u>LOW</u> / NR
<ul style="list-style-type: none"> <li>Charging for medical calls like the County does (1,108 calls at \$175, with 50% collection = \$96,950)</li> </ul>	<ul style="list-style-type: none"> <li>Would mean charging \$350 where vehicles are dispatched and patient not transported. County now charges \$175. City \$0. Concern of people not calling when needed.</li> </ul>	HIGH / MEDIUM / <u>LOW</u> / NR
<ul style="list-style-type: none"> <li>Charge annual fee for homes with police/fire alarms connected to response center (residences at \$25 x 1,000 = \$25,000)</li> </ul>	<ul style="list-style-type: none"> <li>Could have a registration fee charged to the alarm company.</li> <li>This would also help identify the proper person to contact if there are problem for Police and Fire.</li> </ul>	HIGH / <u>MEDIUM</u> / LOW / NR
<ul style="list-style-type: none"> <li>Return to Fire Assessment Taxing District</li> </ul>	<ul style="list-style-type: none"> <li>Fire no longer under general fund.</li> </ul>	HIGH / MEDIUM / <u>LOW</u> / NR
<ul style="list-style-type: none"> <li>Consider Assessment Fee Again.</li> </ul>	<ul style="list-style-type: none"> <li>Fairer method, condos pay more. Not Tax deductible.</li> </ul>	HIGH / MEDIUM / <u>LOW</u> / NR
<ul style="list-style-type: none"> <li>COPCN – Take over EMS Transport (950 Transports = \$500,000)</li> </ul>	<ul style="list-style-type: none"> <li>Apply to County for COPCN.</li> </ul>	HIGH / MEDIUM / <u>LOW</u> / NR

SERVICE IMPACT ITEMS	ADVISABILITY	Priority
<ul style="list-style-type: none"> <li>Eliminate marine or dive rescue services provided by City.</li> </ul>	<ul style="list-style-type: none"> <li>Would result in no boat or marine, EMS, fire, fuel spill or search and rescue response. Currently provided by on duty engine crew at minimal cost of fuel and maintenance.</li> </ul>	HIGH / MEDIUM / <u>LOW</u> / NR
<ul style="list-style-type: none"> <li>Eliminate fire safety education (Leadership Marco, Water Wise, School Programs)</li> </ul>	<ul style="list-style-type: none"> <li>Only \$6,800 currently budgeted for all school and educational programs.</li> </ul>	HIGH / MEDIUM / <u>LOW</u> / NR

<ul style="list-style-type: none"> <li>Negotiate with County/Consolidation Group to provide Fire/EMS Service, removing Fire Rescue from City tax roll.</li> <li>Return to staffing levels before recent addition of 3 new firefighters.</li> </ul>	<ul style="list-style-type: none"> <li>Regionalization and consolidation talks have been ongoing. Would result in increased service to residents and shift Fire Rescue to County or consolidated tax district.</li> </ul>	<p>HIGH / MEDIUM / <u>LOW</u> / NR</p>
<p>(Department Head Recommendations to Achieve</p> <ul style="list-style-type: none"> <li>a 20% Reduction in Spending)</li> <li>Return to 1989 staffing level (i.e., 1 engine (3), 1 battalion (1) 24/7 with the following impact: <ul style="list-style-type: none"> <li>No mutual aid given</li> <li>On scene 50% of time within 6 minutes</li> <li>Delay interior firefighting 10 plus minutes</li> <li>Reduce public education (No Leadership Marco, no Water Wise, minimal middle &amp; elementary school programs</li> <li>Station 51 would not be staffed, versus current daytime staffing</li> <li>Reduce hurricane response by 35% (1/3 of available workforce)</li> <li>ISO Fire Insurance rating 4 to 6 or higher?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Would revert FY08 service levels. Direct impact on safety, overtime and ability to respond. Impacts I.S.O insurance rating and the National Fire Protection Association recommended service for standard response to emergencies. Would result in significant increase in current overtime of \$75K. Also, would go back to greater dependency on other municipality support</li> <li>Severe impact on Service Levels</li> </ul>	<p>HIGH / MEDIUM / <u>LOW</u> / NR</p>
		<p>HIGH / MEDIUM / <u>LOW</u> / NR</p>

## Departmental Review Template

### Department: Recreation & Parks

#### Overall Assessment:

Recreation & Parks actually is a three tiered department;

- **Recreational Events and Programming**
- **Park Maintenance and Development**
- **Beautification Enhancement and Maintenance**

It is important to review all three of these areas separately as they each have a distinct and individual impact on the community, its residents and visitors. Having said that, I'll give my overview of each of these areas speaking to both the progress to date and the potential opportunities for increase efficiencies.

#### RECREATION

Programs are provided essentially at the Mackle Park facility by a dedicated and small staff of individuals who provide activities for a wide age range of ages of both full and part time residents. In addition to planned program activities the recreation department staff also provides support for a number of specialty functions such as Concerts in the Park this month's "Spring Jubilee", and Movies in the Park just to name a few.

This department is not unlike others where the bulk of its expenses derive from salaries of personnel and their benefits. However, there are expenses directly related to the overhead to run the facilities at Mackle for electricity, insurance, water and sewer. In my earlier meetings with Bryan Milk our director of this department we discussed an analysis of the hours of operation in an effort to reduce some of those overhead costs. Both Bryan and City Manager Steve Thompson have chosen to be proactive in this regard and have realigned hours of operation to reflect peak hours of use and the minimization of impact on users.

