

**St. Petersburg City Council
BUDGET, FINANCE & TAXATION COMMITTEE**

AGENDA

**Meeting of MAY 30, 2013
8:00 AM City Hall Room 100**

Members & Alternate: **Chair James R. “Jim” Kennedy, Jr.; Vice-Chair Charles Gerdes;
Karl Nurse; Leslie Curran and William Dudley (alternate)**

Support Staff: **Thomas Hoffman, Finance Department & Angela Ramirez,
Budget Analyst II, Budget Department**

- A. Call to Order
- B. Approval of Agenda
- C. Approval of Minutes
 - 1. [Minutes of May 9, 2013](#)
- D. New Business
 - 1. [2nd Quarter Lease Report \(Bruce Grimes\)](#)
 - 2. [2nd Quarter Grants Update \(Tom Greene\)](#)
- E. Upcoming Meetings Agenda Tentative Issues
 - 1. [June 13, 2013](#)
 - (a) Community Brownfield Fund – Follow up (Sophia Sorolis)
 - 2. [July 18, 2013](#)
 - (a) 3rd Quarter Grants Update
 - 3. [August 8, 2013](#)
 - (a) 3rd Quarter Financials Report (Anne Fritz/Tom Greene)
- F. New Business Item Referrals -
 - 1. [Referrals \(attached\) - Review and re-prioritize referral list](#)
- G. Adjournment

Attached documents for item Minutes of May 9, 2013

CITY OF ST. PETERSBURG
Budget, Finance & Taxation Committee
May 9, 2013 at 8:03 a.m.

Present: Chair James R. Kennedy, Councilmembers Karl Nurse and William Dudley (Alt).

Also: Chair James R. Kennedy, Councilmembers Karl Nurse and William Dudley (Alt). Councilmember Steve Kornell, Mark Winn, Chief Assistant City Attorney; Tish Elston, City Administrator; Anne Fritz, Director Finance; Tom Greene, Budget Director; Jennifer Millet, Collections Officer, Billings & Collections; Gary Cornwell, Director Human Resources; Thomas Hoffman, Controller; Angela Rameriz, Budget Analyst II, Budget & Management and Cathy E. Davis, Deputy City Clerk.

Absent: Vice-Chair Charlie Gerdes and Councilmember Leslie Curran.

Chair Kennedy called the meeting to order. In connection with the approval of the meeting Agenda Councilmember Nurse motioned that the agenda be approved as submitted. All were in favor of the motion. Ayes. Kennedy. Nurse. Dudley (Alt). Nays. None. Absent. Curran. Gerdes.

In connection with the approval of the March 28th & April 11th meeting minutes Councilmember Nurse motioned for approval. Ayes. Kennedy. Nurse. Dudley (Alt). Nays. None. Absent. Curran. Gerdes.

Councilmember Curran was reported present at 8:07 a.m.

Chair Kennedy thanked Jennifer Millet for her service to the committee as staff liaison and welcomed newly assigned staff liaisons Thomas Hoffman and Angela Ramirez.

Anne Fritz, Finance Director and Tom Greene, Budget Director addressed the committee and provided report of the 2nd Quarter Financials consisting of the following: Investments, Debt, Pension Fund, Parks Preservation Fund, Second Quarter Budgetary Analysis and Fund Balance.

In connection with March 31, 2013 Quarterly Investment Report, Ms. Fritz stated the city managed portfolio have a amortized book value of \$420.4 million and corresponding market value of \$423.3 million, resulting in an unrealized gain of \$2.9 million. The change in market value will not be realized unless the investment is sold or significantly impaired. When all sources of interest income are combined for the twelve months ended March 31, 2013, the City's investment earnings were \$4.6 million, with an average return of 1.26%. Investment earnings are expected to remain low as the unfavorable rate environment continues with little recovery in returns being expected in 2014. The committee discussed briefly investment earnings and current interest rates.

