

AGENDA ITEM SUMMARY SHEET
VILLAGE COUNCIL MEETING
September 20, 2018

Agenda Item:

Resolution No. 2018-15 A Resolution of the Village Council of the Village of Estero, Lee County, Florida, Adopting the Final Budget for Fiscal Year 2018-2019; and Providing an Effective Date

Description:

The proposed budgeted expenditures are as follows:

General Fund	\$ 6,153,640
Special Revenue	1,179,460
Debt Service	1,600,000
Capital Projects	<u>37,099,020</u>
 Total All Funds	 <u>\$46,032,120</u>

Action Requested:

Approve Resolution

Financial Impact:

Approval of the resolution will adopt the final budget for the Fiscal Year 2018-2019.

Attachment:

1. Budget Message
2. Resolution

Jim Boesch
Mayor
District Five

September 20, 2018

William Ribble
Vice Mayor
District One

The Estero Village Council and members of the Estero Community

Howard Levitan
District Two

Re: Budget Message – Proposed 2018-2019 Operating and Capital Budget

Jon McLain
District Three

Honorable Mayor and Village Council:

Katy Errington
District Four

I am pleased to provide you with my recommended Fiscal Year 2018-2019 Annual Budget in compliance with Section 8(2) of the Village Charter. In summary, the proposed budget is balanced and provides sufficient funds to meet the operating needs for the coming year.

Nick Batos
District Six

Jim Wilson
District Seven

This budget represents total revenues of \$18,543,390, total expenditures of \$46,032,120 (which includes one-time capital expenditures of \$37,099,020), and a millage rate of 0.7750. Additionally, this budget provides for an allocation of \$1,597,100, to reserves, which now total 10.0 months (\$5.1 million) of annual operating expenditures.

Steve Sarkozy
Village Manager

Burt Saunders
Village Attorney

The Village Council and Staff pride ourselves on providing forward-thinking, efficient, transparent municipal operations. The principles of our management approach are outlined below:

Strategic Principles:

- Practice **OUTSTANDING ETHICS**, by guarding against Council, Staff, and Board member conflict of interest issues.
- Provide **EXCEPTIONAL TRANSPARENCY**, by actively soliciting resident input and proactively distributing meaningful, comprehensible information to the public.
- Cultivate a **SENSE OF COMMUNITY**, by helping residents engage with one another and create a distinct Estero community.
- Preserve **OPERATIONAL FLEXIBILITY**, by maintaining zero ongoing pension liabilities and a commitment to limited staffing.
- Protect **ENVIRONMENTAL ASSETS**, by engaging in water quality management and open space preservation.

Operating Principles:

- Adhere to **PERFORMANCE MANAGEMENT**, by implementing and tracking annual service delivery goals based on quantifiable performance metrics.
- Mandate **EXCELLENT CONSTRUCTION PRACTICES**, by creating high standards for public and private projects and inspecting them with prudence and diligence.
- Maintain **SUPERB MAINTENANCE**, by prioritizing upkeep of current Village assets and by requiring such upkeep by private communities and businesses.
- Manage **DEBT ASSUMPTION**, by identifying a specific source of funding in the budget sufficient to pay all debt service and related costs.

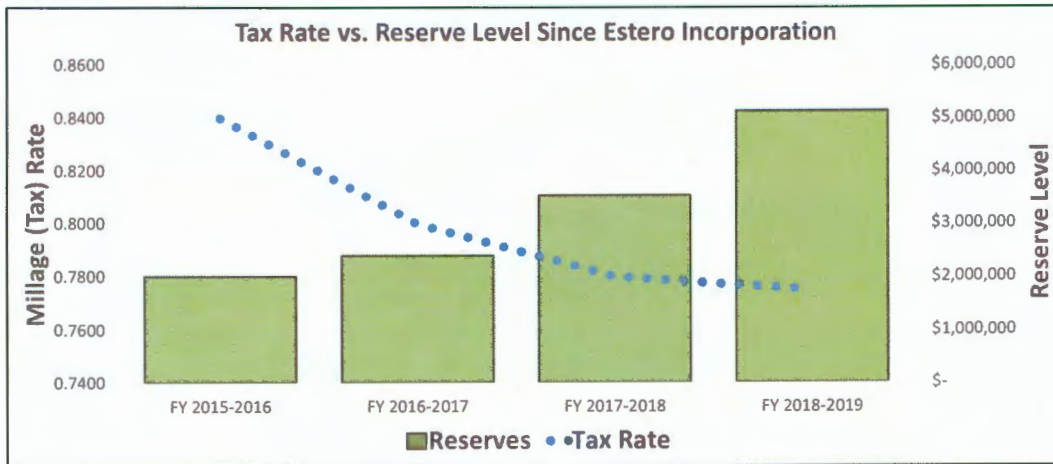
Budget Message
Fiscal Year 2018-2019

The implementation of these strategic and operating principles has yielded clear benefits to Village residents. Estero maintains outstanding service quality, low tax and staff rates, and a growing reserve fund. Our results are contrasted with comparable high-quality South Florida communities, below:

