

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

AGENDA

**Meeting of OCTOBER 10, 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. [August 29, 2013](#)
 - 2. [September 12, 2013 \(to follow\)](#)
- D. New/Deferred Business
 - 1. [Management Evaluation Discussion \(Chair Kennedy\)](#)
 - 2. [FY 2013 Increased Enterprise Fund Subsidies Report \(Tom Greene\)](#)
- E. Continued Business -
 - 1. [None.](#)
- F. Upcoming Meetings Agenda Tentative Issues
 - 1. [October 31, 2013](#)
 - (a) 4th Quarter Lease Report (Bruce Grimes)
 - 2. [November 18, 2013](#)
 - (a) Draft Procedure to Encourage and Utilize Unsolicited Outside Grant Applications (John Wolfe, Louis Moore)
 - (b) 4th Quarter Financial Report (Anne Fritz)
 - (c) FY13 Budget Cleanup (Tom Greene)

3. [November 25, 2013](#)
- G. New Business Item Referrals -
1. [Referrals \(attached\) - Review and re-prioritize referral list](#)
- H. Adjournment

Attached documents for item August 29, 2013

CITY OF ST. PETERSBURG
Budget, Finance & Taxation Committee
August 29, 2013 at 8:01 a.m.

Present: Chair James R. Kennedy, Councilmembers Leslie Curran and William Dudley (Alternate).

Also: Councilmember Kornell, John Wolfe, City Attorney; Tish Elston, City Administrator; Thomas Hoffman, Controller; Angela Ramirez, Budget Analyst II, Budget & Management; Anne Fritz, Finance Director; Brad Scott, City Auditor; Bruce Grimes, Director Real Estate & Property Management; David Metz, Director Downtown Enterprise Facilities; Steve Leavitt, Water Resources Director, Evelyn Rosetti, Special Projects Manager, Water Resources; Ben Shirley, Director Sanitation; Lynn Arthur, Assistant Sanitation Director; Kewa Wright, City Council Aide and Cathy E. Davis, Deputy City Clerk.

Absent: Vice-Chair Charles Gerdes and Councilmember Nurse.

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

In connection with the approval of the July 18th and August 8th meeting minutes Councilmember Curran motioned that the minutes be approved as submitted. All were in favor of the motion. Ayes. Kennedy. Curran. Dudley (Alt). Nays. None. Absent. Gerdes and Councilmember Nurse.

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

3rd Quarter Lease Repot

Bruce Grimes, Director, Real Estate & Property Management, introduced David Metz, Director, Downtown Enterprise Facilities, to answer questions regarding the 3rd Quarterly Delinquent Leases List which included Bay Air Flying Services, Inc., Lost in Time and Jonny Renos International, LLC., none of which are currently active leases with the City. The Bay Air Flying Services, Inc. lease expired October 31, 2012 and Lost in Time and Jonny Renos International, LLC. were leasing space in the Pier which closed on May 31, 2013.

Mr. Wolfe shared with the Committee that an evaluation of an appropriate remedy for Bay Air Flying Services, Inc. will be discussed with Council in the future. Councilmember Curran motioned that the reports be removed from the Quarterly Lease Report. The motion was unanimously approved by the committee. Ayes: Kennedy. Curran. Dudley (Alt). Nays. None. Absent. Gerdes. Nurse.

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

Utility Rate Study – Water Resources, Stormwater & Sanitation

Mike Connors, Public Works Administrator, presented recommendation for rate increases associated with water, wastewater and reclaimed water which are scheduled to come before City Council as a first reading on September 5th and consideration for adoption at a Public Hearing on September 19th, with the approved rate changes beginning to appear on the bills sent to customers in November, reflecting the rate increase for October consumption.

Water, wastewater and reclaimed water rates are recommended to be increased by 3.75% from current rates; it was noted there are no increases proposed for sanitation residential and commercial sanitation services and stormwater. The impact to the typical customer is an increase of \$1.94 in their monthly bill (\$0.89 for water and \$1.05 for wastewater), representing a 2.39% overall increase. Reclaimed water customers will see an additional \$.68 increase in monthly bills.