In connection with the Quarterly Debt report Ms. Fritz stated future funding sources are required to service General Governmental Debt, annual General Governmental debt service which currently extends to 2026, future funding sources required to service Enterprise Debt and annual Enterprise debt service which currently extends to 2043.

In connection with the Pension Funds Report Ms. Fritz stated the fund reflects the activity in the City's Employees Retirement Fund, Fire Pension Fund and Police Pension Fund for the six months ending March 31, 2013. Included in the report are comparative financial statements for the six months ending March 31, 2013 to the year ended September 30, 2012, details of the investments held by the Pension Plans and report of the solvency tests utilizing the October 1, 2012 actuarial report for each of the Pension Plans. During the six month reporting period, the Pension Plans experienced an aggregate interest and dividend income earnings of approximately \$26.7 million and realized and unrealized investment gains of \$35.3 million. Future implementation of GASBs 67 and 68 are expected to have an adverse impact on the City's financial statements.

In connection with report regarding the Parks Preservation Fund Ms. Fritz reported concerning activity of the fund from inception in 2001 through March 31, 2013. The report provides detailed year to date activities, identifying revenues, expenditures and transfers in and out, reports the fund balance. During the reporting period for the year, the fund has interest and dividend income earnings of \$89,143 and realized and unrealized investment gains of \$1.2 million. The fund balance at March 31, 2013 was \$17.9 million, of which \$14.6 is designated and \$3.1 million is undesignated.

In connection with the Fiscal Year 2013 Second Quarter Budgetary Analysis and Fund Balance Report, Mr. Greene provided comparison of projected ending fund balances to established targets and stated the second quarter results indicate that most of the City's funds are expected to operate within expense budgets for the year. It was noted that the City continues to be challenged by the lingering effects of the most recent recession, adversely impacting revenues in the General Fund and several Enterprise Funds. During the second quarter, four Penny Capital Projects were closed with an aggregate unspent amount of \$183,971 which is recommended to be used as a portion of the match requirement for an Albert Whitted Airport grant. Water Resource closed fourteen capital projects during the quarter, coming in under the budget amount by \$113,037.

In connection with committee discussion Councilmember Nurse commented that the target for cuts are not as large as the reduction in revenue and not significant enough. Councilmember Nurse also commented regarding the airport subsidy and Jamestown renovations and stated he would like to see us take a more aggressive look at the CIP expenditures and pull forward the

things that could save us money. Mr. Nurse further commented regarding the police and fire budgets and costs related to fuel and vehicle replacement. Ms. Elston reported that 20 new police vehicles are expected to arrive the last week of May and 20 scheduled to arrive the week of June 10th. Councilmember Nurse inquired as to how soon the new vehicles be put into service. Administrator Elston stated she would consult with staff and report back.

Councilmember Kornell commented regarding the shortfall of \$12.6 million in reserves and asked for a list to show cause. Mr. Green stated the \$12.6 million would be the amount the general fund is under target. Chair Kennedy commented regarding the replenishment of reserves.

In connection with discussion regarding the Health Insurance Medical Reserve Fund Balance Gary Cornwell, Human Resources Director, provided information relative to the anticipated September 30, 2013 Health Insurance Fund balance falling short of the targeted amount. Mr. Cornwell explained that premium contributions are lagging expenditures stemming from a timing difference and stated that he does not believe a subsidy is necessary and would soon have the employee clinic online.

In connection with committee discussion Councilmember Nurse commented regarding proposed employee clinic and asked if staff had a deal. Mr. Cornwell stated staff is actively working on putting together a deal and would have something in July. Councilmember Nurse further commented regarding employee emergency room for non-emergency situations and asked if there were a way around privacy laws to obtain the data regarding such visits without revealing the employee and use as an educational tool. Attorney Winn stated notice could be sent from insurer United Health Care and not the city.


There being no further business, the meeting was adjourned at 9:22 a.m.