City	Population	FTE's (full time equivalents)	Tax Rate
Bonita Springs	50,132	To be determined (TBD)	TBD
Estero	30,945	11.50	0.7750
Fort Myers Beach	6,328	TBD	TBD
Marco Island	17,036	TBD	TBD
Naples	20,195	TBD	TBD
Parkland	31,507	TBD	TBD
Sanibel	6,659	TBD	TBD
Weston	70,015	TBD	TBD

*Population data based on most recent county-wide data provided by the Florida Office of Economic and Demographic Research, effective for April 1, 2017.

We continue to see opportunities for improvement, as well. The graphics provided below give a glimpse into the Village's past, present, and future. We anticipate that our reserves will continue to grow, while our tax rate, staff level, and operating expenses will remain relatively stable at their current levels.



The Year In Review

Public Projects:

- Stormwater Master Plan: By the end of 2018 the Village of Estero will have completed its first Stormwater Master Plan. The Master Plan provides a detailed understanding of the Village's stormwater management system as well as outside stormwater influences. This master plan and associated stormwater models will provide a tool to analyze proposed changes to the watershed and quantify future project improvements.
- Community Education and Outreach: A contributing factor to some of the flooding we saw in August and September was lack of regular maintenance of community stormwater management systems. Over the past year, Village Staff worked to educate communities on how to better maintain their stormwater management systems to ensure their systems will function as designed.
- Hurricane Irma Recovery: A focus for the Village has been debris and vegetation removal from the drainage ways. This has involved hiring contractors to clean out the ditches and canals that are maintained by the Village, as well as coordinating with Communities, Lee County and FDOT to make sure their drainage ways are maintained.

Private Projects:

- The Genova Project is a four story, high-quality, condominium development in the Village Center. This development represents an innovative approach to housing in the region, with strong sales supporting this model. The first of four buildings were completed in 2018, with the remainder to follow in 2019.
- The Lee Health Medical Center, also in the Village Center, continues to be constructed. The first phase of this project includes over 180,000 square feet of medical office and specialized care space, with an expected opening in December of 2018.
- The Tidewater Project, a 55+ community of over 800 homes, continues to be developed.
- The Reef, a quality student housing and apartment communities, has been constructed and is now open. This project was privately funded, and is in response to the growing housing demand created by Florida Gulf Coast University's growth.
- The Estero Grande Project, a mixed-use development to include restaurants and apartment units, has been approved. Residential construction will be started soon and construction of Starbucks and other commercial buildings is underway.

Parks and Recreation

- On September 5th, 2018, the Village Council provided consensus approval to move forward on the purchase of 62.2 acres of land, located to the northeast of the Corkscrew Road and South Tamiami Trail (US-41) intersection in Estero. This purchase will ensure public access to the Estero River, protect heritage trees on site, and allow for the creation of nature trails. This purchase is budgeted at \$26 million, with an option to pay off in 7 years. This purchase will be formally considered by Council on September 20th, at which point a decision to purchase or not purchase the property will be voted on by Council. If approved, a multi-month closing process will ensue.

Budget Message

Fiscal Year 2018-2019

Administrative Accomplishments:

- The Village completed, and transmitted to the State of Florida, the inaugural Village of Estero Comprehensive Plan. This represents a significant accomplishment for our Staff and Council, culminating several years of effort. This plan will serve as the guiding policy document for future Village growth.
- The Village completed a remodeling effort for our second floor space, which now features a state-of-the-art conference room, multiple ancillary meeting spaces, a customer lobby, and sufficient office space to meet our current and future needs.

Economic Factors:

- A preliminary estimate by the Lee County property appraiser projected that Estero property values grew by 2.84 percent in 2017, which represents a \$184 million increase to \$6.67 billion in total taxable property value.

Regulatory and Legislative Challenges:

- Threats to “home rule” continue to surface, which offer potentially significant impacts to our Village. One such example is a bill, proposed during this past legislative session, which called for limiting the use of contract services by governments. Advocacy at the state level, via our contracted lobbyist (Burt Saunders), remains critical to maintaining our local autonomy.
- The Marjory Stoneman Douglas High School Public Safety Act, signed into law by the governor in March of 2018, represents concrete action to help protect Florida’s youth: we should applaud this step. At the same time, the lack of state-provided funding for this program created political challenges. Ultimately, the Lee County Sheriff’s Office and Lee County School Board agreed to provide the funding necessary to bring Estero public schools into compliance with this law.

