

Public Works- Office of Capital Improvements – Lake Kennedy Racquet Center Construction Project Management Process Audit

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Report Issued

April 10, 2025

Audit Report No. 25-01



**City of Cape Coral
City Auditor's Office**

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TO: Mayor Gunter and Council Members

FROM: Andrea R. Russell, City Auditor 

DATE: April 10, 2025

SUBJECT: 25-01 Public Works: Office of Capital Improvements – Lake Kennedy
Racquet Center Construction Project Management Process Audit

The City Auditor's Office conducted a performance audit of the Lake Kennedy Racquet Center project after completion of construction. This audit is included in the City Auditor's approved FY25 Audit Plan. The audit was conducted in conformance with Generally Accepted Government Auditing Standards by the authority granted through City Ordinances 28-02 and 79-10.

We would like to express our sincere appreciation to the Public Works and the Office of Capital Improvement management and staff for their courtesy, cooperation, and proactive attitude extended to the team members during the audit. If you have any questions or comments regarding this audit, please contact Andrea Russell at 242-3380 or Joe Devone at 242-3689.

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PUBLIC WORKS OFFICE OF
CAPITAL IMPROVEMENTS –
LAKE KENNEDY RACQUET
CENTER CONSTRUCTION
PROJECT MANAGEMENT
PROCESS AUDIT

Issued April 10, 2025

Objectives

To determine if the Lake Kennedy construction final project close out is completed in accordance with laws, regulations, contract terms, and policies and procedures.

To determine if monitoring and controls over the Lake Kennedy project are in place and operating to provide efficient project management in conformance with industry best practices.

Background

The latest addition to the Lake Kennedy Community Park is Lake Kennedy Racquet Center known as The Courts. The Courts boast 32 pickleball and 12 tennis courts along with dining and event facilities.

In December 2016, City Council approved an updated Parks Master Plan aimed at guiding the development of Parks and Recreation facilities to meet the demands of the city's growth. Improvements to the Lake Kennedy Community Park were included in the Master Plan and was estimated to cost \$2.9 million. The Master Plan was presented before council as support for approving the GO Bond Referendum.



REPORT HIGHLIGHTS

WHY THIS MATTERS

Complex projects often take years to complete, require significant financial resources, and involve collaboration across multiple departments. Effective coordination is crucial for maintaining efficiency, with project management serving as a key element in providing oversight. A strong project management framework ensures that planning, budgeting, scheduling, and project closure are handled effectively, and in compliance with contractual terms, policies, and established procedures.

WHAT WE FOUND

The City Auditor's Office conducted a performance audit of the Lake Kennedy Racquet Center project after completion of construction. We also performed the 21-03 Parks and Recreation GO Bonds Lake Kennedy Project audit of the project during the planning and design phase. These audits provided a comprehensive view of a major project's lifecycle, spanning from inception to completion. This audit is included in the City Auditor's approved FY25 Audit Plan.

The Lake Kennedy construction process complied with all relevant laws, regulations, contract terms, and policies; however, areas for improvement were identified in project management during the planning and close out phases. Specifically, the planning process did not adhere to industry best practices, leading to budget and schedule overruns and avoidable change orders. Similarly, the close out phase lacked essential components, such as a close out meeting and report. These are crucial for documenting lessons learned to identify and implement to improve future project management. The absence of these practices increases the likelihood of repeating budget overruns and unnecessary change orders in future projects. These opportunities for improvement are discussed in further detail in the Finding and Recommendations section of this report.

Although we noted areas of opportunity for improvement, no material control deficiencies were noted.



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BACKGROUND

Lake Kennedy Community Park spans 46 acres in central Cape Coral and features a range of recreational facilities. Among them are the Sun Splash Family Waterpark, a 14-acre area with water slides and pools, and the Lake Kennedy Senior Center, which provides diverse social, recreational, educational, and rental opportunities. The park also offers spaces for private events, fitness areas, walking trails, park benches, and the Kiwanis Gardens Gazebo. The latest addition to the community park is the tennis and pickleball facility, the Lake Kennedy Racquet Center known as The Courts.



