

From: [Mike Rafferty](#)
To: [Linda Senne](#); [Joe Welch](#)
Cc: [City Council](#); [John Holic](#); [Lori Stelzer](#); kevshep26@gmail.com
Subject: COV Proposed 2020 Budget
Date: Thursday, September 5, 2019 2:37:29 PM
Attachments: [Final as Submitted Questions for Finance Dept.docx](#)
[Att to Finance e mail sep 4.pdf](#)

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Good Afternoon Linda and Joe,

Have waded through the 651 pages posted to the City website plus Linda's Memo plus the 72 pages reviewed by Council on 8/28/19.

WOW! All this for a City of 23,000?

A few questions attached.

Since the public participation allowance of 5 minutes at the Hearing would hardly allow adequate time for these, would appreciate your response time permitting.

I know Joe has tried to educate me on the EMS figures, but I'm still confused. The number has grown from \$1.19 million to \$2.640 million and I can't see how that happened nor where the funds are coming from.

Much appreciate your help.

Regards,

Mike Rafferty



Questions Regarding the 651 page 2020 Proposed Budget for the COV **Up for Approval on 9/9/2019 by City Council**

1. Why does the "Changes to FY 2020 Proposed Budget Since Workshops" memo from City Manager, page 3 Chart, present the EMS Ambulance lease purchase under the heading of "REVENUES" in the General (Operating) Fund #001? It's noted there is a corresponding EXPENDITURES entry. Elsewhere in the budget memo this is characterized as a Capital Lease and sheets are presented in the attachments amending the Capital Improvement Program budget for this item and the explanation states the assets will be owned by the City at the end of the lease. Clearly, it's a capital asset acquisition. How does it generate "REVENUE" for the General Operating Fund? isn't this entry a "mischaracterization of the General Fund REVENUE for FY 2020? Why is the entry made at all in the General Fund 001 operating fund?
2. Does the lease purchase charge for the 4 EMS ambulances include vehicle maintenance service?
3. Did the analysis of the lease purchase consider the life cycle cost of owning these vehicles beyond year 4, since the maintenance cost will likely escalate then, and the Fleet Service Fund and EMS Department operating budget will face these charges?
4. Is consideration of an EMS restricted fund being considered? How will the General Fund advances to the EMS program startup costs be recovered? The Fire Chief's March 22, 2019 memo which City Council approved, characterized this program as generating "net revenue" and no cost to the General Fund. What means are incorporated to hold the Chief accountable for the financial performance of the EMS takeover?
5. Please help me better understand the EMS budget. What I see is a total expenditure of \$2.640 million in the GF, making the total \$33.776 million, \$3.889 million (12.4%) over 2019 (p 11 of 52, Aug 27, 2019 Council Meeting Finance Report)). Excluding the EMS start up, GF total \$31.134 million, \$1.247 million (4.2%) over 2019 (also p 11 of 52, same document as previous



reference). Please identify the exact sources and amounts to cover the \$2.640 million, ie, how much from reserves, whatever else to make up the \$2.640 million.

6. How can the % increases in the General Fund be reconciled with the Charter requirement of a 3% cap on the GF?

7. Please see attached which indicates one time reserves have been used over the past few years to balance the budget and comment on the GFOA recommendation that recurring revenues should equal recurring expenditures. If not, a structural deficit or deficient budget is occurring.

8. What Funds were used to purchase the Hamilton Building? Why aren't the proceeds from the sale of the Hamilton Building used to reduce the millage rate and/or placed in the GF reserve fund?

9. In the recent Finance Dept report on budget progress at 75% of the year, most capital fund appropriations are lagging. Millions of dollars raised from taxes and rate payors will be rolled over (Utilities will be the largest). Is the City Administration concerned about this? What is being done to improve CIP implementation?

10. The Sep 4, 2019 Gondo published the Budget Public Notice for the Hearing on 9/4/19 and 9/24/19 and indicated the proposed budget is available on the City's website. The material available on the City website as of 9/4/19 is dated 5/28/19 and contains 651 pages.

Significant changes have been made since that date. How can these revisions be acted upon without any opportunity for citizen input through the workshop process?

11. In the published notice it was stated the public may provide oral testimony and ask questions. As audience participation only provides for 5 minutes which will not provide adequate time to cover the above, will you be able to respond prior to 9/9/19?

