



Civic Chatline

Be Aware! Be Alert! Be Informed!
Founded in March 1962, CCCA is the Cape's oldest civic organization



Volume X Issue III

Happy St Patty's Day

March 2009

Last month at Civic, Financial Director Mark Mason & Council member Donnell



Last month we had a great meeting and lots of information was gleaned on a variety of topics from Mark Mason. Civic appreciates the time that our city employees & directors afford us in being our guest speakers who are willing to field questions from our attendees and provide answers. Civic also had our "20 questions" which Mark answered even though some of the answers did not meet with everyone's approval. With the stoppage of the UEP, Mark said the "onus would fall on the 52,000 current utility customers to pay the \$185 million in outstanding debt on the city's facilities expansion project." "With very few customers coming on board you end up with the core group taking on the burden for the facility expansion" he said. Obviously this means higher rates for those currently on city water and sewer.

As in previous years, Civic is concerned about the recent discussions of a Public Service Tax. Mark provided the rationale for the PST as a need to help diversify the city's revenue sources. We also think most people understand the city's rationale for wanting to hedge the loss of revenue from ad valorem taxes in a down real estate economy. However, the issue still remains that in exchanging property taxes to sources such as service taxes on electric and gas and possible assessments for our fire department. This would eliminate a substantial portion of taxes that can be claimed on our federal tax returns. In going to a PST, it appears that unimproved properties and snowbirds would gain the most and the full time residents will find it even more expensive to continue to live here.



Civic also wants to thank Councilmember Derrick Donnell for being at Civic last month. "Big D" answered questions and provided his perspective on things from his side of the dais. As he indicated being on council has been an "educational" experience.

Civic 2009 Dues are Due

For those whose dues are current, thank you. For those whose dues are delinquent, please correct this and reinstate your interest in your association. Dues are due in January of each year. Civic dues are only \$20 per year, per family. We ask that you please continue your support for **your** Civic Association. For those who do not know if they have paid their dues; please call Ralph at 574-6112.

We do value your membership!

This month at Civic March 24 CCFD Chief Bill VanHelden



William "Bill" Van Helden became a member of the Cape Coral Fire Department in 1996. Bill served as Division Chief in the Fire Department's Administration and Operations Divisions until his appointment to Fire Chief and Emergency Management Director in August of 2002. Bill has made many significant contributions to the City of Cape Coral. He was diligent in overseeing the implementation of an Advanced Life Support (ALS) program for the City of Cape Coral. He was instrumental in the creation of the Cape Coral Emergency Operations Center (EOC), which is the first EOC in Southwest Florida to be operated by an individual city.

Prior to joining the Cape Coral Fire Department, Bill was Deputy Chief for the Lehigh Acres Fire Department and moved on to become the Deputy Director for Lee County Public Safety.

Of the approximately \$70 million Public Safety budget for FY 2009 the fire department was approved for about \$24.5 million while the police department accounts for approximately \$35.6 million. Of these amounts personnel costs were approximately \$22.4 million and \$32.1 million respectively. Both of these budgets were slight reductions over FY 2008.

We understand that Chief VanHelden is reorganizing his department in an effort to cut spending. At the same time talk has also surfaced with some on city council regarding the possible enactment of a "Fire Service assessment." Civic looks forward to hearing more on these items.

CM's rationale for Construction Manager at Risk

The following explanation was provided by CM, Terry Stewart and we think it might be helpful to others who have questions;

What many people may not realize is that MWH is not the construction company for the UEP projects. They are in effect an agent of the City serving in various capacities that enable us to avoid having large numbers of city employees and thereby increasing the size of government and creating substantial legacy costs such as future health care and pension costs.

We are able to avoid having a large number of utility engineers, inspectors and contract managers, etc. by hiring MWH to provide these services. There are other services they provide such as the handling and resolution of any citizen complaints about the work, planning and scheduling work in the various neighborhoods, changes in traffic patterns, etc.

Of greater significance is that they manage the several construction companies retained to engage in the actual construction work. They do all of this under the constraints of a Guaranteed Maximum Price (GMP). *Continued, see Construction*



Politics in Paradise

A look at bureaucrats and elected officials

Budget Talks

As many of you may be aware, city administration is expecting a revenue short fall for the FY 2010 budget year. Based on the current millage rate of 4.4698 mills for General Operations, there is an expectation that there will be a revenue short fall of approximately \$33.5M as a result of declining property values. As you know the primary source of the General Fund budget is our ad valorem taxes derived from property values. In the FY 2009 budget, ad valorem property taxes provided approximately 60% of the total General Fund revenue.