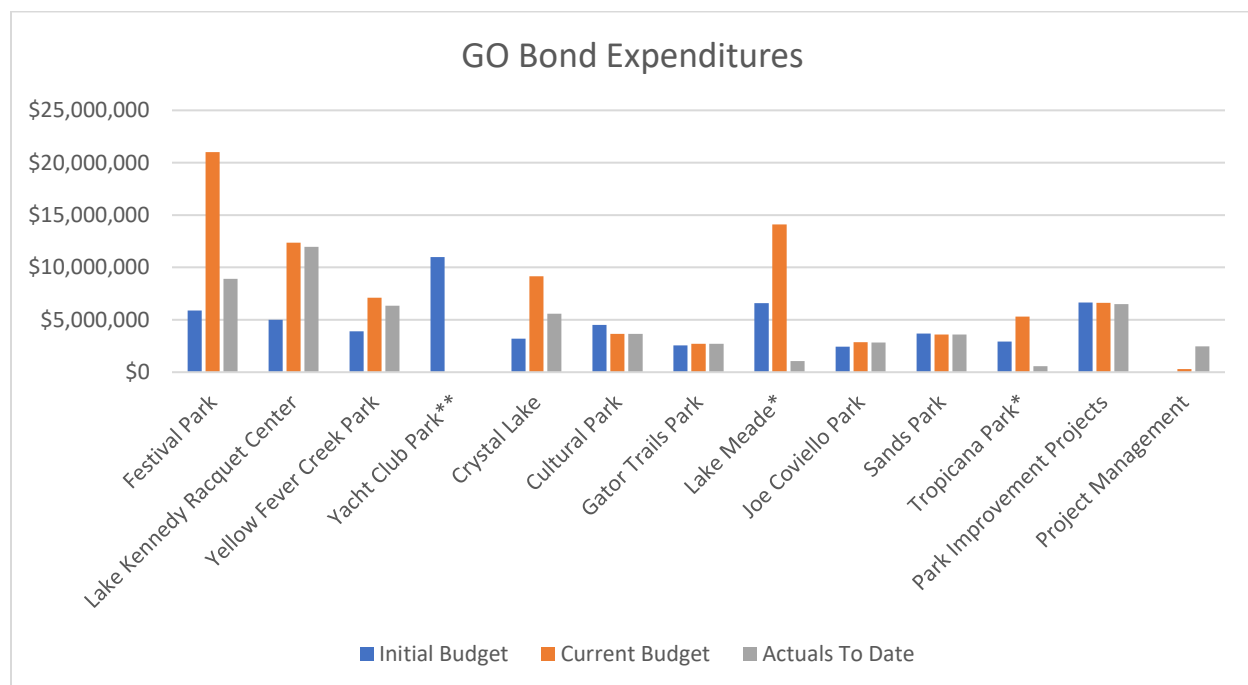
In December 2016, the City Council approved an updated Parks Master Plan (Master Plan) aimed at guiding the development of Parks and Recreation facilities to meet the demands of the city's growth. This Master Plan outlines improvements to current amenities as well as the creation of new ones, addressing areas in need of enhancement and providing a strategic framework for these efforts. Improvements to the Lake Kennedy Community Park were included in the Master Plan and estimated to cost \$2.9 million.

The Master Plan outlines enhancements for both community and neighborhood parks, ranging from minor upgrades to significant renovations of existing facilities, as well as the design and construction of entirely new parks and recreational centers within the City. All projects are required to comply with current City policies and procedures, including those related to procurement. Generally, construction projects progress through several key phases: concept development; procurement for design services; design; pre-construction; procurement for construction; construction; and post-construction.

To support the Master Plan, on June 18, 2018, City management proposed Ordinance 38-18, which authorized a bond referendum for the November 6th ballot. This referendum sought voter approval for 15-year General Obligation Bonds (GO Bonds) of up to \$60 million to fund significant parks and recreation upgrades throughout the city. The measure passed with 53.59% of the vote (37,494 for and 32,475 against). However, the bond funds were not intended to cover recurring operating and maintenance costs for any of the parks

included in the GO Bond plans. The plan estimated these recurring expenses to be about 5% of the total improvement value annually, translating to approximately \$3 million once all projects were completed. At the time the referendum was on the ballot, the Lake Kennedy Community Park project was estimated to cost approximately \$5 million.

Originally, The Courts was designed as a two-phase project. Phase I was intended to be for the construction of 16 pickleball courts and six tennis courts. When the project went out to bid, Phase I was estimated to cost \$8.7 million. Phase II planned to add an additional 16 pickleball courts and six more tennis courts at a later time. However, during the planning process, City management determined that completing the entire project simultaneously would only require an additional \$2 million. This additional amount would cover the extra courts, lighting, and covered seating now necessary as part of the changes. Recognizing the cost savings and the benefits of expediting the project, Council decided to merge both phases into a single construction project. In January 2023, resolution 05-23 awarded the construction contract to Charles Perry Partners, Inc. The contract amount was \$10.7 million with an additional City-controlled contingency amount of up to five percent of the total contract. Including the contingency, the total contract awarded was \$11.2 million. The current budget as of 1/31/25 is \$12.4 million. The following chart shows budget expenditures for GO Bond projects from the initial budget, current budget, and actual expenditures to date as of 1/31/2025. For more detail on project budget expenditures, see Appendix A and Appendix B.



* Projects are no longer being funded by the Parks GO Bond largely due to unexpected increases in costs.

** Hurricane Ian caused significant damage to the Yacht Club area, leading to changes in the renovation plans and prompting further reviews by U.S. Army Corps of Engineers. It is no longer being funded by the Parks GO Bond.

Construction for the project broke ground in March 2023 and was completed in August 2024. With 32 pickleball courts and 12 tennis courts, The Courts is one of the largest racquet facilities in the area and is managed by the Sports Facility Company. In February 2025, the center was rebranded as "The Courts, Cape Coral," with a grand reopening event. With over 2,600 memberships sold during its pre-opening phase and more than 500 daily users, it has become a hub for both local and national sports enthusiasts, contributing to the community's recreational opportunities and economic growth. The venue has already hosted several tournaments, including its first professional event, the Carvana PPA Tour Veolia Cape Coral Open.



In 2021, the City Auditor's Office conducted a performance audit focusing on the planning and design phase of the Lake Kennedy Community Park upgrades. Together, the previous audit and the current one provide a thorough understanding of the project management process, covering everything from inception to completion. The earlier audit also highlighted opportunities for improving overall project management related to the GO Bonds and examined potential grant funding options for GO Bond projects. For additional information, refer to the 21-03 Parks and Recreation GO Bond Lake Kennedy Project Audit. We have included the findings as Appendix C.





FINDING AND RECOMMENDATIONS

FINDING 2024-01: Project Management Initial Planning and Close Out Need Improvement

Rank: High

Condition:

Large projects can span multiple years, cost millions of dollars, and involve several departments which requires proper coordination to ensure efficient processes. Project management helps to provide oversight and coordination. A robust project management process is important to ensure planning, budget, timelines, and close out are managed efficiently and in accordance with contract terms and policies and procedures.