The teen center which is housed in an old school portable and located on the property at Mackle Park has had its hours curtained to reflect an overall savings potential and a more realistic view of the hours of operation. I am also recommending the elimination of the staff position for this and have those responsibilities rolled into the remaining existing staff. (This does not eliminate the Teen Center, it merely shifts the supervisory responsibilities to other existing staff)

Although staff hours at the Mackle Community Center have been curtailed and the building is closed approximately 1 hour earlier each day, all of the outside facilities are still available for those wishing to utilize those amenities till the park closes at 10pm. The teen center is now closed Sunday and Monday.

Early in this endeavor a review of the Tennis and Racquet Club facilities found a severe identity crisis with those assets. Mr. Milk and the Racquet Center Director Bill Van Glabek identified the need to immediately address the signage issue so residents and visitors alike would more readily identify this as a city facility open to the general public. We also spoke at length regarding a much more aggressive marketing approach to businesses such as the Ocean Reef Resort, Hilton and the Marriott. This will be a work in progress as we are looking at selling bulk time to those businesses for their guests for use, therefore increasing the revenue stream and hopefully moving us another step forward towards self-funding. A review of user fees there is also being looked at in that same regard along with a couple of other innovative revenue enhancers.

### **PARK MAINTENANCE AND DEVELOPMENT**

As we continue to physically expand our parks we add rising incremental costs to our operations which must be addressed via higher spending or through increased efficiencies in how we deliver services. The recent expansion of available land at Mackle Park which came about due to the partial filling of the north end of the pond will require additional mowing, fertilization and insecticide control; all of these items have a direct fiscal impact on Mr. Milk's budget and must be addressed.

The reopening of Jane Hitler Park and the newly released green space at the Veterans Community Park call for regular maintenance which has never been factored into our budgetary calculations or planning prior to Mr. Milk or Thompson's assumption of their duties; therefore causing us to take a hard look at how we can assume these added financial burdens.

It's my belief, based upon previous professional and governmental experience that the liability of athletic field maintenance is best left to professionals with experience in that area to insure minimal legal exposure. I further believe that we can absorb some of these additional expenses by outsourcing some of that non-athletic field maintenance to the private sector which does an excellent job now in the beautification areas along Collier Blvd.

### **BEAUTIFICATION ENHANCEMENT AND MAINTENANCE**

Responsibilities for the eye popping aesthetics on Collier Blvd fall directly under the control of R & P. Those aesthetics come with a price which is maintenance. This area also falls under Mr. Milk's budget and the watchful eye of the Beautification Committee. In the past we have relied on outsourcing of the maintenance activities and I would suggest a continuation of that practice.

I've studied the contracts and bidding documents and find them to be very competitive in relationship to our abilities to hire, train and compensate direct employees. I would further suggest that we bid out the present maintenance of the Veterans Community Park area, Jane Hitler Park, Veterans Park at Collier and Barfield and a number of the other small areas presently being done by R&P personnel so they can be better utilized on athletic fields at Winterberry, Mackle Park the new Dog Park and other fields we presently have a responsibility for. As these fields see heavier and heavier use they will require a more intensive and focused effort by our personnel.

We must take a long hard look at how we see future enhancements to beautification in regards to on-going maintenance costs with an eye towards economy with quality in future plans for medians and other areas.

I do see a need to provide continuing education monies for additional training of our grounds supervisory personnel to allow for additional licensing of these personnel. I feel all of those monies might be captured by cutting back some on the outside contract with the landscape architect and moving those dollars into continuing education. No increase in overall spending here but a payback in out years by having management properly licensed to provide specialty services that we might otherwise outsource at a higher cost.

**SUMMARY**

It has been my desire throughout this process to find adequate efficiencies to absorb future required funding increases. I believe with the operational hour's savings, coupled with cuts in overtime, a review of program fees at Mackle and the Tennis/Racquet Club which will factor in operational cost we should have the ability to absorb additional maintenance costs for athletic fields and beautification maintenance needs.

These efforts, coupled with the elimination of the teen center supervisor position and the outsourcing of maintenance for the identified projects in my report will get us closer to where we need to be and avoid and catastrophic cuts which will truly impact residents and visitors to our island

**Potential Opportunities: (List items from high to low advisability)**

ITEMS	ADVISABILITY/DOLLAR IMPACT/ SERVICE IMPACT
Cut Operational Hours @ Mackle Park CC	Already Implemented (Med. \$ Impact)
Cut Operational Hours @ Teen Center	Already Implemented (Med. \$ Impact)
Outsource all but athletic field maintenance	High/Med/Low
Implement flex hours to reduce overtime by 50% +	High/Med/Low
Implement enhanced Marketing Program for Racquet/Tennis Club	High/Med/Low
Review Program Fees to more adequately reflect overhead costs @ Mackle	High/Med/Low
Adjust Supervisory Responsibilities for Teen Center and Eliminate Supervisory Position	High/Med/Low
Adjust Consulting Fee for Landscape Architect and provide dollars for licensing education	High/Med/Low
Review Court Fees for Racquet / Tennis Club	Med/Med/Low



Departmental Review Summary

Department: POLICE

Overall Assessment:

Approximately 80% of the Police Department's budget is related to wages and benefits. In order for the city to see any significant cost savings there will need to be a reduction in personnel. The reduction in personnel will have an indirect as well as a direct impact on the level and type of services to be provided.

At the indirect level we are looking to eliminate non-officer positions such as the Administrative Staff; Victim Advocate; Evidence & Property Custodian; and Facilities Maintenance Personnel – while these positions can be eliminated, most of the functions cannot and will still need to be performed by someone...