Last year the adopted General Fund budget was \$149.290M. Included in that amount was \$22M in reserves, leaving a General Fund operating budget of approximately \$127M. In that amount, \$90.181M is for personnel cost, and \$24.207M is for general operations.



At the Mar. 2, meeting Council was asked to set a target General Fund amount for administration to work toward. After much discussion and political posturing on council, a consensus reached and the majority on council settled on a target General Fund budget amount of \$116.4M.

And what was all that talk about ending televised council meetings as a "money saving" idea offered by Council member Day? Hey Tim, surely you jest.

Last Year About this Time

From Chatline; "Money is tight however, instead of foregoing a 2% raise in lieu of a one year contract extension, as suggested by the CM, council gave Terry Stewart his automatic salary increase based on an overall satisfactory performance rating. Council members Brandt and Grill voted against the rating." In August, council then went ahead and extended the CM's contract for the additional year that Terry originally suggested..

By the end of this month City Council will finish their annual evaluation of the City Manager. Regardless of the outcome, Stewart will remain the city's top administrator through at least Feb. 2010 when his current contract expires.

Terry Stewart now has seven years experience as the City Manager. Many believe his experience makes him a better manager today as a result.

We can only hope there won't be a repeat of the public spectacle as was witnessed in last year's review process

New Council Meeting Format

This month City Council started holding regular voting meetings every other Monday at 4:30 p.m. On alternate weeks at 4:30 p.m. they conduct their COW workshop meetings. There is no public input during Committee of the Whole meetings, and while direction may be provided, there is no formal voting permitted at these meetings.

We find it somewhat remarkable that some council members expressed disappointment in hearing that there would not be scheduled public input during COW. What did they think they voted for when going to this format.



March President's message

Dear Members and Friends,

I'm sure the Cape Coral City budget is at the top of everyone's list of concerns these days, as well as, my own. With such a huge shortfall how is the City going to make this up? As we heard from Mark Mason last month one of the possibilities is the Public Service Tax, his office and the City Manager are proposing. I don't know about you, but a tax that I can't deduct from my federal income tax at the end of the year is not popular with me, nor the rest of the Civic Executive Board. Therefore, I will be sending a letter to the Mayor and City Council opposing the Public Service Tax in the name of the members of the Civic Association.

Our speaker this month will be Fire Chief Bill Van Helden who is in the process of re-organizing the Fire Department in an effort to cut cost. This will allow us an opportunity, to find out what he is facing and his common sense approach to meeting the short fall. In addition, it may provide opportunities where we can help. The latest to surface at last Monday's City Council meeting was a request for more information on "Fire Assessments" as opposed to ad valorem taxes. So, hopefully, we will be able to learn more about this new proposed budget item.

In April we are trying very hard to get Dr. Steve Brown, Lee Memorial Board Member as our speaker. Then in May we will have the Cape Coral Police Chief, Rob Petrovich.

Your Executive Board is setting up committees and we need help from all of you. Please contact me if you are willing to serve on a committee! Make this your association and not just an association of the Executive Board – we need your help and support. Do you know that the refreshments after each of the meetings are provided by the Executive Board each and every month? Please ask yourself what you have contributed to the Civic Association, other than your dues? The Executive Board also pays their dues and donates their time. Are you a contributing member or do you only attend meetings – do you attend the meetings? Why are you a member of the Cape Coral Civic Association? Do you want a voice? If so, you need to be an ACTIVE member. I look forward to hearing from you and seeing you at our next meeting!

Regards,

Treva Devers, President

"The Association is for the betterment of Cape Coral."

Construction Manager, continued

The cost of any phase cannot be more than the guaranteed price and if it does cost more, they are at risk to absorb those costs. By the way, every phase completed by MWH to date has come in under the GMP.

Finally, as previously stated MWH acts as the company hired to manage the construction projects as an agent of the city and is also part of our team in handling issues related to the UEP. Thus it should come as no surprise that Mr. Laws or others may participate in working to provide information about a subject related to the UEP.

March 12, 2009 MLS Statistics & Listings, Ft. Myers, North Ft. Myers & Cape Coral. *Ed Wuster, Civic member*

I must start by saying that these opinions are my own observations exclusively and do not reflect the views of anyone else.

First of all, I must report that we are still in decline, although not as drastic as previously reported, it is still "steep." As of this morning, for every 10 price increases, there were 140 price decreases. I am hoping that we will see the "bottom" by mid-year/third quarter.