In 2016, the City Manager proposed the idea of GO Bonds to fund park construction and improvements. Also, in 2016, updates to the Parks and Recreation Master Plan concluded the City needs more parks and amenities¹. Based on the recommendations, Phase I of the GO Bonds initially included improvements to existing parks in the City, as well as the addition of neighborhood parks, community parks, design, permitting and construction of Yellow Fever Creek, and land acquisition for future parks². According to a memo from the City Manager's Office dated 1/24/2019, the GO Bond objective was to complete all projects included in the \$60 million bond issue by the end of calendar year 2021, excluding any undue external influences.

Our audit focused on the Lake Kennedy Racquet Center close out process. This was considered a community park project initially budgeted for \$4,994,499³. A clearly defined scope that has been thoroughly vetted with public and City stakeholders provides accurate information for planning and execution of large projects. A lack of both a robust planning and close out process can result in projects that are overbudget, off schedule, and do not meet stakeholder needs.

Planning Best Practices

Project Management Institute Best Practices state, "effective project management requires that project requirements, objectives and scope be documented and become stabilized at some point early in the project life cycle." Proper project planning also helps to solidify project timelines, budgets, performance metrics, and roles and responsibilities for day-to-day functions for the project. Not only did the City not have a stabilized scope of the project early in the project life cycle, but the true scope was not finalized even throughout construction. This lack of a defined scope led to significant budget increases, change orders, and an increase in the project completion timeline.

¹ Source: GO Bond FAQs, Barth and Associates comprehensive study results.

² Phase II includes public private partnerships for enhanced restaurant and retail opportunities at the Yacht Club, Crystal Lake Park, and Cultural Park.

³ Source: GO Bond Summary by Park of Revenues and Expenditures as of 1/31/25.

Project Budget

As of 1/31/25, the project budget increased by \$7,372,018 (148%) for a total current budget of \$12,366,517³. While increases in costs, both labor and materials, can be attributed to supply chain issues following the COVID-19 pandemic, it does not account for the entire budget increase. Based on discussion with project personnel, the original proposal for the project underwent several design changes after the approval of the GO Bonds referendum in November 2018, and these changes compounded throughout planning and construction. Due to unexpected astronomical cost increases fueled by industry changes and changes to the scope and design of the project, Lake Meade Park, the Yacht Club, and Tropicana Park, can no longer be included in funding from the Parks GO Bond.

Change Orders

City Ordinance Chapter 2, Administration, Article VII, Purchase and Sale of Real and Personal Property, Section 2-146(g) states “At the time of contract approval, the City Council may approve a “Contingency” amount for funding the cost of potential changes due to unforeseen circumstances. These funds may also be used to enhance the project.” It is important to note there is no formal definition for unforeseen circumstances or project enhancements. Project management of change orders for the Lake Kennedy Racquet Center project require the contractor to provide RFPs (Request for Proposals)⁴ for unforeseen changes or enhancements to the project. Project Management thoroughly reviews the RFPs prior to approval. RFPs processed for the project totaled approximately \$518,000.

During our review of supporting documentation for change orders funded by the project contingency amount, we performed an analysis of a selection of RFPs that resulted from unforeseen circumstances. We noted while most RFPs were unavoidable and necessary, there were instances where proper planning could have eliminated or reduced the need for changes. For example, RFP 16 was requested to install changes for the fire alarm system at the Pro Shop and Concession building. RFPs attached to change orders must have justification details. For RFP 16 the justification section indicated there were several changes to the original plans and contractor’s scope of work. The original plans approved under the Site Development Permit review identified fire protection components which formed the basis of the bid package scope of work. A separate permit for the fire alarm system is obtained from the City’s Building Department during construction and requires a licensed fire contractor to submit plans for review and approval. This process led to changes from the original design plans (such as additional heat sensors) which resulted in cost increases to the project. This change order cost approximately \$11,000.

Also, RFP 14 was requested to incorporate emergency exits into the perimeter fencing of the park. This adjustment became necessary because the original plans did not include emergency exits, based on the initial assumption that the park would not be locked during operating hours. This situation could have been prevented with more thorough planning.

³ Source: GO Bond Summary by Park of Revenues and Expenditures as of 1/31/25.

⁴ Note: RFPs referred to in this audit are not Procurement RFPs. These RFPs are specific to OCI construction projects and change orders associated with the projects.

If the planning team had evaluated the potential for the park to be locked, they could have anticipated the need for emergency exits and included them in the original design. The issue was identified only after the fence had been fully completed and installed. As a result, a portion of the fence had to be removed and replaced to accommodate the necessary emergency exits. This situation highlights the importance of considering potential scenarios and risks as early as possible and would have saved effort, time, and resources. This change order cost approximately \$59,000.

Close-Out Best Practices

The project closeout process lacks adherence to best practices, leading to missed opportunities for improvement and potential inefficiencies in future projects. Addressing these gaps will enhance the effectiveness of the project close-out process, ensure accountability, and promote continuous improvement. According to Saylor Academy's Project Closure and Auditing (Project Closure and Auditing), closure best practices include holding a close-out meeting with key stakeholders to review project successes, challenges, and opportunities for improvement. The meeting should be followed by the generation of a final close-out report to document the summary of deliverables; performance metrics on schedule, cost, and quality; risks encountered and mitigation strategies; and lessons learned. These practices will help avoid mistakes in future projects and lead to better outcomes in terms of quality, efficiency, and stakeholder satisfaction.

Close-Out Meeting

According to Project Closure and Auditing, close out meetings are an essential part of the project and provide a formal opportunity to evaluate what went well, identify areas for improvement, and discuss lessons learned. Close-out meetings should include key stakeholders involved in the project. The City does not conduct project close-out meetings. This omission prevents a formal close-out to the project and limits the ability to proactively address recurring issues in future projects.