Staff Changes and Recognition:

- The Village hired a Public Works Director (David Willems) and a Principal Planner (Matt Noble), to bring expertise to our team and improve our service quality. We expect the full-time staff level to remain relatively stable for the foreseeable future, as we look to address short-term staffing needs via part-time or contract employment.
- The Village Community Development Director (Mary Gibbs) and Land Use Attorney (Nancy Stroud), were both designated by the American Institute of Certified Planners (AICP) as Fellows (FAICP). This is a highly prestigious award, representing “the highest honor the American Institute of Certified Planners bestows upon a member” (American Institute of Certified Planners). This reflects a lifetime of commitment to the profession, and demonstrates the level of expertise found on our small, devoted staff.
- The Village Finance Director (Lisa Roberson) was recognized with the Government Finance Officers Association Certificate of Recognition for Budget Preparation. This is also a national award, created to “encourage and assist state and local governments to prepare budget documents of the very highest quality” (Government Finance Officers Association). This award demonstrates the Village Staff’s commitment to outstanding budgetary transparency.

The Year Ahead

Public Projects:

- **Parks, Recreation, and Open Space Master Plan:** The Village's first parks, recreation, and open space master is scheduled to be completed during the 2018/2019 fiscal year. This plan will outline the Village's vision and needs for parks and open space. It will also include an extensive public input component as well as an implementation strategy for future park and open space needs.
- **Bike & Ped Master Plan:** Bicycle and pedestrian safety is a focus for the Village. The first Village Bicycle & Pedestrian Master Plan is scheduled to be completed in the 2018/2019 fiscal year. The plan will assess the Village's needs to improve bicycle and pedestrian access and safety, as well as potential locations for bicycle and pedestrian paths.
- **Estero Parkway:** Construction on the Village's first major capital improvement project, Estero Parkway is scheduled to begin in 2018/2019. Improvements will include bike lanes, sidewalks and enhanced landscaping. The landscape design along with US-41 Median Landscaping will set the standard for future Village landscaping projects. The design and permitting is scheduled for completion by the end of 2018 with construction to follow.
- **US-41 Median Landscaping:** Landscape improvements to the US-41 medians are scheduled for completion during the 2018/2019 fiscal year. These improvements, along with Estero Parkway will set the standard for future landscape improvements throughout the Village.
- **Williams Road (Walgreen Entrance) Improvements Design:** One of the areas that received the most public complaints is the intersection of Williams Road and Walgreen, west of US-41. Illegal turns occur regularly at this location. Traffic enforcements hasn't effectively controlled the illegal turns. Roadway improvements will be designed to eliminate these illegal turns. This will be accomplished by either relocating the turn or providing mechanisms to physically prevent them.
- **Williams Road at Estero High School Improvements:** Estero High School does not currently have any turn lanes along Williams Road. To improve access and safety around Estero High School, turn lanes are scheduled to be designed, permitted and constructed during the 2018/2019 fiscal year. Improvements are expected to include both right and left turns at River Rand Road, the bus ramp and student parking lot.
- **Coconut Road Crosswalk & Drainage Improvements:** Communities on the north side Coconut Road, east of US-41 do not have access to the sidewalk on the south side of the road. In addition, drainage structures on along the road are causing the road surface to fail. Village will be adding cross walks to provide access to the sidewalk and redesigning the drainage system to eliminate the impacts to the road surface.
- **Village Branding & Roadway Monument Sign Concept:** Branding and roadway monument signs are two ways the Village will work to convey a uniform message and theme. The Village will be hiring a consultant to recommend improvements to the Village's branding efforts and establish a standard monument sign theme. The consultants work will begin by understanding the Village vision and working toward a branding effort and sign theme that portrays that vision.

Budget Message

Fiscal Year 2018-2019

- Poinciana Ave. & Trailside Dr. resurfacing: Poinciana Avenue and Trailside Drive were identified as the two roadways most in need of resurfacing. Both roadways are scheduled to be resurfaced along with minor drainage improvements.
- Water Level & Water Quality Monitoring: After the completion of the Stormwater Master Plan in 2017/2018, the Village will design and implement a water level & water quality monitoring program. The monitoring program will allow the Village to better identify pollutant sources and track water quality and water level trends.

Private Projects:

- Estero Dialysis Center: This medical building is now under construction in the Corkscrew Palms office complex on Corkscrew Road, adjacent to Village Hall. The office will provide kidney dialysis treatment when open within approximately six(6) months.
- Springhill Suites Marriott Hotel: Recently approved for construction, this will be located on Arcos Avenue, north of Corkscrew Road, near the Embassy Suites. This 100-room, five-story hotel will be completed within Fiscal Year 18-19.
- Phoenix Assisted Living Facility: This project is currently in the process of obtaining permits for construction of a 140 unit assisted living facility, to be constructed on Arcos Avenue.
- The Colonnade (formerly known as Volunteers of America). Plans call for construction of a continuing care retirement community (CCRC) on the northeast corner of Corkscrew Road and Sandy lane. This will contain 159 independent living and 128 assisted living units with some skilled nursing, and medical office buildings. There is no construction date at this time.
- Starbucks: Two Starbucks are planned in the Village, with one coming in Estero Grande on South Tamiami Trail (US-41), across from Walmart, and the other to come on ben Hill Griffin Parkway, north of Miromar.