At the direct level we are looking at the elimination of up to five patrol officers (depending on the level and depth of the budget reduction). The overall goal and priority of the department is to limit the impact of these reductions on the level of service provided to the citizens of Marco Island, specifically in regard to visibility and response. However, maintaining those priorities will result in the elimination and or reduction of other services provided by the department such as the Marine Patrol; School Resources; Investigation capabilities; Officer Training and Development; Community Education; Volunteer Programs and Workshops; Community Affairs, etc.

**Potential Opportunities:** (List items from high to low advisability)

ITEMS	ADVISABILITY/DOLLAR IMPACT/ SERVICE IMPACT
<u>Maintain Current Payroll Level</u>	High/Low/Low
<u>Eliminate All Capital Expenditures</u>	High/Low/Low
<u>Bring In-House Functions Being Outsourced</u>	Medium/Low/Low
<u>Reduce Educational &amp; Development Programs</u>	Medium/Low/Medium to High
<u>Eliminate Victim Advocate</u>	Medium/Medium/Medium to High
<u>Eliminate Facilities Maintenance</u>	Medium/Medium/Low
<u>Eliminate Evidence &amp; Property Custodian</u>	Medium/Medium/Low
<u>Eliminate Administrative Assistant</u>	Medium/Medium/Medium
<u>Eliminate School Resources</u>	Low/High/Medium
<u>Eliminate Marine Patrol</u>	Low/High/Medium
<u>Eliminate Patrol Officers</u>	Low/High/High
<u>Assisting in Code Enforcement</u>	Low/Low/Low to Medium
<u>Charge Fees for Identified Services</u>	Low/Low/Low
<u>Pursue Further Cooperation With CCSO</u>	High/Low/Low to High

## Department: Public Works Department -- STREETS AND DRAINAGE

### Overall Assessment:

The Capital Improvement Program (CIP) accounts for the majority of Public Works expenditures. The CIP fiscal year 2009-2013 plan targets stormwater drainage, bridge improvements, and street improvement projects. In accord with the current 2008 Annual Level of Service Report (LOS), *"the City does not have any LOS deficiencies to address in conjunction with future Capital Improvement Expenditures"*. One could thus conclude that all CIP expenditures can be classified as discretionary. The LOS repeatedly states that no deficiencies exist relative to drainage, streets, and bridges. The LOS standards may be set artificially low in order to make such assertions.

Upon closer examination, there is a substantial effort required to deal with inadequate stormwater management. The Master Drainage Plan identifies a *"need to install 171 additional storm sewer pipes and outfalls to achieve adopted LOS standards"*. Further, the Plan estimates total construction costs of \$28-32M over a ten year horizon.

Streets and bridges are not in the same circumstance. The LOS states *"the Island's roadways are anticipated to function above LOS "D" standard well into the future, and therefore the City can focus on desired upgrade projects. Nevertheless, the City continues to make system upgrades that enhance safety, capacity, bicycle/pedestrian usage, and beautification*. Clearly, the majority of roadways projects are discretionary. Streets and bridges CIP currently \$24.8M over ten years partially funded by matching grants.

Annual inspections of bridges remain the basis for funding requests for bridge repair and replacement.

Indirect expenses for Streets and Drainage aggregate to \$1,328,000 which includes \$800,000 in payroll and payroll related expense. There are 11 fulltime equivalent (FTE) in Streets and Drainage, 3.25 of which are charged directly to projects (STRP, CIP), and 7.75 funded by the General Fund. Some employees are shared between Streets and Drainage and the Utilities. The Director's time is split between General Fund, Utilities and Building Services Enterprise Fund. (don't ask!).

A brief overview of what the maintenance expenses are used for includes:

- Fifteen Bridges
- One hundred (100) miles of waterways
- Three hundred eighty three (383) roads
- Two hundred fifty four (254) miles of public right-of-way
- Five hundred twenty five (525) stop controlled intersections
- Ten (10) signalized intersections
- Two thousand (2000) streetlights
- Public sidewalk network
- Thousands of signs – regulatory, directional, informational, cautionary, detour, safety, emergency, etc.

**Potential Opportunities: STREETS AND DRAINAGE**

ITEMS	ADVISABILITY/DOLLAR IMPACT/ SERVICE IMPACT
<u>Maintain Current Payroll Level</u>	High/Low/Low
<u>Reclassify All Capital Expenditures</u>	High/High/Low
<u>Bring In-House Functions Being Outsourced</u>	Medium/Low/High
<u>Reduce Educational &amp; Development Programs</u>	Medium/Low/High
<u>Reduce Facilities Maintenance</u>	Medium/Low/Low
<u>Recruit Volunteers</u>	High/Medium/Low
<u>Reduce Supplier Base</u>	High/Low/Low
<u>Long term financing of CIP</u>	High/High/High
<u>Modify Fees for Identified Services</u>	Low/Low/Medium

Department: Administrative Legal

Overall Assessment: City spends (2008/9) in excess of \$500,000\yr on legal fees utilizing the services of an East Coast based outside law firm with three principal attorneys working on City matters. There are opportunities to reduce that expense.