Close-Out Report

The City does not prepare a comprehensive close-out report. A report is needed for summarizing project deliverables; documenting data on schedule, cost, and quality performance; noting encountered risks and mitigation measures, and documenting lessons learned. Its absence limits knowledge transfer, organizational learning and improvement based on opportunities identified in the close out meeting.

Robust planning and close out procedures should be utilized on all City projects to ensure efficient planning and wrap up, provide transparency for project goals and objectives, and help to ensure accurate accounting for large projects that could take multiple years to complete.

Criteria:

- Contract specifications
- Change order and supporting RFPs
- City Ordinance Chapter 2, Administration, Article VII, Purchase and Sale of Real and Personal Property, Section 2-146(g)
- Building Division Plans Review/Inspections policies and procedures
- Parks and Recreation Master Plan
- GO Bond Referendum and support
- Project Management Institute Best Practices
- Saylor Academy Project Closure and Auditing

Cause:

- Lack of fully defined project scope and objectives prior to design
- Change in stakeholder priorities
- Change in City Management and Council
- Lack of formal close-out procedures

Effect:

- Unnecessary change orders
- Cost overruns
- Project delays
- Potential stakeholder dissatisfaction
- Potential recurring project risks resulting in significant changes to scope

Recommendations

2025-01a:

Develop a standardized planning process for all projects that includes internal and external stakeholder involvement, a detailed well-defined, scope; and project metrics for deliverables, costs, schedule, quality of work; and any other metrics deemed vital to the project prior to public solicitation.

* * *

2025-01b:

Develop a comprehensive close out process that includes a review of project successes, challenges and opportunities for improvement as well as a reconciliation of project metrics identified in the planning phase of the project.

Management Response and Corrective Action Plan:

2025-01a Select one of these boxes:

☒ **Agree** ☐ **Partially agree*** ☐ **Disagree***

***For partially agree or disagree a reason must be provided as part of your response.**

2025-01a We will develop a standardized initial planning process for certain projects based on a set of criteria. The process will include identified stakeholders, milestones (if any) and coordination with them and other departments.

2025-01a **Management Action Plan Coordinator:** Public Works Director

2025-01a **Anticipated Completion Date:** 05/01/2025

* * *

2025-01b Select one of these boxes:

☒ **Agree** ☐ **Partially agree*** ☐ **Disagree***

***For partially agree or disagree a reason must be provided as part of your response.**

2025-01b Public Works will develop a procedure to define criteria for projects that need to have a comprehensive close-out project review. The close-out review process will have a close out review meeting and generate a close-out report. Contracts awarded after proposed date will include close-out language.

2025-01b **Management Action Plan Coordinator:** Public Works Director

2025-01b **Anticipated Completion Date:** 07/01/2025

SCOPE

Based on the work performed during the planning phase and the assessment of risk, the audit covers processes, policies, and procedures in place over the Lake Kennedy Racquet Center construction project for FY22, FY23, FY24, and FY25 through December 31, 2024. To evaluate the processes in place and gain an understanding of project management practices, we reviewed policies and procedures, applicable laws and regulations, associated processes, completed various walkthroughs with staff, and conducted an on-site visit of the facility.

STATEMENT OF AUDITING STANDARDS

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

METHODOLOGY

In order to achieve the audit objectives and gain a better understanding of the Lake Kennedy Racquet Center construction process, we conducted interviews and walkthroughs and a site visit with key staff in OCI. Sample size and selection were based on the CAO sampling methodology.

To determine if payments to contractors were paid accurately and timely, we elected to test 100% of the pay apps paid to the construction contractor. We reviewed these pay apps and supporting documentation to verify for proper approval, authorization, accuracy, and timeframe.

To determine if change orders were properly supported, approved, and authorized, we elected to test 100% of all change orders processed throughout the construction project that were associated with the pay apps tested. We also reviewed the associated RFPs of the change orders for proper approval and support. We analyzed the scope and justification of the RFPs to determine the cause and necessity of the RFPs.

We performed an analysis of the project from inception and design to completion of construction to determine changes in budgets and timelines.

METHODOLOGY (continued)

To determine if the project was completed in accordance with industry best practices, we inquired with management for evidence of best practices in place for planning and close out processes.

We reviewed project information in the project management software. The project management software is used as a repository of information and therefore no additional data reliance testing was deemed necessary.

We also utilized data from the City's financial accounting system to verify pay app and change order information. The financial accounting system is tested by the external auditors as part of the Annual Comprehensive Financial Report. Based on the results of their procedures, no additional data reliance testing was deemed necessary.

Unless specifically stated otherwise, based on our selection methods, and testing of transactions and records, we believe that it is reasonable to project our results to the population and ultimately draw our conclusions for testing, findings, and recommendations on those results. Additionally, for proper context we have presented information concerning the value and/or size of the items selected for testing compared to the overall population and the value and/or size of the exceptions found in comparison to the items selected for testing.