Attached documents for item 2nd Quarter Lease Report (Bruce Grimes)



CITY OF ST. PETERSBURG
MEMORANDUM

TO: The Honorable James R. Kennedy, Jr., Chair and Members of the Budget, Finance and Taxation Committee

FROM: Bruce Grimes, Director, Real Estate & Property Management 

DATE: Meeting of May 30, 2013

SUBJECT: 2nd Quarter Delinquent Lease List

In accordance with the Budget, Finance, and Taxation Committee's request, attached is the delinquent lease list for the 2nd quarter.

cc: Mayor Bill Foster
Tish Elston
John Wolfe
Rick Mussett

Quarterly Delinquent Leases List

As of April 15, 2013

Criteria: Financial Delinquency > three (3) months in arrears and delinquent amount > \$5,000;
OR, substantive, non-financial deliverable or condition delinquent > three (3) months

Responsible Dept	Lease / License Agreement	Tenant / Licensee	Nature of Delinquency (amounts and/or conditions)	Compliance Efforts	
1	Downtown Enterprise Facilities	L-6520 (LS-121G) Albert Whitted Airport	Bay Air Flying Service, Inc.(Bay Air)	Bay Air lease expired October 31, 2012	The City issued and posted a Notice to Vacate to Bay Air on 11/2/12. On 11/16/12, correspondence was issued to Bay Air that \$122,612.16 was owed for rent and other fees. Documentation for these charges was provided to Bay Air's attorney on 12/12/12. The amount owed is primarily fixed rent for the months of September and October 2012, of which, all were invoiced including late fees. Amount outstanding does not include September and October 2012 Fuel Flowage fees, or accrued interest and late fees on these amounts. City Legal Department filed suit on January 18, 2013; now awaiting the return of discovery which was sent by the City to the Defendants on March 19, 2013.
2	Downtown Enterprise Facilities	The Pier - Lease Agreement	Lost In Time (Retail Operator)	Tenant experienced decline in store revenues which impacted business cash flow and ability to pay rent in timely manner. Total deferred rent amount was originally \$10,905 and has been paid down to current balance outstanding of \$8,548.	Tenant is current on rent for new retail location and has paid down the amount of deferred rent included in new lease agreement. URP continues to monitor this situation and is evaluating an appropriate course of action if Tenant fails to make progress with repayment of deferred rent.

Attached documents for item 2nd Quarter Grants Update (Tom Greene)

Date	Resolution	Agency Type	Funding Agency	Program/Project Title	Award
10/01/12	ORC 54-H	Federal	US Housing and Urban Development	CDBG ENTITLEMENT FY 12/13	1,992,593
10/01/12	ORC 54-H	Federal	US Housing and Urban Development	HOME ENTITLEMENT FY 12/13	1,229,023
10/01/12	ORC 54-H	Federal	US Housing and Urban Development	ESG ENTITLEMENT FY 12/13	97,039
10/04/12	12-470	Other/JWB	JWB	TASCO Center Based Teen Programming	1,100,000
10/04/12	12-470	Other/JWB	JWB	Partnership to Support Youth Services in Specific Areas/JWB mat	500,000
10/18/12	ORD55-H	State	FI Dept of Transportation	Taxiway A-1 and South Apron Project/State Match/JPA	82,000
11/01/12	12-504	Other/JWB	JWB	Support for St. Pete College iCORPS Summer Camp/JWB Match	15,000
11/19/12	12-536	Fed Pass-Through	FI Dept of Environmental Protection/US DC Lake Maggiore Park Improvements Project/LWCF		200,000
11/19/12	12-533	Other/Pinellas County	Pinellas County Health Department	Azalea Fitness Zone	20,000
11/19/12	12-535	State	FI Fish & Wildlife Conservation Commissio	Gopher Tortoise Habitat Management Program Master Plan	14,553
12/06/12	NO AWARDS	NO AWARDS	NO AWARDS	NO AWARDS	NO AWARDS
12/20/12	NO AWARDS	NO AWARDS	NO AWARDS	NO AWARDS	NO AWARDS
01/10/13	13-20	Other/Pinellas County	Pinellas County Sanitation Department	FY12-13 Municipal Recycling Reimbursement Grant	190,470
01/24/13	13-39	Fed Pass-Through	FI Fish & Wildlife Conservation Commissio	Grandview Park Boating Ramp Improvements/FBIP	250,000
02/07/13	13-47	State	FI Housing Finance Corporation	FY 12-13 State Housing Initiatives Partnership (SHIP)	96,539
02/07/13	13-49	Fed Pass-Through	Pinellas County/JAG	FY09 JAG ARRA/County Share for Prisoner Transport Service	47,604
02/07/13	13-60	SWFWMD	SWFWMD	St. Petersburg Toilet Replacement Program Phase 13	75,000
02/21/13	13-70	Fed Pass-Through	FI Dept of Transportation	Port of St. Petersburg Wharf and Infrastructure Repair	300,000
02/21/13	13-71	Other/CCC	Coordinated Child Care of Pinellas	FY 13 Walter Fuller Recreation Center 21st CCLC Program	111,494
02/21/13	13-77	Other/Pinellas County	Pinellas County	FY12-13 JAG Funding	146,559
03/07/13	13-109	Fed Pass-Through	FI Dept of Transportation	Treasure Island Causeway Trail/LAP	152,915
03/21/13	13-123	SWFWMD	SWFWMD	Riviera Bay and Snell Isle Stormwater Vaults	500,000