Potential Opportunities:

ITEMS	ADVISABILITY/DOLLAR IMPACT/SERVICE IMPACT
<u>Require that all requests for legal services be approved by the City Manager/City Clerk</u>	<u>Now, High, None</u>
<u>Investigate the use of video teleconferencing to reduce \$18,000 of billed travel expense</u>	<u>Now, Medium, None</u>
<u>Negotiate with outside law firm to reduce their hourly rate or cap their fee at X for all routine work</u>	<u>Now, 6 month analysis and proposal due, High, None</u>
<u>Limit legal representation of Planning/Code Enforcement to only one meeting per month</u>	<u>Now, Medium, Medium</u>
<u>Charge to violators/petitioners the cost of legal services required by their actions</u>	<u>Now, Medium, None</u>
<u>Advertise for and develop the actual cost to bring "in house" the legal function thereby providing additional legal expertise at no extra cost to the City</u>	<u>Now, Based on response to 6 month analysis if no appreciable savings expedite High, Better Service</u>

Departmental Review Template

Department ADMINISTRATION

Overall Assessment: Executive Administration per se is only a small percentage of the total budget, but listed below are suggestions for potential cost savings in Executive Administration and across entire city operations

Potential Opportunities:

ITEMS	ADVISABILITY/DOLLAR IMPACT/ SERVICE IMPACT
<u>Continue hiring freeze for Fiscal 2009/10</u>	<u>High, High, Minimal</u>
<u>Implement a "no salary increase program for city staff</u>	<u>High, High, None</u>
<u>Eliminate current policy of paying benefits for overtime hours worked</u>	<u>High, High, None</u>
<u>Eliminate one person in "Executive Administration"</u>	<u>High, Medium, Medium</u>
<u>Limit travel and per diem reimbursements only for needed certifications</u>	<u>High, Medium, None</u>
<u>Review current overtime policy moving to a "Compensatory Time Off" program</u>	<u>High, High, High to Medium</u>
<u>Review policy of providing city vehicles for personal use – eliminate or recapture cost</u>	<u>High, Medium, None</u>
<u>Review City salary plan and revise using City of Naples as model</u>	<u>High, Low, None</u>
<u>Review publications and memberships and eliminate any not considered "mandatory"</u>	<u>High, Low, None</u>
<u>Consider only holding one Council meeting per month</u>	<u>Medium, Low, None</u>
<u>Break away from Collier County Waste Management contract and negotiate directly</u>	<u>High, Medium, Low</u>

## OVERALL RECOMMENDATIONS

1. Maintain current City services, and service levels, where possible
2. Reduce cost of providing services in selected areas (see individual Department Presentations)
3. Continue to explore innovative approaches for providing City Services, including:
  - a. Public/private partnerships (such as in recreation activities & community events)
  - b. Technology investments (e.g., permit processing software) based on business case approach
  - c. Promote atmosphere of volunteerism
4. Consider higher fees and charges, and better collection rate of fines levied to make up for the loss of interest, state, and other revenues.
  - a. Increasing of fees for services and code enforcement fines currently charged for – to better cover total cost of providing them
  - b. Create prospective user fees where there is a benefit to doing so
  - c. Council needs to develop a policy of a “no forgiveness/no excuse” enforcement process
  - d. Creating enterprise funds (such as racquet center), where possible
5. Adopt a business case approach to analyzing discretionary capital investments
6. Institute a limit on spending overruns on capital projects where scope has not changed without City Council approval (currently, there is no approval needed if the scope has not changed).

## 7. Capital Project Financing

### (Options Considered)

a. Keep current policy of accumulating capital for key health & safety infrastructure projects (e.g., bridges) while going to referendum for major quality of life projects (e.g., major Mackle and Veteran's Park improvements)

b. Shift from "pre-pay" to "pay over the useful life" for critical infrastructure projects, with approximately \$20 million limit so can finance from General Fund and not need to go to referendum – while maintaining current approach on major Parks Projects

### (Preferred Option(s) & Rationale)

- Option b was preferred as long as there was a very disciplined process to allocate this funding only for high priority health and safety infrastructure projects. There needs to be safeguards to watch out that lower priority expenditures are not included. We must adopt a conservative approach to managing Option b, and not treat as a credit card situation to allow more spending than we otherwise would
- There was some sentiment for creating a hybrid between options a and b, but that was not explored further
- The general feeling of the Committee was that there should be a priority on health and safety related projects (e.g., bridges, roads, drainage) in the General Fund budget

8. Overall City spending for FY10 (assuming taxable value drops 10%)

(Options Considered)

- a. Same millage rate
  - b. Rollback plus growth in personal income (2.5%)**
    - b1 Rollback only
  - c. Rollback plus COLA (5.8%)
  - d. Spending up to the adopted 09 CAP (FY09/Rollback + 8.8%)**
  - e. Spending up to the maximum 09 CAP + 8.8%
- (Preferred Option(s) & Rationale)
- The range of preferred options went from rollback only (b1) to spending up to the maximum 09 CAP (e), the latter of which would require a change in City Council policy.
  - Options b and d are those previously selected by City Council
  - None of the Committee Members felt that we should keep the same millage rate, given the anticipated property value reduction.