APPENDIX A

GO Bond Budget and Expenditure Analysis

Park	Initial Budget	% of Initial Budget to GO Bond Grand Total	Current Budget	% of Current Budget to GO Bond Grand Total	% Change of Initial Budget to Current Budget	Actual \$ Spent	% of Actual \$ Spent to GO Bond Grand Total	Project Status
BMX GO	185,000	0.31%	65,160	0.11%	-65%	65,160	0.11%	COMPLETED
Burton Park GO	185,000	0.31%	-	0.00%	-100%	-	0.00%	OPERATION SPARKLE (A)
Crystal Lake GO	3,185,748	5.30%	9,172,270	15.25%	188%	5,585,898	9.29%	Under construction
Cultural Park GO	4,513,340	7.50%	3,651,352	6.07%	-19%	3,648,579	6.06%	COMPLETED
1 DelPrado Linear Park GO	1,000,000	1.66%	1,490,362	2.48%	49%	1,490,362	2.48%	COMPLETED
8 Festival Park GO	5,882,500	9.78%	21,007,673	34.92%	257%	8,917,408	14.82%	Under construction
Gator Trails Park GO	2,572,444	4.28%	2,703,485	4.49%	5%	2,700,561	4.49%	COMPLETED. Previously named Gator Circle Park
5 Guiffida Park GO	470,000	0.78%	825,268	1.37%	76%	825,268	1.37%	COMPLETED
Horton Neighborhood Park GO	262,000	0.44%	94,500	0.16%	-64%	94,500	0.16%	COMPLETED
Jason Verdow GO	260,000	0.43%	1,374	0.00%	-99%	1,375	0.00%	OPERATION SPARKLE (A)
Koza Saldino Field GO	300,000	0.50%	307,478	0.51%	2%	307,478	0.51%	COMPLETED
Lake Kennedy Racquet Center	4,994,499	8.30%	12,366,517	20.56%	148%	11,976,021	19.91%	Substantially Complete
2.8 Lake Meade GO	6,589,916	10.96%	14,122,037	23.48%	114%	1,058,485	1.76%	Under re-design due to potential public partnership to include an aquatic center
Multi Sports Park GO	1,900,000	3.16%	1,503,666	2.50%	-21%	1,503,666	2.50%	Land
Northwest Softball Complex GO	550,000	0.91%	377,428	0.63%	-31%	377,427	0.63%	COMPLETED
Joe Coviello Park	2,426,479	4.03%	2,853,308	4.74%	18%	2,819,341	4.69%	Substantially complete. Previously named Oasis Woods Park
Parks WH-FI Project GO	200,000	0.33%	6,312	0.01%	-97%	6,312	0.01%	No updates at this time
Pelican Baseball GO	500,000	0.83%	363,787	0.60%	-27%	363,787	0.60%	COMPLETED
Pelican Soccer GO	100,000	0.17%	99,014	0.16%	-1%	99,014	0.16%	COMPLETED
Shade Structures at parks	510,000	0.85%	1,331,485	2.21%	161%	1,216,516	2.02%	Playground and bleachers project substantially complete
3.4 Project Management	-	0.00%	300,000	0.50%	N/A	2,464,979	4.10%	Funded by General Fund (B)
Sands Park GO	3,675,424	6.11%	3,590,618	5.97%	-2%	3,588,384	5.97%	Substantially complete.
Storm Football Field GO	235,000	0.39%	148,193	0.25%	-37%	148,193	0.25%	COMPLETED
Tropicana Park GP	2,928,778	4.87%	5,310,291	8.83%	81%	588,015	0.98%	Under construction
6 Yacht Club Park GO	10,980,027	18.25%	-	0.00%	-100%	-	0.00%	Removed from GO Pond project list on FY25 Budget Amendment #1
7 Yellow Fever Creek Park GO	3,900,000	6.48%	7,119,997	11.84%	83%	6,351,731	10.56%	Under construction. Contractor is being assessed liquidated damages.
	Total \$	58,306,155	88,811,575	147.64%	52%	56,196,460	93.42%	
	Construction Contingency \$	1,846,364						
	GO Bond Grand Total \$	60,152,519						

This table was recreated using the GO Bond Summary of Revenues and Expenditures as of 1/31/2025 provided by Financial Services in Appendix B

- Basin 4 Freshwater original budget has been reallocated to Del Prado Linear Park. - \$500,000.
- Sunspash and Basin 3 Freshwater original budget has been reallocated to Lake Meade - \$500,000/each.
- Project Management includes non-park specific expenditures. Encumbrances will be incurred until a specific park can be identified for the expenditure.
- Budget includes \$300,000 transfer in from General Fund for administrative expenditures not covered by the bond.
- Budget \$1,486 moved from Guiffida Park GO to Lake Kennedy Racquet Center.
- Budget includes \$2,066,674 in grant awards towards Yacht Club and \$500,000 transfer in from Yacht Basin Fund.
- Budget includes \$50,000 in grant awards towards Yellow Fever Creek.
- Budget includes FY 2024 BA#2 utilizing Impact Fees and Disaster Reserves for GO Bond projects.

Notes:
(A) Operation Sparkle is not included in GO Bond Funding
(B) Funded by General Fund is not included in GO Bond Funding

APPENDIX B

2016 Parks Master Plan Recommendations presented to Council on June 18, 2018

Cape Coral Parks Master Plan 2016 Current Recommendations				
Project	Development Cost	Location	O & M	Total
Yacht Club	\$19,400,000	SE	\$650,000	\$20,050,000
Festival Park	\$1,250,000	NW	\$300,000	\$1,550,000
Lake Kennedy Community Park	\$2,900,000	SW	\$150,000	\$3,050,000
Yellow Fever Creek	\$3,900,000	NE	\$900,000	\$4,800,000
Gator Circle Park	\$2,735,000	NE	\$130,000	\$2,865,000
Cultural Park	\$2,735,000	SE	\$130,000	\$2,865,000
Crystal Park	\$2,735,000	NW	\$130,000	\$2,865,000
Sands Park	\$2,735,000	SW	\$130,000	\$2,865,000
Lake Meade	\$2,735,000	NE	\$130,000	\$2,865,000
Oasis Woods	\$2,735,000	SW	\$130,000	\$2,865,000
Tropicana Park	\$2,735,000	NW	\$130,000	\$2,865,000
Acquire Land	\$5,000,000	All	N/A	\$5,000,000
Develop Citywide Park Design	\$50,000	New Parks	N/A	\$50,000
Improve Existing Aesthetics	\$5,000,000	All Areas	N/A	\$5,000,000
Totals	\$56,645,000		\$2,910,000	\$59,555,000