GENERAL FUND REVENUES	after 9 months										As of 7/31/19		
	Actual FY 2017	Actual FY 2018	Adopted Budget FY 2019	Project Rolls to FY 2019	Amended Budget FY 2019	YTD Thru 6/30/19	% YTD FY19	Expected FY 2019	Expected Variance	Proposed Budget FY 2020	Incr (Decr) over FY19 Expected	Pct Incr (Decr)	FY2020 Budget Comments
369.90-28 - EQUIPMENT RENTAL	43,884	114,366	5,000	0	5,000	15,749	315%	15,800	10,800	12,000	(3,800)	-24.1%	
369.90-30 - SAR CO MOBILITY FEE ADMIN	1,916	7,037	7,300	0	7,300	6,579	90%	7,300	0	8,000	700	9.6%	
369.90-41 - SAR CO CAP FEES-VENICE	4,857	6,344	5,300	0	5,300	3,101	59%	5,300	0	5,300	0	0.0%	
369.90-42 - SAR CO DEF REV-VENICE	1,425	1,861	0	0	0	876	-	725	725	1,500	775	106.9%	
369.90-44 - SAR CO-EDUCAT IMPACT FEE	5,425	4,746	3,500	0	3,500	5,454	156%	3,500	0	3,500	0	0.0%	
369.90-49 - SAR CO-JUSTICE IMPACT FEE	2,121	2,118	2,300	0	2,300	1,868	81%	2,300	0	2,300	0	0.0%	
369.90-50 - SAR CO-GEN GOVT IMPACT FEE	229	363	0	0	0	340	-	250	250	250	0	0.0%	
Other Financing Sources - Transfers in	3,649,795	3,602,427	4,009,947	0	4,009,947	3,007,440	75%	4,009,947	0	4,094,806	84,859	2.1%	
369.41-04 - ADMINISTRATIVE CHARGES - AIRPORT	291,150	259,221	338,196	0	338,196	253,647	75%	338,196	0	290,979	(47,217)	-14.0%	Per IDC Alloc. Study
369.41-05 - ADMINISTRATIVE CHARGES - SOLID WASTE	285,713	287,441	325,521	0	325,521	244,134	75%	325,521	0	276,583	(48,938)	-15.0%	
369.41-06 - ADMINISTRATIVE CHARGES - UTILITIES	1,466,342	1,509,724	1,620,781	0	1,620,781	1,215,585	75%	1,620,781	0	1,703,400	82,619	5.1%	
369.41-07 - ADMINISTRATIVE CHARGES - RECYCLING	285,712	287,442	325,521	0	325,521	244,134	75%	325,521	0	276,583	(48,938)	-15.0%	
369.41-10 - ADMINISTRATIVE CHARGES - STORMWATER	151,109	144,676	212,607	0	212,607	159,453	75%	212,607	0	254,965	42,358	19.9%	
369.41-11 - ADMINISTRATIVE CHARGES - BUILDING FUND	366,223	325,423	338,196	0	338,196	253,647	75%	338,196	0	391,451	53,255	15.7%	
381.05-00 - TRSF FR MOTOR FUEL TAX	783,685	788,500	849,125	0	849,125	636,840	75%	849,125	0	900,845	51,720	6.1%	See Fund #105
381.15-00 - TR FR PRKFINS/HDCP ACCSS	6,576	0	0	0	0	0	-	0	0	0	0	-	
381.19-00 - TR FR BOAT REGISTRATION	13,285	0	0	0	0	0	-	0	0	0	0	-	
Exp - EMS Start-up Revenues	0	0	0	0	0	0	-	0	0	1,450,196	2,900,392	-	
Other Financing Sources - Debt Proceeds	0	0	0	0	0	0	-	0	0	1,450,196	1,450,196	-	
384.10-00 - LEASE PURCHASE PROCEEDS	0	0	0	0	0	0	-	0	0	1,450,196	1,450,196	-	4 Rescues, stretchers, 8 monitors
Total Fund Analysis													
Revenues, Recurring (Above)	27,485,724	28,827,170	30,164,107	0	30,164,107	26,917,955		30,755,202		31,134,858			
Expenses, Recurring (Next Sheet)	(26,412,560)	(28,128,570)	(29,886,860)	(1,432,955)	(31,319,815)	(21,849,212)		(31,269,870)		(31,134,858)			
Net Revenues	1,073,164	698,600	277,247	(1,432,955)	(1,155,708)	5,068,743		(514,668)		0			
Start-up Revenues - EMS	0	0	0		0			0		1,450,196			
Start-up Costs - EMS	0	0	0		(40,110)			(38,750)		(2,640,832)			
Beginning Fund Balance	11,236,081	12,309,245	13,007,845		13,007,845			13,007,845		12,454,427			
Ending Fund Balance	12,309,245	13,007,845	13,285,092		11,812,027			12,454,427		11,263,791			