A 2.90% rate increase for Water Wholesale customers is being recommended for Council consideration. Wastewater Wholesale rate increases for Treasure Island, South Pasadena, Tierra Verde, Gulfport, Pinellas Count and Pinellas Park is recommended to be 4.8%. The St. Pete Beach Wastewater Wholesale charge is comprised of two components – Capital Charge and O&M Rate – the recommendation reflects an 11.1% decrease in the Capital Charge and 5.0% increase in the O&M Rate.

In connection with committee discussion Councilmember Nurse questioned the status for the Stormwater Rehabilitation plan initiated in 1991; Mr. Connors reported the project was approximately 50% implemented. Mr. Connors also noted that the majority of chronic flooding problems in the city have been addressed and large trunk mains and box culverts will allow for in fill while with minor system improvements as we go forward. Councilmember Nurse also inquired regarding sanitary sewer lines, Mr. Connors stated the system is no longer experiencing sanitary overflows. Mr. Connors informed the Committee that utility meters are read monthly when questioned relative to customers receiving estimated bills for reclaimed water. In regards to capacity for to increased demand due to potential future expansion within the City, Mr. Connors stated the ability exists to meet demands two-times greater than current needs. Councilmember Nurse motioned that the committee approve the recommend proposed rate increases and forward to full council. Motion approved unanimously. Ayes. Kenendy. Curran. Nurse. Dudley (Alt). Nays. None. Absent. Gerdes.

Reimbursement Resolution – Utility Bonds

Anne Fritz, Finance Director, introduced Jay Glover, Managing Director, Public Financial Management, to assist with the presentation of the Reimbursement Resolution associated with a

future tax-exempt financing for capital expenditures. The City has determined the need to incur debt, not to exceed \$28 million, to provide funds in order to acquire, construct and erect improvements to the public utility system. The resolution declares the City's intention to be reimbursed from proceeds of the future tax-exempt financing for capital expenditures paid by the City for the project. Ms. Fritz informed the Committee, that in the current bond environment which is experiencing increased interest rates, issuance of the bond should occur as quickly as possible.

Councilmember Curran motioned that the committee approve the proposed resolution and forward to full council. Motion approved by the committee unanimously. Ayes. Kennedy. Curran. Nurse. Dudley (Alt). Nays. None. Absent. Gerdes.

There being no further business the meeting was adjourned at 8:43 a.m.

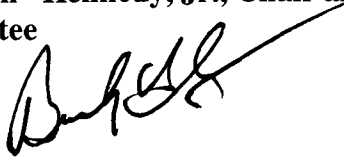
Attached documents for item September 12, 2013 (to follow)

Attached documents for item Management Evaluation Discussion (Chair Kennedy)



City of St. Petersburg
MEMORANDUM
Audit Services

To: **The Honorable James R. "Jim" Kennedy, Jr., Chair and Members of the Budget, Finance & Taxation Committee**

From: Bradley H. Scott, City Auditor 

Date: September 18, 2013

Ref: **MANAGEMENT EVALUATION DISCUSSION – FY 2014**

Section 4.05(b)(1) of the City Charter states that "City Council, at any time, shall be permitted to conduct a management evaluation, by a professional consultant, of the administrative activities of the City, or any portion thereof, under the direction of City Council. At least once every two years the City Council shall discuss and make a decision as to whether or not any such an audit is needed. The management evaluation and all reports and recommendations shall be directed to the Council."

In FY1999 City Council delegated the responsibility of evaluating alternative areas for this study to the Budget Finance & Taxation Committee so that they may make recommendations to City Council for their consideration and approval.

Resolution 2012-012 requires that the Budget, Finance & Taxation Committee discuss potential Management Evaluations at their first October meeting each fiscal year. This discussion is scheduled for the upcoming Committee meeting of October 10, 2013.

Attached you will find a listing of management evaluations that have been conducted in the past. If you have any questions please call me at x7978.