TOTALS		Awards	20	Award Value	7,120,789
FED & Fed Pass Through COMBINED FOR TOTALS)	Federal	3	3,318,655	60%	
	Federal Pass Through	5	950,519	29%	
	Other	7	2,083,523	3%	
	State	3	193,092	8%	
	SWFWMD	2	\$575,000		
TOTAL		20	\$7,120,789	100%	

Attached documents for item June 13, 2013

Attached documents for item July 18, 2013

Attached documents for item August 8, 2013

Attached documents for item Referrals (attached) - Review and re-prioritize referral list

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

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TOPIC	DATE REFERRED	REFERRED BY	RETURN DATE	STAFF RESPONSIBLE	SPECIAL NOTES
Community Brownfield Fund – Response due back to Council in 45 days.	01.31.13	Council	06.13.13	Sophia Sorolis	Response to the Committee's Motion at the 1.31.13 BF&T meeting - Staff given 45 days to conduct outreach to interested persons and provide a process for the program.
3 rd Quarter Grants Update	Preset	Council	07.18.13	Finley	Report
3 rd Quarter Financials Report	Preset	Council	08.08.13	Fritz/Greene	Report
3 rd Quarter Lease Report	Preset	Council	08.29.13	Grimes	Report
Utility Rate Study – Water Resources, Stormwater & Sanitation	Preset	Council	08.29.13	Connors / Jerome	Report
Budget clean up 4 th Quarter Financial Report	Preset	Council	11.25.13	Fritz/Greene	Report
Management Evaluation Discussion- Follow up to 1.17.13 meeting	01.17.13	Council	10.10.13	Chair Kennedy	Continue discussion of potential management evaluations suggested at 01.17.13 meeting.

BUDGET, FINANCE & TAXATION COMMITTEE
WEEKI WACHEE QUEUE

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<i>TOPIC</i>	<i>DATE REFERRED</i>	<i>REFERRED BY</i>	<i>RETURN DATE</i>	<i>STAFF RESPONSIBLE</i>	<i>SPECIAL NOTES</i>
Off-road bicycle trail in North St. Pete	05.12.11	Kennedy			
Mirror Lake Shuffle Board Club (maintenance/restaurant)	05.12.11	Nurse			
Maximo Park Project	05.12.11	Kornell			
Lighting improvement for Sunset Park	05.12.11	Polson			
Williams Park Project	05.26.11	Curran			
Frank Pierce Center (Bartlett Park) Shade Project	03.22.12	Nurse			
Childs Park Shade Project	03.22.12	Newton			
Childs Park Lake Project	12.13.12	Newton			
Park for Broadwater Area	01.17.13	Kornell			