Parks Master Plan – GO Bond presentation to the Committee of the Whole on August 13, 2018

Project	Phase I					
	Master Plan	Land Acquisition	Design & Permitting	Construction	Improve Existing	Subtotal
Neighborhood Parks						
Sands Park	\$ 35,000	\$ -	\$ 171,428	\$ 2,500,000	\$ -	\$ 2,706,428
Tropicana Park	\$ 35,000	\$ -	\$ 171,428	\$ 2,500,000	\$ -	\$ 2,706,428
Cultural Park	\$ 520,770	\$ -	\$ 520,770	\$ 3,471,800	\$ -	\$ 4,513,340
Lake Meade	\$ -	\$ 1,500,000	\$ -	\$ 3,996,502	\$ -	\$ 5,496,502
Gator Circle	\$ 296,821	\$ -	\$ 296,821	\$ 1,978,804	\$ -	\$ 2,572,446
Oasis Woods (Environmental)	\$ 35,000	\$ -	\$ 171,428	\$ 1,817,500	\$ -	\$ 2,023,928
Crystal Park	\$ 367,586	\$ -	\$ 367,586	\$ 2,450,576	\$ -	\$ 3,185,748
subtotal	\$ 1,290,177	\$ 1,500,000	\$ 1,699,461	\$ 18,715,182	\$ -	\$ 23,204,820
Community Parks						
Yacht Club	\$ -	\$ -	\$ -	\$ 10,980,027	\$ -	\$ 10,980,027
Festival Park	\$ 150,000	\$ 1,500,000	\$ 800,000	\$ 3,432,500	\$ -	\$ 5,882,500
Lake Kennedy (including Sun Splash)	\$ -	\$ -	\$ -	\$ 4,994,499	\$ -	\$ 4,994,499
subtotal	\$ 150,000	\$ 1,500,000	\$ 800,000	\$ 19,407,026	\$ -	\$ 21,857,026
Existing Parks						
Northwest Softball Complex	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Horton Pavilion	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Giuffrida	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Del Prado Linear Park	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Pelican	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000
Sun Splash	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Basin 4 Freshwater Boat Ramp	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Basin 10 Freshwater Boat Ramp	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Shade Structures (10)	\$ -	\$ -	\$ -	\$ -	\$ 850,000	\$ 850,000
Koza Saladino	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
subtotal	\$ -	\$ -	\$ -	\$ -	\$ 4,750,000	\$ 4,750,000
Environmental Parks						
Yellow Fever Creek	\$ -	\$ -	\$ 400,000	\$ 3,500,000	\$ -	\$ 3,900,000
subtotal	\$ -	\$ -	\$ 400,000	\$ 3,500,000	\$ -	\$ 3,900,000
Future Parks						
Multi Sports	\$ -	\$ 1,900,000	\$ -	\$ -	\$ -	\$ 1,900,000
subtotal	\$ -	\$ 1,900,000	\$ -	\$ -	\$ -	\$ 1,900,000
Phase sub-totals	\$ 1,440,177	\$ 4,900,000	\$ 2,899,461	\$ 41,622,208	\$ 4,750,000	\$ 55,611,846
Total	\$ 55,611,846					
Construction Contingency %	9%					
Construction Contingency \$	\$ 4,173,499					
Grand Total	\$ 59,785,345					
Phase II						
Enhance Restaurant/Retail opportunities with a Public Private Partnership						
Yacht Club						
Crystal Lake Park						
Cultural Park						
* O&M Budgeted costs \$3M or 5% of \$60M; Phased in over 10 years (with first 2 years beginning at \$0).						

APPENDIX B (continued)