Parks and Recreation:

- If the proposed land purchase is approved, the Village intends to begin efforts immediately to study the land and determine best uses for it. This could include selling less ecologically significant portions of the land, while maintaining access to the Estero River. Regardless of this decision, the Village envisions development of walkable trails along the Estero River, several small pedestrian bridges over the river, and integration with the Koreshan State Park, to provide maximum public access and benefit. Ultimately, it is our vision to use this site as a central community gathering space, where leisure activities, passive recreation, and socializing are commonplace.

Administrative Improvements:

- Ethics Policy: The Village Council will be provided the opportunity to review a comprehensive Ethics Policy, based on prior sentiments raised by Council. This policy consideration is not a reflection on current ethical issues in the Village of Estero Council or Staff: we do not believe there to be any such issues. However, this is a reflection of the reality that such issues are far too common in the public sector, and demonstrates an eagerness on the part of Village Council and Staff to proactively address this issue.

Budget Message
Fiscal Year 2018-2019

- Reserve Policy: The Village currently has a very strong financial position. Much like the Ethics Policy, the Reserves Policy reflects a conscientious effort on the part of Staff and Council to protect the financially conservative governance that we have developed thus far. By creating a formalized reserve policy, we hope to impart this culture of budgetary conservatism on future leaders, while protecting their right to govern.
- Land Development Code: The Village has hired a consultant to work with Staff to prepare the Village’s inaugural Land Development Code. This project is now underway and, as draft documents are prepared, they will be reviewed by the Village Planning and Zoning board. Ultimately, Council will review this, as well. This is expected to be complete by September of 2019.
- Service Standards: We, as a staff, believe that we should provide the public with clear service level expectations. Whether this means the amount of time it will take us to review a permit application, fix a pothole, or pay an invoice, these service standards will serve as our Village commitment to professional governance and accountability.

Economic Factors:

- It is extremely difficult to forecast economic growth. However, we feel confident in our economic outlook and resiliency, due to our revenue and housing/building stock diversity. Our large retail presence serves as a counterweight to our residential housing, which is somewhat unique for this region.

The Long Term Future

The longterm vision for Estero is a sustainable community, which improves the quality of life for all residents. To accomplish this vision, we intend on working towards the following objectives:

- Preservation and enhancement of public recreational spaces and opportunities.
- Investment in state-of-the-art public infrastructure, as well as encouragement of such infrastructure development in the private sector.
- Cultivation of outstanding educational opportunities, including K-12 and college programs.
- Support of innovative technologies, to be utilized by both private and public sector entities, for the betterment of residents.
- Continued commitment to *government lite* principles, whereby taxes are kept low, budgetary conservatism is championed, staffing levels are managed, and governance is limited to areas of necessity and strategic importance.

In conclusion, the future offers unique opportunities for the Village government to substantially improve the lives of our residents, while holding true to our core values.

Sincerely,



Steve Sarkozy
Village Manager
Village of Estero

ATTACHMENT 2

VILLAGE OF ESTERO, FLORIDA

RESOLUTION NO. 2018 - 15

**A RESOLUTION OF THE VILLAGE COUNCIL OF THE
VILLAGE OF ESTERO, LEE COUNTY, FLORIDA,
ADOPTING THE FINAL BUDGET FOR FISCAL YEAR
2018-2019; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Village of Estero, Lee County, Florida, held a public hearing as required by Florida Statute 200.065; and

WHEREAS, the Village of Estero, Lee County, Florida, set forth the appropriations and revenue estimate for the Budget for Fiscal Year 2018-2019 as follows:

Expenditures	
General Fund	\$ 6,153,640
Special Revenue	1,179,460
Debt Service	1,600,000
Capital Projects	<u>37,099,020</u>
 Total All Funds	 <u>\$46,032,120</u>

NOW, THEREFORE, be it resolved by the Village Council of the Village of Estero, Florida:

Section 1. The fiscal year 2018-2019 final budget is hereby adopted.

Section 2. This resolution shall take effect immediately upon adoption.

ADOPTED BY THE VILLAGE COUNCIL of the Village of Estero, Florida this 20th day of September, 2018. Time adopted _____ p.m.

Attest:

VILLAGE OF ESTERO, FLORIDA

By: _____
Kathy Hall, MMC, Village Clerk

By: _____
James R. Boesch, Mayor

Reviewed for legal sufficiency:

By: _____
Burt Saunders, Esq., Village Attorney