Attachment

Cc Mayor Bill Foster
Tish Elston, City Administrator
John Wolfe, City Attorney
Louis Moore, Procurement & Supply Management

City of St. Petersburg Schedule of Prior Management Evaluations

- “Management Evaluation,” McKinsey & Company, completed in 1976 at a cost of \$42,000. This study was a general review of the entire organization.
- “Management Analysis of the St. Petersburg Police Department,” Cresap, McCormick and Paget, completed in 1977. This study reviewed all areas within the Police Department.
- “Progress on Improvement Review,” McKinsey & Company, completed in 1978 at a cost of \$9,000. This was an update and review of the progress made on implementing the recommendations made in the earlier study.
- “Automated Maintenance System,” Arthur Young & Co., completed in 1981 at a cost of \$45,000. This study was for the conceptual design of an automated facilities and irrigation system maintenance system.
- “Police Department Management Review,” Police Executive Research Forum, completed in 1988 at a cost of \$45,680. This study reviewed the organizational structure of the Police Department.
- “Fire Department Management Review,” “EMS Service Appraisal,” Ryland Research, Inc., completed in 1988. The Fire Department management review cost \$53,100 and the EMS service appraisal cost \$8,500. The Fire Department study evaluated the organization of that department and the EMS study was done in preparation for provider contract negotiations with Pinellas County.
- “Operations Audit of the Administrative Functions,” Public Administration Service, completed in 1992. The administrative review cost \$15,000. This study reviewed the organizational structure of the administration.
- “Management Evaluation,” Public Administration Service, completed in 1995. The administrative review cost \$15,000. This study reviewed the staffing levels and structure of the whole organization.
- “Information Systems Master Plan,” Public Administration Service, completed in 1997. This study cost \$51,300. The study was to review our information and Communications Department’s Strategic Plan and make recommendations on how best to modify and update that plan to meet our information needs into the year 2000 and beyond.
- “Construction Services & Permitting Division Review,” MGT of America Inc., completed in 2000. This study cost \$19,925. The study was to review our Construction Services & Permitting Division and make recommendations.
- “Public Utilities Department,” Public Administration Service, completed in 2003. This study cost \$50,000. The study was to review the entire Public Utilities Department and make recommendations. An employee satisfaction survey was done as part of this review at the additional cost of \$15,000.
- “Housing Management Study,” MGT of America Inc., completed in 2004. This study cost \$24,925. The study examined the operation of the City’s Housing Department with particular attention given to WIN and various housing rehabilitation/repair programs, to determine the level of operations efficiency of these initiatives.

- “Budget & Management Department and Budgetary Process,” Management Advisory Group (MAG), completed in 2005. This study cost \$50,000. The study examined the Budget and Management Department and the budgetary development process to determine that it provides sufficient support for the City Council to more adequately discharge its budgetary duties.
- “Management Evaluation of the St. Petersburg Police Department”, Matrix Consulting Group, completed in 2007. This study cost \$104,000. The study examined the organizational structure of the department, community policing policies, recruitment and retention efforts and methods, complaint investigation processes and current salary benefits. This data was compared with other governmental entities.
- “Management Evaluation of the Progress Energy Center’s Mahaffey Theater”, AMS Planning & Research Inc., completed in 2009. This study cost \$50,000. This study examined the management, marketing, potential reduction of subsidies, and funding of the Mahaffey Theater. This data was compared with other similar facilities.
- “Management Evaluation of Youth Services”, Logan Management Group, Inc (DBA Strategic Partners) completed in 2012. This study cost \$25,000. This study examined two of the City’s Youth Services Programs, Teen, Arts, Sports & Cultural Opportunities (TASCO), Out of School time (OST) Program and the City’s Summer Youth Intern Program.
- “Management Evaluation of the Transportation Impact Fees”, Mayor Hoffman McCann, KRMT Tampa Bay Division. Expected completion in 2012. This review cost \$50,000. This study was an agreed upon procedures review of the Transportation Impact Fees (TIF) for the period from January 1, 2004 through December 31, 2011.

Attached documents for item FY 2013 Increased Enterprise Fund Subsidies Report (Tom Greene)



Memorandum st.petersburg

Budget and Management Office

TO: Budget, Finance and Taxation Committee

FROM: Tom Greene, Director, Budget and Management

DATE: October 1, 2013

TG

SUBJECT: FY 2013 Third Quarter Budgetary Analysis of Subsidy Variance

At the October 10th meeting of the Budget, Finance and Taxation Committee, the Budget Department along with the Downtown Enterprise Facilities staff will present the variances in subsidy amounts for nine of our enterprise funds based on FY 2013 third quarter actual performance of each enterprise. Attached to this cover memorandum is a table that summarizes the variances of each enterprise.

