



March 12, 2014

Lee County Board of Commissioners
2120 SW Main Street
Fort Myers, FL 33901

At your March 18th meeting, you will vote on the franchise agreement with LCEC which includes a new 4.5% franchise fee that was part of the county's package of \$12 million budget cuts/new revenue sources adopted in September 2013 for this budget year. The 2013-14 budget assumed that the franchise agreement and the new 4.5% would be effective starting April 1, 2015, showing assumed revenues of \$1.65 M for the 6-month period (and \$3.3 million annual revenue stream in future years).

At the March 4th BoCC meeting, Commissioner Hamman stated his intent to vote against the LCEC franchise fee, arguing that this fee increase can be eliminated because the county ended up having \$12.3 M more at the end of the year than they anticipated. As I pointed out in my December 13th email to you (see below) and again in public comments at your December 17th meeting, the use of this "extra" \$12.3 M should be an integral part of the 2014-15 budget considerations. As I stated in December, "If the BoCC considers spending any of this \$12.3 million now, it would be essential that you restore the \$500,000 LeeTran cut. This cut has resulted in bus services after 6 p.m. being greatly curtailed, risking the long-term viability of our transit system. "

If some of the \$12.3 million reserve is spent now, doesn't it increase the operating budget deficit you're facing for the coming year? At your March 4th budget workshop, staff estimated that there was a \$26 million deficit to fund a "steady state" budget for 2014-15. If you were to undo your previous decision on the LCEC fee, wouldn't it increase the deficit you're facing next year by \$3.3 million (the full year cost of the franchise fee)?

If the Board is considering spending any of the \$12.3 million this year, it needs to be presented with clear trade-offs among competing priorities, with every program that was cut last year having a chance to compete for these funds. Clearly, BikeWalkLee's top priority for restoring budget cuts would be to reverse the LeeTran service cuts, which "saved" the county \$500,000, but has already resulted in a greater loss in revenues for the county than the "savings." Furthermore, if the Board is considering the use of this \$12.3 million to cover the funding shortfall in CIP road projects (generally financed with gas taxes and impact fees, not general funds), it is critical that there be a full public debate about the implications and efficacy of such a major policy change, including the out-year budget implications of such a decision. Finally, any potential expenditure of this \$12.3 million must be evaluated in terms of its impact on the 2014-15 budget deficit.

I hope that you will make budget decisions in a holistic, transparent, and accountable way. Thank you.

Sincerely,

Darla Letourneau
Of behalf of BikeWalkLee