Now, about the makeup of the current market: "**Short Sales**" (those whose Mortgage is far greater than the current market value) make up the majority of Listings on the market however, they constitute the **Least amount of actual sales.**

Today (3/12/2009), I got MLS Statistics on House Listings in Ft. Myers, North Ft. Myers and Cape Coral on all houses **150K and under.** I kept it at that range to make the numbers a bit more manageable. (Approximately the same ratio showed up in higher prices). Of the 1807 homes in the 150K and under category, that actually sold in the last 30 days: 398 were regular sales" (22%), 307 were short sales (17%) and 1102 were foreclosures (61%).

Now, let's look at how different the figures are on "Houses Currently For Sale" (Just Cape Coral and Ft. Myers). Of the 2238 houses in this category for sale: 370 are regular listings (16.5%), 1852 are short sales listings (64.5%) and *421 are foreclosures (18.6%).

The foreclosures will move quickly, the regular and short sales will not! Note that although the foreclosures for sale make up only 18.6% of the current "for sale" market, the foreclosures make up 61% of the sold homes.

Quotes by famous people

- > I had a rose named after me and I was very flattered. But I was not pleased to read the description in the catalog: - 'No good in a bed, but fine against a wall.' Eleanor Roosevelt
- > Last week, I stated this woman was the ugliest woman I had ever seen. I have since been visited by her sister, and now wish to withdraw that statement. - Mark Twain
- > The secret of a good sermon is to have a good beginning and a good ending; and to have the two as close together as possible. - George Burns
- > We could certainly slow the aging process down if it had to work its way through Congress. - Mark Twain
- > Be careful about reading health books. You may die of a misprint. - Mark Twain
- > I was married by a judge. I should have asked for a jury - Groucho Marx
- > My wife has a slight impediment in her speech. Every now and then she stops to breathe. Jimmy Durante
- > Sometimes, when I look at my children, I say to myself, 'Lillian, you should have remained a virgin.' - Lillian Carter (mother of Jimmy Carter)
- > I have never hated a man enough to give his diamonds back. - Zsa Zsa Gabor
- > By the time a man is wise enough to watch his step, he's too d to go anywhere. - Billy Crystal

Synopsis:

You get the best deals on foreclosures. In most cases, banks have already tried to sell and auction them off as "shorts" and now are the actual owners. The banks want them gone and will listen to all offers. Sometimes a lower offer may work and could at least generate a counter offer. However, most of the foreclosures sell very close to or at listing price which is still far below the previous value. The shorts, however, are still owned by the people who bought them. The reality is though that with short listings, the banks are the ones that make the decisions and they could "hang you out to dry" and after you put in an offer, even at full price, you may hear absolutely nothing back for months! Then, after waiting and waiting, they will come back and say "We now have multiple offers" so give us your "highest and best" offer. Most short sale offers fail.

That is not to say it's not worth trying but, the buyer should not sit and wait and wait.. The buyer should explore other properties and even make other offers coevally and act on whichever comes together first. Don't forget, when an offer is placed, there is always a "deadline" entered and once the offer passes the deadline, the buyer no longer has to proceed with it unless the buyer chooses to extend the deadline.

Bottom Line:

There are some really nice bargains out there right now.. If you do come across something that you really like at a good price, BUY.

Ed Wuster, Sandals Realty

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Note: Civic would like to thank Ed for his contribution to this month's Chatline. He provides a wonderful perspective on what is occurring in the Real Estate market.

Overhead or Underground correction & update

As reported last month, "the CRA recently voted 7-0 to pay up to \$1.9 million of that cost. Under their reasoning LCEC would pay another \$1.9 million and the city would have to pay the remaining \$2.2 million." ***It should be noted that the city never committed to the \$2.2 million as reported in the News Press.*** Also at the last city council voting meeting March 9, council put an end to the speculation on a 6-2 vote, Burch and Brandt voting nay, by approving an overhead transmission route that has been a suggested route for approximately the last ten years. LCEC will pick up this cost.

News flash! At the council workshop on March 16, Council member Grill announced his intention for bring this issue back on Mar. 23. Whenever this council decides the 'final' out come for the transmission lines, we hope the solution doesn't fall on backs of Cape tax payers.

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Happy St. Patrick's Day

Next General Meeting: Tues. Mar. 24 @ 7 p.m. CC Yacht Club

Chatline is a publication of the Civic Assn. and intended solely for the education and enjoyment of its members
Civic Web Page: <http://www.capecoralcivicassociation.org>

2009-10 CCCA Board of Directors

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