Executive Summary

Based on the actual performance of these selected enterprise fund through the third quarter FY13 we are projecting that the total subsidies will increase by \$646,000 when compared to the FY13 budget. For comparison purposes we also included the FY12 actual subsidies for each of the nine enterprise funds. When comparing the FY12 actual total subsidies of \$4,446,000 for these nine enterprises you see that the projected total for FY13 of \$4,314,520 results in a reduction of \$131,480 year over year.

Additionally, it should be pointed out that for two enterprises, Mahaffey Theater and Sunken Gardens, we are projecting a negative variance in the amount of actual subsidy needed versus the amount budgeted in FY13. The negative variance means that the projected subsidy from the General Fund to the enterprise is being reduced by \$33,000 for the Mahaffey Theater and \$68,000 for Sunken Gardens.

We will review the increases and the causes for the increases during the meeting on October 10, 2013.

Attachment

cc: Mayor Bill Foster
Tish Elston, City Administrator
City Council Members
Eva Andujar, City Clerk

**FY13 - THIRD QUARTER EXPENDITURE
SUBSIDY VARIANCE EXPLANATION - SUMMARY**

FACILITY	Subsidy		Comparison/Change		
	FY12 Actual	FY 13 Budget	FY 13 Estimated	FY 13 Budget to FY13 Actual	FY12 Actual to FY13 Projected
Mahaffey Theater	670,000	508,520	475,520	(33,000)	(194,480)
Pier	1,386,000	1,260,000	1,296,000	36,000	(90,000)
Coliseum	238,000	218,500	228,500	10,000	(9,500)
Sunken Gardens	105,000	238,000	170,000	(68,000)	65,000
Tropicana Field	1,471,000	1,236,000	1,374,000	138,000	(97,000)
Airport ⁽¹⁾	0	0	182,000	182,000	182,000
Golf ⁽²⁾	27,000	0	175,000	175,000	148,000
Jamestown ⁽³⁾	188,000	0	96,000	96,000	(92,000)
Port	361,000	207,500	317,500	110,000	(43,500)
TOTAL	4,446,000	3,668,520	4,314,520	646,000	(131,480)

Notes on loans or advances: All loans to Airport, Golf and Jamestown will be repaid.

1) The total amount owed by the Airport to the General Fund is \$3,007,063 (\$1,997,469 operating subsidy plus \$1,009,594 debt payment). Taking into consideration the \$50,000 per year repayment that began in FY11, the outstanding balance due to the General Fund from the Airport at the end of FY12 was \$2,907,063.

2) The Golf Course received \$27,000 in FY12 and will require an estimated \$175,000 in FY13 from the General Fund. This amount totaling \$202,000 to assist the Golf Course Operating Fund in funding its operations is considered a loan and will be repaid from future Golf revenues.

3) Jamestown received \$70,000 in FY10 and \$188,000 in FY12. They will also need an estimated \$96,000 in FY13. They paid back \$35,000 in FY11, so the balance due at the end of FY 13 is \$318,996.

Attached documents for item None.

Attached documents for item October 31, 2013

Attached documents for item November 18, 2013

Attached documents for item November 25, 2013

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

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

October 10, 2013
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TOPIC	DATE REFERRED	REFERRED BY	RETURN DATE	STAFF RESPONSIBLE	SPECIAL NOTES
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.
4 th Quarter Lease Report	Preset	Council	10.31.13	Grimes	Report
4 th Quarter Financial Report	Preset	Council	11.18.13	Fritz	Report
FY13 Budget Clean Up	Preset	Council	11.18.13	Greene	Report
Draft Procedure to Encourage and Utilize Unsolicited Outside Grant Applications	09.12.13	BF& T Committee	11/18.13	Wolfe/Moore	
4 th Quarter Grants Report	Preset	Council	12.19.13	Greene/Ojah-Maharaj	Report
Report from December 10, 2013 Investment Oversight Committee Meeting Regarding Investment Alternatives for the Water Cost Stabilization Fund	09.12.13	BF& T Committee	12.19.13	Fritz	Report
Health Insurance Rates			12.19.13	Cornwell	Report

BUDGET, FINANCE & TAXATION COMMITTEE
WEEKI WACHEE QUEUE

October 10, 2013
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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			
Childs Park Lake Project	12.13.12	Newton			
Park for Broadwater Area	01.17.13	Kornell			
Pelican Pedal Boats	05.30.13	Curran			