**REPLACEMENT OF SMOKEHOUSE BAY BRIDGES  
 ON COLLIER BOULEVARD**

**"PAY-AS-YOU-GO" FINANCING  
 (IN THOUSANDS)**

				4,400
			3,900	
		2,700		
	1,500			
350				

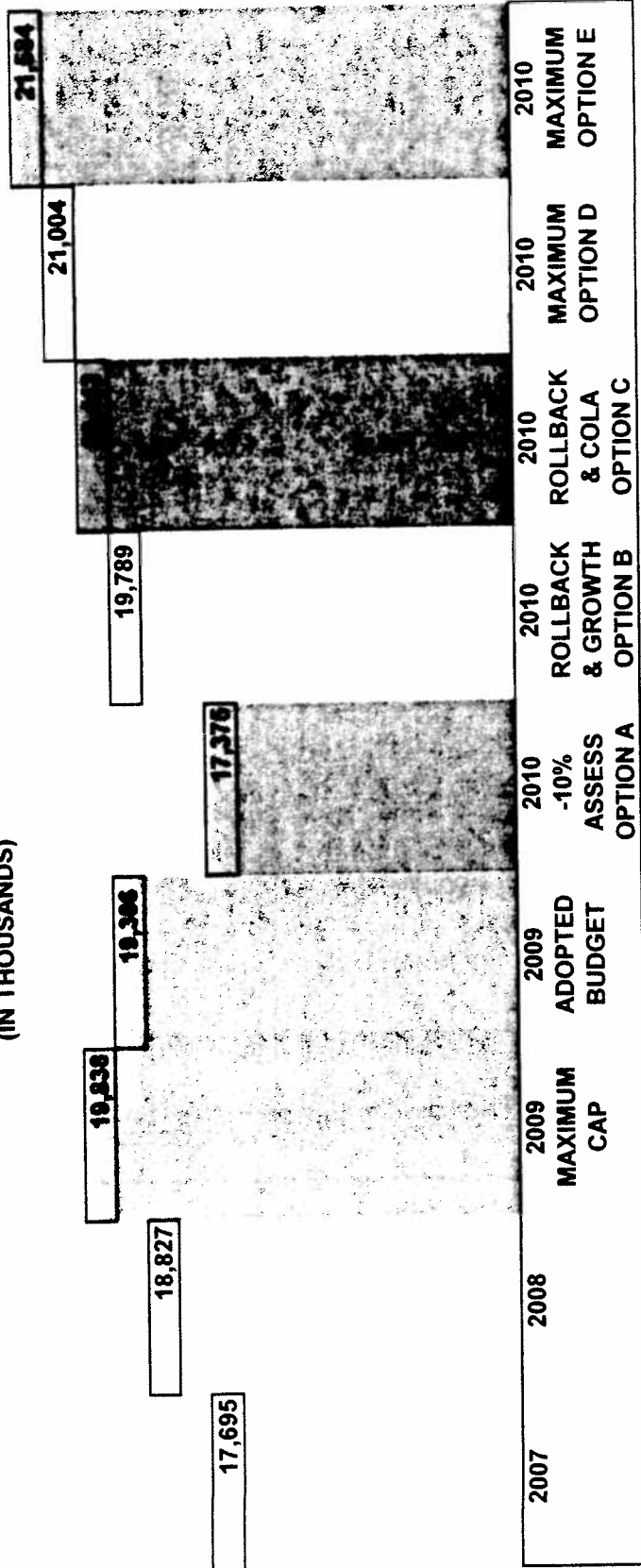
2009	2010	2011	2012	2013
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**\$22.5 MILLION REVENUE BONDS  
 ANNUAL DEBT SERVICE (TWENTY YEAR BOND)  
 (IN THOUSANDS)**

	1,313	1,313	1,313	1,313
--	-------	-------	-------	-------

2009	2010	2011	2012	2013
------	------	------	------	------

**CITY OF MARCO ISLAND  
ANNUAL CHANGES IN SPENDING CAP  
FISCAL YEAR 2007 TO 2010  
(IN THOUSANDS)**



**2010 OPTION A: TAXABLE VALUE DROPS 10%; OPERATING TAX LEVY REMAINS CONSTANT**  
 2010 OPTION B: ROLLBACK TAX LEVY TO BRING IN SAME PROPERTY TAX DOLLARS AS 2009 PLUS 2.5% FOR 2009 GROWTH IN FLORIDA PERSONAL INCOME

**2010 OPTION C: ROLLBACK TAX LEVY PLUS 5% COLA INCREASE**  
 2010 OPTION D: INCREASE ADOPTED 2009 SPENDING CAP BY 5.8% COLA AND 3% GROWTH FACTOR  
 2010 OPTION E: INCREASE 2009 MAXIMUM SPENDING CAP BY 5.8% COLA AND 3% GROWTH FACTOR

**FISCAL YEAR 2010  
PROPERTY TAXES**

**HOMESTEADED PROPERTY**

<b>2010 TAX INCREASE (DECREASE)</b>
---

<b>2009</b>	HOMESTEADED TAXABLE VALUE		550,000	
	LESS: EXEMPTION		(50,000)	
	TAXABLE VALUE		500,000	
	<b>CITY OPERATING</b>	<b>1.3917 MILS</b>		<b>\$ 695.85</b>
<b>2010</b>	HOMESTEADED TAXABLE VALUE		550,000	
	LESS: EXEMPTION		(50,000)	
	0.1% COLA INCREASE		500	
	TAXABLE VALUE		500,500	
OPTION A	CITY OPERATING	1.3917 MILS	<b>696.55</b>	<b>\$ 0.70</b>
OPTION B	CITY OPERATING	1.5657 MILS	<b>783.63</b>	<b>87.78</b>
OPTION C	CITY OPERATING	1.6174 MILS	<b>809.51</b>	<b>113.66</b>
OPTION D	CITY OPERATING	1.6533 MILS	<b>827.48</b>	<b>131.63</b>
OPTION E	CITY OPERATING	1.6990 MILS	<b>850.35</b>	<b>154.50</b>

**FISCAL YEAR 2010  
PROPERTY TAXES**

**NON-HOMESTEADED PROPERTY**

<b>2010 TAX INCREASE (DECREASE)</b>
---

<b>2009</b>	TAXABLE ASSESSED VALUE		1,000,000	
	CITY OPERATING	1.3917 MILS	<b>\$ 1,391.70</b>	
<b>2010</b>	TAXABLE ASSESSED VALUE		900,000	
OPTION A	CITY OPERATING	1.3917 MILS	<b>1,252.53</b>	<b>\$ (139.17)</b>
OPTION B	CITY OPERATING	1.5657 MILS	<b>1,409.13</b>	<b>17.43</b>
OPTION C	CITY OPERATING	1.6174 MILS	<b>1,455.66</b>	<b>63.96</b>
OPTION D	CITY OPERATING	1.6533 MILS	<b>1,487.97</b>	<b>96.27</b>
OPTION E	CITY OPERATING	1.6990 MILS	<b>1,529.10</b>	<b>137.40</b>