Deficit Financing

COV General Fund Balance Start of 2019.....\$13.0 million

COV General Fund Balance Projected End of 2019.....\$12.4 million

COV General Fund Balance Budget Start of 2020.....\$12.4 million

COV General Fund Balance Projected End of 2020.....\$11.3 million

Net decline in 2 years.....\$ 1.7 million excluding
\$2.640 million startup costs for EMS?

Latest COV Budget Update August 28, 2019 – Finance Report to Council

From: [Red308](#)
To: [mer112693@aol.com](#); [City Council](#); [John Holic](#); [ggiles@venicegondolier.com](#); [Bob Mudge](#); [earle.kimel@heraldtribune.com](#); [fabbruzzino@yahoo.com](#)
Subject: Re: COV 2020 Budget - Another Chuckle
Date: Thursday, September 5, 2019 4:13:11 PM

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To all in Venice City's LA LA LAND

Since the plant hangers are self watering the new hire must be a robot without any financial burden on the city pay roll since there was a cost associated with having the system be self watering! Impeccable city planning just like ever other ridiculous thing they do (not to mention the take over of the EMS). When if ever is the city administration going to held accountable for their stupidity and mistakes?
Gerard Viverito

-----Original Message-----

From: Mike Rafferty <mer112693@aol.com>
To: mer112693 <mer112693@aol.com>
Sent: Thu, Sep 5, 2019 3:34 pm
Subject: COV 2020 Budget - Chuckle Moment

Council takes up our 2020 Budget on 9/9/2019 at 5:01 PM

The 651 page document is available for review on the City website and you can have 5 minutes of virtual dialogue at the Hearing during audience participation. You will find out however, that the document is cast in stone and you should have made your comments known months ago during the workshop sessions (even though big \$ have been added in since those sessions).

Not to be "Debbie Downer" on all the proposals, I did find a bit of humor in two of the "Budget Enhancement" proposals on the attached.....replacing our "PRIDE" program, and a "new hire" to take care of the self-watering plant hangers.

Getting serious, two items you may want to comment on.....

\$2.640 million funding of the EMS Takeover and recurring expenses again exceeding recurring revenues for the 3rd out of the last 5 years (2016, 2019, and 2020). To some economists, these conditions constitute a structural deficit or deficient budget.

Give City Hall a shout....

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From: [Kevin Shepard](#)
To: [City Council](#)
Subject: 2020 budget public hearing comment.
Date: Thursday, September 5, 2019 5:34:12 PM

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I am unable to attend the public hearing

My comments on the 2020 budget are that it's a blank check for the new EMS Department. Will the \$2.6 million advance at least be booked as a repayable to the Reserve if the program ever creates "net revenue?"

Also this appears to be the 3rd out of 5 annual budgets balanced by use of one time reserves. COV has no 5 year operating plan. How do you know it is sustainable?

The CIP seems to have an implementation issue with all the millions being "rolled over." Has the City Manager offered or been asked how he will correct this? I will oppose any more rate hikes or property tax hikes until timely capital improvements occur and overruns are minimized.

Kevin Shepard
1523 Waterford Drive

From: [Mike Rafferty](#)
To: [City Council](#); [John Holic](#); [Lori Stelzer](#)
Subject: Proposed COV Budget for 2020
Date: Sunday, September 8, 2019 10:44:46 AM
Attachments: [Att A Millage Rate 2002 to 2019.pdf](#)
[Att B Finance Dept Questions for Sep 10 Hearing.pdf](#)
[Att to Finance e mail sep 4.pdf](#)

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Proposed COV Budget for 2020

Good Morning John and Members of Council,

A couple of concerns and several questions.