Go Bond Summary by Park provided by Financial Services

GO Bond Summary by Park of Revenues and Expenditures As of 1/31/25

Park	Initial Budget	Current Budget	Actuals	Encumbrances	Available Budget Life to Date	Project Status
BMX GO	185,000	65,160	65,160	-	-	- Completed
Burlon Park GO	185,000	-	-	-	-	- Operation Sparkle
Crystal Lake GO	3,185,748	9,172,270	5,585,898	3,586,372	-	- Under Construction
Cultural Park GO	4,513,340	3,651,352	3,646,579	4,773	-	- Completed
¹ Del Prado Linear Park GO	1,000,000	1,490,362	1,490,362	-	-	- Completed
² Festival Park GO	5,882,500	21,007,673	8,917,408	12,083,367	6,898	- Under Construction
Gator Trails Park	2,572,444	2,703,485	2,700,561	2,924	-	- Completed ; Previously Named Gator Circle Park
³ Guifrida Park GO	470,000	825,268	825,268	-	-	- Completed
Horton Neighborhood Park GO	262,000	94,500	94,500	-	-	- Completed
Jason Verdow GO	260,000	1,375	1,375	-	-	- Operation Sparkle
Koza Saldino Field GO	300,000	307,478	307,478	-	-	- Completed
Lake Kennedy Racquet Center	4,994,499	12,366,517	11,976,021	390,495	-	- Substantially complete
⁴ Lake Meade GO	6,589,916	4,122,037	1,058,485	85,000	12,978,552	- Under redesign due to potential public partnership to include an aquatic center
Multi Sports Park GO	1,900,000	1,503,666	1,503,666	-	-	- Land
Northwest Softball Complex GO	550,000	377,427	377,427	-	-	- Completed
Joe Coviello Park	2,426,479	2,853,308	2,819,341	33,967	-	- Substantially complete; Previously Named Oasis Woods Park
Parks WIFI GO	200,000	6,312	6,312	-	-	- no updates at this time
Pelican Baseball GO	500,000	363,787	363,787	-	-	- Completed
Pelican Soccer GO	100,000	99,014	99,014	-	-	- Completed
Shade Structures	510,000	1,331,485	1,216,516	-	114,969	- Playground and bleachers project substantially complete
⁵ Project Management	-	300,000	2,464,979	698,756	(2,863,735)	- General Funded
Sands Park GO	3,675,424	3,590,618	3,588,384	2,235	-	- Substantially complete
Storm Football GO	235,000	148,193	148,193	-	-	- Completed
Tropicana Park GO	2,928,778	5,310,291	588,015	4,722,276	-	- Under Construction
⁶ Yacht Club Park GO	10,980,027	-	-	-	-	- This Park moved out of the GO Bond Projects on FY25 BA#1.
⁷ Yellow Fever Creek Park GO	3,900,000	7,119,997	6,351,731	646,700	121,566	- Under construction. The contractor is being assessed liquidated damages.
Total \$	58,306,155	\$ 88,811,575	\$ 56,196,458	\$ 22,256,866	\$ 10,358,250	
Construction Contingency \$	1,846,364					
General Obligation Grand Total \$	60,152,519					
Funding Sources for Current Budget						
General Obligation Bond	\$	60,000,000				
Intergovernmental Grants		50,000				
Transfers In						
General Fund		8,300,000				
Yacht Basin		-				
Parks Impact		6,000,000				
Committed Fund Balance		12,842,921				
FEMA reimbursements		1,618,654				
Total Funding Sources	\$	88,811,575				

¹ Basin 4 Freshwater original budget has been reallocated to Del Prado Linear Park. - \$500,000.

² Sunsplash and Basin 3 Freshwater original budget has been reallocated to Lake Meade - \$500,000/each.

³ Project Management includes non-park specific expenditures. Encumbrances will be incurred until a specific park can be identified for the expenditure.

⁴ Budget includes \$300,000 transfer in from General Fund for administrative expenditures not covered by the bond

⁵ Budget \$1,486 moved from Guifrida Park GO to Lake Kennedy Racquet Center

⁶ Budget includes \$2,066,674 in grant awards towards Yacht Club and \$500,000 transfer in from Yacht Basin Fund

⁷ Budget includes \$50,000 in grant awards towards Yellow Fever Creek

⁸ Budget includes FY 2024 BA#2 utilizing Impact Fees and Disaster Reserves for GO Bond projects

APPENDIX C

The following findings are from the 21-03 Parks and Recreation GO Bond Lake Kennedy Project Audit

FINDING 2021-01: GO Bonds overall project management needs improvement
Rank: High

Condition:

In 2016, Council approved the City of Cape Coral Parks Master Plan Update. Part of the Plan proposed renovations to existing parks as well as construction of new community and neighborhood parks. To fund the improvements to existing parks and new construction, the City issued a \$10.2 million bank note to fund the design and other expenses of the \$60 million in GO Bonds approved by the voters in November 2018. In July 2019, City Management began the extensive process of executing GO Bond projects by obtaining professional engineering services for the design of neighborhood and community parks. The contractual project timeline presented by the design firm reflected a start date of August 6, 2019, with anticipated completion of December 31, 2021.

As part of the audit, we discussed current project status and reviewed documentation, such as, timelines and schedules, cost estimates, meeting minutes and general project plans. The Lake Kennedy project is still in the design phase. According to the latest project schedule, construction bids for construction won't be advertised until late 2021. The original design firm schedule for community parks indicated construction was to be completed by December 31, 2021.

This initial schedule changed due to various external and internal influences such as:

- Council directed delays
- numerous design modifications proposed from input by special interest groups, City staff, and constituents
- changes in procurement front-end documentation
- changes in equipment standardization process
- various local code aspects relating to commercial developments

A cost benefit analysis would be beneficial to officials and those involved in the project to assist in making informed decisions on whether proposed changes are feasible; for example, the addition of tennis and pickleball courts, and a larger pro shop/ concession facility proposed by special interest groups. City management communicated the changes via a memo, dated June 17, 2021, that documented all the areas that would need to be changed including landscaping, lighting, parking and other changes to accommodate the additional courts. These changes totaled approximately \$2.7 million. No formal cost benefit analysis was completed for the change. The Lake Kennedy full

build out project current cost estimates, including the proposed changes, are over \$8.6 million in comparison to the original proposal cost of approximately \$5 million, this is a 72% increase. The project also appears to be more than 230 days over original schedule and final construction costs estimates are still pending because final design is not yet complete. Finally, there are currently no revised future operating or maintenance cost estimates available.

It is also important to note that there is no cost escalation factor included in the GO Bond authorization. City staff recognizes the need for escalation with each Opinion of Probable Construction Cost. Given the time span of the GO Bond projects (initial plans in 2016, bond issuance 2018), items like a cost escalation factor should be utilized, considering the magnitude of the project even excluding changes and unforeseen events such as the COVID-19 pandemic. In addition, to the length of projects from inception to completion, the collaboration necessary between different departments (Parks and Recreation, Public Works, Utilities) requires organized and distinct project oversight and project management to ensure open, accurate, and timely communication within departments and with the public.

