

GUEST OPINION BY COMMISSIONER RAY JUDAH
LEE COUNTY BUDGET (2)

9-25-07

It is gratifying to know that the Lee County Republican Party Golden Goose subcommittee took time to review the Lee County budget. Lee County government maintains an open door policy in providing budget documents to the public.

Unfortunately, members of the subcommittee fail to fully comprehend the budget and have attempted to discredit local government's fiscal policy with misinformation and unfounded allegations.

It is noteworthy that in his recent commentary, subcommittee member Mathew Caldwell backpeddles from his earlier erroneous criticism that Lee County held \$1.3 billion in cash reserves to recognizing that Lee County has \$1.3 billion in cash invested in interest bearing accounts for a myriad of capital projects (i.e. roads, correctional facilities, utilities) either currently under construction or programmed to be built when production ready.

Mr. Caldwell takes issue with Lee County's efforts to maintain unrestricted reserves of 15%-25% of operating funds by referencing Lee County's budget manual and Florida law concerning budget reserves. Mr. Caldwell attempted to make a case that according to Lee County's General budget policy, reserves should be 3%-5%. If Mr. Caldwell had read the General budget policy in its entirety, he would have realized that 3%-5% pertained to contingency reserves to cover any unanticipated expenses.

In fact the General budget policy references 20% reserves for cash flow and working capital. Lee County's independent auditor recently reported that he was comfortable with an operating reserve of 15%-25% and fully supported Lee County's operating fund reserves of 17%.

Operating fund reserves are necessary for unforeseen events such as hurricane recovery, economic changes and avoiding debt.

Mr. Caldwell attempted to find fault with Lee County's Library fund as an example of "stashing cash" in various County funds, and "that the Library fund has grown to just over \$67 million with no solid plans to build even one at this time".

In fact, there is actually \$58 million in the library fund which combines operating and capital obligations. Apparently Mr. Caldwell was unaware that there is \$18-20 million designated for a new

regional library in northwest Cape Coral expected to break ground in March 2008. Additionally, Lee County has set aside \$20-25 million to renovate or rebuild the Fort Myers regional downtown library and several million dollars to partner on the Bonita Springs library expansion. The balance is for future operational and capital needs of our eleven regional and community libraries.

The \$100 million cut from next year's budget was not just a wish list as suggested by Mr. Caldwell. I believe the Sheriff would argue he needs more road deputies, but that was not possible with a \$6.7 million cut to his budget. Capital projects, such as parks and road improvements were either cut or delayed. The county's capital budget is driven largely by state mandated concurrency requirements to keep up with parks, roads, utilities and solid waste - infrastructure that is critical to economic growth and quality of life.

The county's projected spending for next year is \$949 million for county operations, constitutional officers, and capital projects. That is a 1.5% increase from the past year. That is a reasonable increase considering inflation was 2.7%, 30,000 new residents moved to our community during the past year, and the Sheriff has to staff up for an eight-story jail expansion.

Mr. Caldwell suggests a tax rate reduction of 20%, but what services, programs and capital projects would he wish to eliminate? What parks, roads, libraries, water and sewer capacity improvements, emergency medical services, human service agency support or law enforcement would he withhold financial support? In fact, even with Lee County's explosive growth and State mandated concurrency requirements for services and infrastructure, over the last four years, the County has reduced the tax rate by 28.3%.

Mr. Caldwell suggests Lee County use our obligated cash to cut taxes. In doing so, we would risk state imposed sanctions, diminution of our quality of life, degradation of our infrastructure, and critical reduction of public safety, health and human services.

Lee County must demonstrate our resolve to provide a balance in being fiscally prudent with tax payer dollars and fulfilling our responsibilities to meet the public health, safety and welfare needs of our community.