## **(4) Observations Regarding Path Forward**

- Continue utilizing the FPC Report Binder to gather information during the FY10 Planning and Budgeting Process, and utilize for asking questions during budget workshops
- Disband the FPC as of this Workshop, but ask that members be available during Council's Budget Workshop to share their views during public input
- Support continuing the cross-organizational initiative to optimize the community recreational facilities and services, including the YMCA, Optimists, Charter Middle School and the City's Parks & Recreation Department – currently led by our FPC Member Steve Stefanides
- Need for “best practice” monitoring to track innovative approaches in other municipalities (recommendation on sponsorship approach)
- Consider similar FPC approach for non-general fund expenditures (e.g., utilities, enterprise funds) for the next budget process

## **(4) Observations Regarding Path Forward -- cont'd**

- Consider instituting a Productivity Committee similar to that of Collier County
- Educate public regarding the City's portion of the tax bill
- Institute an Operations Improvement Program, utilizing ideas from Naples, Cape Coral & other municipalities – including lean principles & process redesign concepts

## FPC Public Workshop Feedback

### Community Development:

#### Value:

- Long Range Planning (top 2)
- Code Enforcement (GIS Management Efficiency)
- ← Grant Programs
- Disaster Operations
- All Services considered valuable
- Least Valued – Protected Species Management

#### Opportunities:

- Cross-training (for Code Enforcement resources and building inspectors)
- Examining income versus expense on building permits
- Increased grant programs
- Enforcing Code Enforcement violations for greater collections (e.g., foreclosures) & communicating percentage of fines collected
- Better publicizing of Code Enforcement meetings and communicating statistics
- Monitoring TV companies
- Outsource inspection services to Collier County
- Increase the City's permit fees
- Outsourcing water quality testing and animal protection
- Look into copyrighting of GIS Maps (to charge fees upon requests)
- Cross-train the Police Department for Code Enforcement
- Better enforcement of Code violations during sewer installation
- Emphasizing the need for all citizens to help in Code Enforcement
- Business case approach and better reporting mechanism in assessing effectiveness of Code Enforcement Procedures
- Additional Code Enforcement resources to bring in more revenue
- Advertising Grant Applications and pursuing more grants for programs and projects
- Developing procedures to deal with abandoned homes
- Need to keep City attractive by maintaining neglected properties and abandoned cars
- Is there a business case for the GIS System
- Adjust/raise building services/permit fees to be self-funding

## Community Development – continued

(Supplementary comments since the meeting)

- Why do we have a Park Ranger?
- The building permit process still takes as long with the building/construction downturn
- Why was a new building inspector hired to inspect the number of screws in window mountings?

## Fire-Rescue:

### Value:

- EMS Calls } (top 2 priorities)
- Fire Calls }
- Least valued – Fire Safety Education (only approximately \$8,000)

### Opportunities:

- Pay/charge for fire calls and EMS calls
  - Opportunity to get money from transport
- Raise the inspection fees
- Take over EMS from Collier County
- Have citizens pay for nuisance calls – such as false alarms
- Raise the costs for servicing Goodland and Isle of Capri
  - Goodland Contract Renegotiation
  - Increase revenue for outlying service areas
- Increase rateables for Goodland, Isle of Capri and Fiddlers Creek
  - Do a cost analysis by territory served
- Distinguish between EMS calls (emergency versus non-emergency)
- Evaluate and differentiate Fire Department costs for homes versus condominiums
  - Pursue Certificate of Need (FD/EMS)
  - People in high-rise should pay for special equipment needed to service them
- Inspections collections
- City provide ambulance service
- Assessment
- Funding for the Fire Department is out of balance with the Police (too much for Fire Department)
- Understand the cost difference between “standard” and “better” response time”



## **Fire-Rescue – continued**

- Break-down types of calls with statistics for emergency versus non-emergency
- Investigate regionalization or becoming a special Fire District
- Create an enterprise fund to see if having fire inspections pay for itself (for resort dwellings)

## **Parks and Recreation:**

### **Value:**

- Current landscaping
- Special Events
- Recreation Programs
- Farmers Market

### **Opportunities:**

- YMCA and school coordination to look at/elimination duplication
  - Utilize YMCA more to reduce costs to the City and realize more synergies
  - Eliminate the duplication of programs and offer complementary programs
- Slow down on new landscaping, but make sure to maintain all current landscaping to avoid additional maintenance costs
- Examine maintenance frequency needs (e.g., cut/mow 7 weeks versus 6)
- Increase Recreation Program Fees to be sure that we are covering all of our operating expenses/costs --- not just instructor/staff costs
- Examine fees for non-residents and increase them
- “Where is the \$12 million for the Community Building coming from”
  - Who is asking for the major project involving Mackle Park improvements?
  - Concern over the cost involved in building the prospective 42,000 square foot community center building at Mackle Park and competing with similar functions at the YMCA
- Publicize head-count/number of participants for programs and special events
  - What they are and how many
  - Provide Fact Sheet for publication
- Pro-rate budget from Community Center and shift to Veterans Park for more adult recreation activities (e.g., theatre/entertainment)
  - Pro-rate based on percentage of population for children – assuming that many of the Mackle Park Programs are not primarily for adults
- Make the Racket Center more self-sustaining
  - Publicize the facilities/programs to hotels to generate revenue