CRITERIA:

- Parks and Recreation Master Plan
- Project management best practices
 - Defined project scope, timeline, objectives
 - Clear documentation of changes
 - Cost benefit analysis for proposed changes
 - Change management process
- Design firm project schedules and estimates
- Inter-departmental collaboration

CAUSE:

- Vague initial defined project, vision, goals, scope
- Reconciliation and refining of initial vision in the Parks Master Plan scope with the wishes of the community
- Multiple significant design/scope changes
- Requests by special interest groups, City staff and constituents
- No cost benefit analysis for changes
- Time span between initial project cost estimating, scope versus costs at time of design and construction

EFFECT:

- Cost overruns
- Scheduling delays/off schedule
- Undetermined future/long-term operating and maintenance cost

RECOMMENDATIONS:

2021-01a. Improve oversight to ensure GO Bond projects stay on schedule and within cost estimates. Oversight should include a formal documented process to thoroughly vet proposed changes to projects and include a cost benefits analysis to allow for informed decisions for the changes.

2021-01b. Complete a formal cost benefits analysis for project modifications with significant (i.e., greater than 5% cost or 90 days schedule) scope design changes.

FINDING 2021-02: Pursue grant funding for future GO Bond projects

Rank: Medium

CONDITION:

The Plan, completed in November 2016, identified issues, needs, and opportunities for improving and expanding the City's recreation, parks, and open space to keep up with continued substantial economic growth, development and increasing population. Since funding the updates and expansion on a pay as you go basis could take decades to complete, in accordance with the Plan, the City decided to issue GO Bonds as a main source of funding and investigate opportunities for grant funding to supplement project costs when possible.

Figure 5.9 "Potential Funding Sources for the Proposed Lake Kennedy Community Park Venue" from the Plan, lists potential alternative sources of grant funding totaling approximately \$1.8 million from the following grants:

- Great Urban Parks Campaign Grant
- Land and Water Conservation Grant
- Florida Recreation Development Assistance Program
- Urban & Community Forestry
- USTA Public Facilities Grant
- American Academy of Dermatology
- Recreational Trail Program

Grants are important not only to supplement funding for increased costs of construction and design, but also to provide support for community development projects; provide assistance with acquisition or development of land; improve the opportunity to leverage local dollars; and improve visibility of the City. One goal discussed for the Lake Kennedy Community Park venue was to provide a facility that could host tournaments. A local tournament could bring increased visibility and revenue to the City for vendors, participants, and players; however, additions to the original plans for a tournament venue now will be solely the responsibility of the City since no further inquiries into grant funding have been performed at this time.

The City currently utilizes an outside consultant for grant research and writing. Grants often have stringent requirements for document submission as well as time frames that would make it difficult to adhere to without a dedicated grant writer like those on staff with Police and Fire. Changes to plans from public and special interest groups as well as unforeseen cost increases have limited what can be accomplished with GO Bond funding alone. Given the lists of “wants” and “needs” for GO Bond projects and the time span from conception to completion, supplemental funding would assist the City to better be able to accomplish as much as possible given limited resources.

CRITERIA:

- Parks Master Plan Update completed November 2016
- Input from special interest groups, City, and Council
- Proposed changes

CAUSE:

- Failure to further investigate and obtain potential grant funding
- Changes to Lake Kennedy plans
- Increased costs
- No dedicated grant writer for City (Parks and Recreation)

EFFECT:

- Loss of supplemental funding
- Potential unfunded cost overruns

RECOMMENDATION:

2021-02. Develop a plan to pursue alternative funding, such as grants and/or partnerships for other future GO Bonds Projects.

APPENDIX D

Finding Classification

Findings are grouped into one of three classifications: High, Medium, or Low. Those findings that are categorized as low are not included in the report but rather are communicated separately to management. Classifications prioritize the findings for management to address and also indicate the level of testing required to determine if a finding's Corrective Action Plan is fully implemented in accordance with recommendations and Management's Response.

High: A finding that is ranked as "High" will have a significant impact on the organization. It is one that *prevents* the achievement of a substantial part of significant goals or objectives, or is the result of noncompliance with federal, state, or local laws, regulations, statutes, or ordinances. Any exposure to loss or financial impact for a High finding is considered *material*. Examples include direct violation of City or Department policy, blatant deviation from established policy and procedure, such as actions taken to circumvent controls in place, material non-compliance with federal, state, or local laws, regulations, statutes or ordinances, or an area where significant cost savings could be realized by the Department or the City through more efficient operations.

High findings require immediate management attention and should take management's priority when considering implementation for corrective action.

Medium: A "Medium" finding is one that *hinders* the accomplishment of a significant goal or objective or is the result of non-compliance with federal, state, or local laws, regulations, statutes, or ordinances, but can't be considered as preventing the accomplishment of the goal or objective or compliance with federal, state, or local laws, regulations, statutes, or ordinances. Exposure to loss or potential or actual financial impact is *significant but not material* to the Department or City. Examples include lack of monitoring of certain reports, insufficient policies and procedures, a procedure in place or lack of a procedure that can result in *potential* noncompliance with laws and or regulations.

Medium findings require management attention within a time frame that is agreed upon by the Department and the City Auditor. Priority for implementation of management's corrective action should be considered in light of other High or Low findings.

Low: A "Low" finding is one that warrants communication to management but isn't considered as hindering the accomplishment of a significant goal or objective or isn't noncompliance with federal, state, or local laws, regulations, statutes, or ordinances. Financial impact or risk of loss is minimal to none; however, low findings can *hinder the effectiveness or quality of department operations and thus are communicated to management separately. Low ranked findings are not included in the final audit report.*

The City Auditor's Office will not follow up on the status of Low findings communicated to Management.