I understand Council spent countless hours on this matter during workshop sessions. However, the issues that follow relate to changes that have been added since those workshops and not had similar opportunities for public review and comment.

A couple of concerns.....

Three out of the past 5 years, the General Fund budget has been balanced by use of reserves.....rather than adding to reserves for bad times, we are using reserves during good times.

The other is an increase in the startup cost of the EMS service which has morphed from \$1.19 million presented at the June Workshop Hearings to \$2.64 million during the summer without the benefit of workshop presentations.

A look at the Evolution of our Millage Rate over the past 18 years shows a disturbing trend. For the past 9 years, the millage rate has increased 33%.....for the 9 year period prior to that, the millage rate actually declined 12% (see Att A). Our "roof top" build plan is not stabilizing the tax rate.

We need you to reverse this trend and restore fiscal stability to the budget process.

Also attached (Att B) is a list of questions submitted to Finance. As public participation time limits preclude the ability to present

them, please pursue the answers from Finance during your Public Hearing.

Please include this material in the Official Record.

**Thank you,
Mike Rafferty**



EVOLUTION OF CITY OF VENICE TAX RATE

9 YEAR Period 2002 to 2010

Year	Millage
2002	3.406
2010	2.779
% Change	-18% DECLINE

9 YEAR Period 2011 to 2019

CITY OF VENICE
Taxable Value Change

						PROPERTY TAX REVENUE CHANGE				
				\$ CHANGE DUE TO PROPERTY VALUE INCREASE/ (DECREASE)	\$ CHANGE DUE TO NEW CONSTRUCTION ADDITIONS, REHAB IMPROV	\$ CHANGE DUE TO PROPERTY VALUE INCREASE/ (DECREASE)	\$ CHANGE DUE TO NEW CONSTRUCTION, ETC.	\$ CHANGE DUE TO MILLAGE INCREASE/ (DECREASE)	TOTAL \$ CHANGE IN PROPERTY TAX REVENUE	OPERATING MILLAGE
FISCAL YR 9/30	TAXABLE VALUE	% INCR	TOTAL TAXABLE VALUE \$ CHANGE							
2009	3,653,215,613	-16.4%	(715,387,131)	(791,333,500)	75,946,369	(2,089,160)	200,502	-	(1,888,658)	2.7790
2010	3,172,976,298	-13.1%	(480,239,315)	(506,129,715)	25,890,400	(1,336,208)	68,352	-	(1,267,856)	2.7790
2011	2,860,628,192	-9.8%	(312,348,106)	(323,678,261)	11,330,155	(854,527)	29,912	-	(824,615)	2.7790
2012	2,707,597,559	-5.3%	(153,030,633)	(162,228,743)	9,198,110	(428,292)	24,283	401,266	(2,743)	2.9350
2013	2,701,271,123	-0.2%	(6,326,436)	(27,299,463)	20,973,027	(76,118)	58,478	77,756	60,116	2.9653
2014	2,803,751,805	3.8%	102,480,682	70,166,335	32,314,347	197,661	91,031	358,782	647,474	3.1000
2015	3,020,689,268	7.7%	216,937,463	165,754,271	51,183,192	488,146	150,735	-	638,881	3.1000
2016	3,233,289,634	7.0%	212,600,366	162,006,489	50,593,877	477,109	148,999	-	626,108	3.1000
2017	3,527,614,748	9.1%	294,325,114	234,436,517	59,888,597	690,416	176,372	1,675,617	2,542,404	3.6000
2018	3,817,208,295	8.2%	289,593,547	189,140,250	100,453,297	646,860	343,550	-	990,410	3.6000
2019 *	4,056,212,039	6.3%	239,003,744	163,498,843	75,504,901	559,166	258,227	385,340	1,202,733	3.7000
2020 **	4,258,624,981	5.0%	202,412,942	128,110,204	74,302,738	450,307	261,174	-	711,481	3.7000

* 4.28%	Increase due to Property Values	3.16%	** Increase due to Property Values
1.98%	Increase due to new construction	1.83%	** Increase due to new construction
6.26%		4.99%	