

St. Petersburg City Council
BUDGET, FINANCE & TAXATION COMMITTEE

Committee Report for the Meeting of May 14, 2009

Members: Chair James R. "Jim" Kennedy Jr., Vice-Chair James S. Bennett, Jeff Danner, Wengay M. "Newt" Newton Sr. & Karl Nurse (alternate).

Call to Order

Approval of Agenda

Approval of Minutes of April 16 & April 23, 2009

1. New Business

a. RFP Process for Deferred Compensation Plans

Mr. Gary Cornwell, Human Resources Director and Mr. Jim Link, PFM Advisors, gave a presentation on the outcome of the RFP Process for Deferred Compensation Plans. Mr. Cornwell stated that both our consultant and evaluation committee had short listed the following three vendors: ICMA, Great West, and Prudential for follow-up interviews. Based on the outcome of the committee's interviews, ICMA and Great West were asked to submit best and final offers. Based on submitted proposals, interviews, and best and final offers, the evaluation committee is recommending ICMA as the City's single defined contribution (401a) and deferred compensation (457) vendor/record keeper. Mr. Newton inquired about revenue sharing and fees. Mr. Cornwell explained that the new contract allowed additional flexibility and lower fees. Mr. Nurse shared a concern associated with offering too many fund choices. Mr. Nurse has found that employees "freeze" or can become confused when given too many investment options. Mr. Cornwell and Mr. Link agreed and indicated that the funds were structured in such a way to avoid confusion. Mr. Bennett inquired as to why Prudential appeared on the spreadsheet to be one of the top two vendors, but was not listed that way on the report. Mr. Cornwell explained that the spreadsheet was created using the original proposals and that all vendors had many significant adjustments to their proposals. Mr. Newton moved to approve the selection committee's recommendation. Mr. Bennett seconded and the motion passed unanimously.

b. Public Utility Bonds Series 2009 A & B

Mr. Jeff Spies, Finance Director, discussed the prospect of issuing debt for construction and acquisition of Public Utility Projects and the possibility of refinancing the City's Public Utility Revenue Bonds, Series 1999B (PURB). Mr. Spies explained that the Public Utility Refunding Bonds, Series 2009A (PURB) will provide approximately \$47.2 million of new capital project funding for the

current capital improvement program of the Water, Wastewater, and Reclaimed Water activities of the City. Mr. Spies stated that the issue will be competitively bid to the market and will have a 30 year final maturity. He explained that the PURRB Series 2009B will provide for the possible refunding of PURB Series 1999B, depending on market conditions at the time of bid. In closing, Mr. Spies explained that no bonds will be refunded unless the net present value is 3% of the refunded bonds. Mr. Nurse inquired about current earnings and present value. Mr. Spies explained that this proposed debt service would be best for the City in the long term and that in his opinion, interest rates will increase during the term of the bond. Mr. Bennett moved to approve and Mr. Danner seconded, the motion passed unanimously.

c. Quarterly Financial Reports

Mr. Jeff Spies, Finance Director, and Mr. Tim Finch, Budget & Management Director, distributed the following quarterly reports, all dated March 31, 2009: Debt Report, Pension Investment Report, Selected Funds Status Report, Investment Report, and Budget to Actual Report. Mr. Spies explained that he had previously gone over the layout and structure of each report with the exception of the Budget to Actual Report. Mr. Spies explained the structure of the Budget to Actual Report in detail and offered to review any of the provided reports with individual council members.

2. Continued / Deferred Business
 - a. None

3. Next Meeting Agenda Tentative Issues
May 28, 2009
 - a. Deferred Compensation Plans & Pension Plans
Gary Cornwell, Human Resources Director

4. Adjournment – meeting adjourned at 9:01 am.

**BUDGET, FINANCE & TAXATION COMMITTEE
PENDING / CONTINUING REFERRALS**

TOPIC	DATE REFERRED	REFERRED BY	SCHEDULED / HEARD ON	RETURN DATE	STAFF RESPONSIBLE	SPECIAL NOTES
Home Energy Loan Program (HELP)	04.23.09	Kennedy		6.18.09	DeYampert	Kennedy requested update on status of HELP.
Social Services Funding	01.15.09	Metz			Metz	If FY10 funding, would like to discuss Council Member priorities.