## **Park and Recreation – continued**

- Provide an inventory of meeting facilities on the island and their utilization before adding any additional space
- Examine the possibility of CRA proceeds helping to fund Veterans Park
- Veterans Park – the cost of the performing arts center ... TIF financing

### **Police:**

#### **Value:**

- Rapid Response to calls
- Patrolling visibility (positive increase in neighborhood patrols)

### **Opportunities:**

- Why do we spend money on big cruisers when all we need is local neighborhood patrols?
- Why are we dependent upon Collier County to answer calls on the weekend?
- Cancel City Marine Patrol and utilize other agencies
- Charge for false/nuisance alarms
- Review traffic violation penalties
- Examine staffing options during high season
- Annual fees for alarmed homes
- Do we have an education program with the school (e.g., DARE Program)
- School crossing guards belong to the County
- More manpower?
- Crossings on Collier, north of Hotels, are dangerous
- Explore option for Collier County to provide more services
- List the \$20 million we pay to the Sheriff on the budget
- Turn criminal investigation (detectives) over to the Sheriff
- Review traffic violation penalties
- Go to municipal ticket system

### **Public Works:**

#### **Value:**

- Storm water removal/drainage
- Grants
- All services list were felt to be important

## **Public Works – continued**

### **Opportunities:**

- Citizen inquiry calls answered by community volunteers
- Use of volunteers for supplemental manual labor (e.g., painting of stop signage, etc.)
- Safety concerns on Collier cross-walks, including the Tigertail and Kendall areas
- Speed limits need to be reduced/and or better enforced on Collier Boulevard
- Outsource Right-of-Way inspections
- Publicize bridge reports and maintenance spending

### **General Comments:**

- Examine the possibility of instituting a local sales tax
- Considerations for the City's bid process
  - Consider low-bidder where possible, as opposed to just responsible bidder and publicize "what the criteria are"
  - Check on contactors and publicize the process
  - Public openings for the bid process
  - Bids posted in the Newspapers
  - More community involvement in the bid process
- Examine why business lights are on after close of business to save energy
- Why are street lights on Collier so bright?
- Raise taxes in line with the CAP
- Raise the millage rate
- City services are a real bargain/value for the cost
  - Only \$30/month for Fire, Police, etc. for one resident
- Be more efficient, try to save money and get information out by our City Manager's Report, through our cable stations, etc.

March 30, 2009

**Top 10 comments by residents at Financial Planning Committee open house.**

Public Works lobby demonstrations

1. What do 5 people do?
2. You have contractor in addition to employees?
3. How would you save 10%?
4. Who maintains street lights?
5. How much has your budget been cut?
6. Explain grant matching please.
7. Explain storm-water utility please.
8. Face off regarding storm water?
9. What about sisterns?
10. Can you preserve Smokehouse Bay bridges without replacement?
11. You can't do all this with 5 people.

**Open Forum, Community Room; Creative budgeting:**

Use volunteer help, especially for routine tasks such as phone lines, mailings, poll calculations, documentation updates, etc.

Continue to pursue multi-year funding for major projects e.g. Storm-water and Bridges.

Craps 1 & 2

## FINANCIAL PLANNING OPEN HOUSE COMMENTS

March 23, 2009

### Community Development

1. Supportive and Value Long-Range Planning.
2. What is the percentage of fines collected and what is outstanding. It was suggested to provide statistics on it?
3. What are we doing about abandoned homes and what procedures are in place? What are we doing about the staging for construction and the lots that have not been restored?
4. Are we collecting enough revenue vs. manpower with building permits for sustainability?
5. Suggested that the City pursue more grants for programs and projects.

### Fire/Rescue

1. There was concern that Collier County gets the revenue for the EMS calls and staff explained it is in their agreement. How many emergency vs. non-emergency calls?
2. Could the City provide its own ambulance service?
3. Why are homeowners paying the same as condo owners for the purchase of the ladder trucks?
4. There was a discussion on being homesteaded and assessments being different depending on how long you have been homesteaded.

### Parks & Recreation

1. Explain the costs for the 12 million for the Community Center and see more of that money going to Veterans' Park for theatre, etc. It was recommended to see some of that money going to the seniors and the money distributed for facilities and programs for adults.
2. Suggested utilizing the YMCA more and not duplicate programs to reduce costs to the City. Is the Racquet Club self-sustaining and part of Parks & Recreation?
3. Suggested publicizing to the hotels that the Racquet Club is available to guests to increase revenue.
4. Valued the Management of Median Landscaping and felt it is important to maintain.

(7.0-PS 1 + 2

Police

1. Recommended less firefighters and more police officers. Suggests more manpower to enforce neighborhood theft protection.
2. Does the police department offer educational programs with the school? Ex. Dare program. Do they offer a scare tactic educational program with the school?  
Ans. No.
3. Why do the police calls go to Collier County on weekends and evenings?

Public Works

1. There was concern about the crosswalks at Tigertail and Kendall and safety issues. Staff suggested reducing the speed at that location. (PD issue)
2. Suggested lowest bidders rather than lowest, responsible bidder.
3. Suggested re-examining the bid process and group disagreed on this process. Some felt should be lowest bidder and some felt should be lowest, responsible bidder.
4. Suggested additional traffic signal on Kendall/Tigertail due to safety concerns.
5. Some members of the group felt that there were too many light posts.
6. Why do we allow businesses to have their lights on when they are not open?  
(Code Enforcement Issue)

**Community Forum  
Financial Planning Committee**

**Group 3 & 4**

**COMMUNITY DEVELOPMENT**

**SERVICE VALUE**

- Long range strategic planning
- Code Enforcement
- Disaster Operations
- All services considered valuable

**OPPORTUNITIES FOR IMPROVEMENT**

- Outsourcing building inspection services to Collier County
- Increasing permit fees.
- Outsourcing water quality testing and protected species management
- Cross training the Police Department for Code Enforcement

**LEAST VALUED SERVICE**

- Protected Species Management

**FIRE RESCUE**

**SERVICE VALUE**

- EMS Calls
- Fire Calls

**OPPORTUNITIES FOR IMPROVEMENT**

- Increase revenue from services for areas from Goodland
- Increase inspection fees
- Have citizens pay for service calls (nuisance calls, repeated false alarms)
- Charge EMS for parking at the station
- Take over EMS apply for COPCN
- Increase false alarm fee
- Analyze the cost of Goodland, Isle of Capri and EMS with the City

- Regionalization
- Becoming a special fire district
- A prolonged discussion regarding assessment fees.
- Suggested to buy out long term employees

#### **LEAST VALUED SERVICE**

- Fire Safety Education (Only approximately \$8,000)

#### **PARKS AND RECREATION**

##### **SERVICE VALUE**

- Current landscaping
- Special events
- Farmers Market

##### **OPPORTUNITES FOR IMPROVEMENT**

- Work with YMCA to coordinate programs currently there is too much duplication
- Offer programs that compliment each other
- Slow down additional landscaping and maintain what we currently have to avoid additional maintenance costs
- Look at the frequency of landscaping for cost savings
- Sponsorship of roadway banners by local businesses for additional revenue for Parks and Recreation
- Look at pricing of programs and if the "true" cost is covered
- How does the Enterprise Fund work with Parks and Recreation
- Investigate how many non residents use the facilities

#### **LEAST VALUED SERVICE**

#### **POLICE**

##### **SERVICE VALUE**

- Rapid Response
- Neighborhood Visibility

##### **OPPORTUNITES FOR IMPROVEMENT**

- List the \$20,000,000.00 we pay to the Sherriff on the budget



- Cancel marine patrol
- Turn criminal investigation (detectives) over to the Sherriff
- Charge for alarms for police response to nuisance alarms
- Review traffic violation penalties
- Go to municipal ticket system

### **PUBLIC WORKS**

#### **SERVICE VALUE**

- Grants
- Storm water removal
- All services are valued and needed

#### **OPPORTUNITES FOR IMPROVEMENT**

- Out source Right of Way inspections
- Utilize community volunteers to field Public Works calls
- Train volunteers to perform Public Works functions

### **CITY IN GENERAL**

#### **SERVICE VALUE**

#### **OPPORTUNITIES FOR IMPROVEMENT**

- Should we Implement a local sales tax
- Look at the bridge issue again
- Raise taxes in line with the CAP
- Raise the millage rate



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www.marcoislandchamber.org • info@marcoislandchamber.org

April 9, 2009

Dear Councilman Trotter:

We are enclosing comments of the Marco Island Area Chamber of Commerce regarding the e-mail from Mr. Povlow to members of the ad hoc Financial Committee.

In our view a number of Mr. Povlow's suggestions, if adopted, would prove injurious to the business and real estate communities, without providing significant benefits to Marco Island's residents and taxpayers.

We respectfully request that our attached letter be submitted to the Financial Committee. Thank you for your kind consideration.

Sincerely,

Sandi Riedemann  
Executive Director

**FACP**

THE ASSOCIATION OF REAL ESTATE PROFESSIONALS  
of the Marco Island Chamber of Commerce



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April 3, 2009

To: Members of Financial Review Committee  
From: Marco Island Area Chamber of Commerce  
Board of Directors  
CC: Steve Thompson, City Manager  
Steve Olmsted, Community Development Director

We have had an opportunity to review an e-mail circulated by Mr. Irv Povlow and share the following comments with you:

1. Flood plain management is a long-standing and complex problem because of change in regulations, the absence or avoidance of action by Collier County and the City of Marco Island, the lack of knowledge about potential problems and the difficulty of conducting an island-wide inspection. The cost of such an inspection would be huge, and the fees would have to be quite large to cover costs. The city should be prepared for many perplexing problems if it decided to take widespread action (other than grandfathering existing properties if such action is legal).
2. The proposed fee changes would result in expanding a bureaucracy, and risking a business backlash because of the difficulties business, including real estate, are facing in the economic downturn. Moreover, is the game worth the candle? The amount of fees to be collected for yet another burden on small business is miniscule compared to the city's expenses. Finally, there may be an arithmetical error in Mr. Povlow's exposition: if fees are increased from \$50 to \$100, the net increase is \$50. For 72 new businesses that is an addition of \$3,600 not the \$7,200 cited by Mr. Povlow (unless he is using another base).
3. The grant program is very important to the quality of life on Marco Island. It is also important to one of our two major businesses – tourism. For the sake of eliminating a relatively small amount of grant dollars do we want to have a resort and retirement community in which our only focus on events is whether they produce enough revenue to be self-funding? Wouldn't we rather have a community that attracts tourism while having residents and visitors share alike in the benefits of a progressive, joyful city? We believe the latter is far preferable.
4. We question the wisdom of automatic fines. It is axiomatic in this country that persons accused of violations have right to a hearing. This applies to noise issues as well as others. We do have noise ordinances, and we believe that, if there is an enforcement problem, we have the tools to deal with it.
5. Finally, we believe it is an extreme stretch to say that resort dwellings are to be considered "roominghouses". They are not synonyms in state statutes to the best of our knowledge. At a time when there is a concern about unnecessary spending why keep the legal meter running for the purposes of yet another legal research effort?

**FACP**

FLORIDA ASSOCIATION OF CHAMBER PROFESSIONALS  
Official Chamber of Commerce