

ST. PETERSBURG CITY COUNCIL
BUDGET, FINANCE & TAXATION COMMITTEE

REVISED
DEC 07 2015

AGENDA

December 10, 2015
8:00 a.m. - City Hall Room 100

Members & Alternate: Budget, Finance & Taxation Committee: Chair James R. "Jim" Kennedy, Jr.; Vice Chair Karl Nurse; William Dudley; Charles Gerdes; and Darden Rice (alternate).

Support Staff: Robert Coats, Risk Management Analyst, Human Resources
Linda Seufert, Manager, Parks and Recreation

A. Call to Order

B. Approval of Agenda

C. Approval of Minutes

August 20, 2015

August 27, 2015

September 10, 2015

September 24, 2015

October 8, 2015

October 22, 2015

November 16, 2015

November 23, 2015

D. New/Deferred Business

1. December 10, 2015

a. Employee Health Insurance Renewal (Guella)

b. Discussion for Use of Tourist Development Tax (Zeoli)

E. Continued Business

F. Upcoming Meetings Agenda Tentative Issues

1. December 17, 2015

a. RFP Approval for External Audit and Assurance Services (Scott)

b. Banking RFP recommendation-JP Morgan Chase (Fritz)

c. Quarterly Grant Reports (Ojah-Maharaj)

H. New Business Item Referrals

I. Adjournment

ST. PETERSBURG CITY COUNCIL
BUDGET, FINANCE & TAXATION COMMITTEE

Committee Report

Meeting of August 20, 2015
10:30 a.m. - City Hall Room 100

Members & Alternate: Budget, Finance & Taxation Committee: Chair James R. "Jim" Kennedy, Jr.; Vice Chair Karl Nurse; William Dudley; Charles Gerdes; and Darden Rice (alternate).

Support Staff: Meghan Wimberly, Administrative Assistant, Billing & Collections
Robert Coats, Risk Management Analyst, Human Resources

- A. Call to Order
- B. Approval of Agenda
- C. Approval of Minutes

1. Minutes from July 16th, 2015 BF&T Meeting

A motion was made and approved of the agenda without the approval of the July 16, 2015 committee minutes. Motion passed unanimously.

D. New/Deferred Business

1. August 20, 2015

a. Debt Issuance Report – (Fritz)

Anne Fritz, Finance Director, provided the Committee a Debt Issuance Report along with a Public Service Tax Revenue Bond Resolution for approval. Ms. Fritz introduced Duane Draper from the City's Bond Counsel, Bryant Miller Olive PA. Ms. Fritz stated the proposed resolution was an amendment to the TIFF District Plan in regards to the Pier Approach/Uplands area going before City Council. She also stated this resolution is to replace the current resolution to allow an increase in debt from \$20 million to \$23 million for additional projects related to the TIFF District Plan. Ms. Fritz noted this resolution was not for issuing the debt. She noted a substitute resolution would return at a later date to issue the debt.

There was some discussion related to the definition of the "Pier Approach Project" outlined in the Revenue Bond Resolution.

A motion was made and approved for the resolution. Motion passed unanimously.

b. Graystone Investment Management Contract – (Fritz)

Anne Fritz, Finance Director, provided the Committee with a resolution for approval related to the agreement between the City of St. Petersburg, Florida and Morgan Stanley Smith Barney, LLC for Investment Manager Services for the St. Petersburg Parks Preservation Fund (Weeki Wachee). Ms. Fritz stated the resolution is to approve the agreement and authorize Morgan Stanley Smith Barney, LLC to execute all documents necessary for the Alternate Investment Policy in regards to the Parks Preservation Fund (Weeki Wachee).

A motion was made and approved for the resolution. Motion passed unanimously.

c. Third Quarter Financial Report - (Fritz/Greene)

Anne Fritz, Finance Director, provided the Committee with a summary of the Third Quarter Financial Reports for the period ending June 30, 2015, and an overview of the report. The overview consisted of five financial sections: Investments, Debt, Pensions, Parks Preservation (Weeki Wachee) Fund, and Budget versus Actual financial schedules reported amount by operating fund.

The current amortized book value of all holdings governed by the City's Investment Policy is \$430.2 million and the corresponding market value is \$429.9 million with a total unrealized gain of \$325 thousand. Ms. Fritz stated the report was reviewed by the Investment Oversight Committee (IOC) and there were no additional comments or concerns related to investments. She mentioned the Alternate Investment Policy in regards to the Parks Preservation Portfolio and specifically, the Alliance Bernstein and Marco Investments. Ms. Fritz noted that when all sources of interest income earnings are combined for the twelve months ended June 30, 2015, the City's investment earnings were \$5.4 million, or an average return of 1.25%. She also highlighted the five Index Funds which were purchased on February 17, 2015 are moving along with the market and the dividends received total \$265,570. Ms. Fritz further stated during the current quarter there were maturities of instruments held for the face amount of \$15 million; instruments called for face amounted to \$36.3 million. Instruments purchased during the current quarter totaled \$41 million. She also mentioned the instruments purchased included: U.S. Treasury, Certificates of Deposit, Corporate Bonds, and U.S. Instrumentalities.

The current amortized book value of the Alternative Investment Portfolios is \$37.2 million with a corresponding market value of \$39 million and a total unrealized gain of \$1.8 million. The total amortized book value of the General and Alternative Investment Policies combined is \$467.4 million and the market value is \$468.9 million with a total unrealized gain of \$1.4 million.

The debt report summarizes information regarding significant general governmental debt and enterprise debt outstanding as of June 30, 2015. Ms. Fritz stated the future funding sources graph and supporting schedule provides a summary of future funding sources available for general governmental debt and enterprise debt outstanding as of June 30, 2015 for fiscal years 2016 and beyond. She also mentioned a significant change will occur in regards to the general governmental debt service fund on October 1, 2016 due to repayment of the Stadium debt and Water Cost Stabilization fund. She also noted future funding sources and principal and interest of general governmental debt and enterprise debt are subject to change upon new issuances of debt.

Ms. Fritz noted during the current quarter all three pension funds continue to show positive results in the percentage funded, almost at a 1 billion mark. She also noted the calculation on the report "Current Market Value versus Actuarial Figures for Solvency Test" details the current year and prior year funding status of the Plans based on actuarial valuations. The current year as of June 30, 2015 utilizes the latest available actuarial valuation date of October 1, 2014 and comparative June 30, 2014 funding ratios utilize the actuarial valuation date of October 1, 2013. Ms. Fritz mentioned the Deferred Retirement Option Plans (DROP) Statement of Net Position is now included in the pension funds report to illustrate the outstanding investments held by the Plans as well as the corresponding DROP liability outstanding to participants. She also mentioned FY14 and forward, the City will include the investments and corresponding liability of the Plans in the Pension Plan financial statements in the Comprehensive Annual Financial Report (CAFR) as required by the

State. Also, the Parks Preservation (Weeki Wachee) Fund balance as of June 30, 2015 was \$5,096,721. Ms. Fritz highlighted the Parks Preservation (Weeki Wachee) Fund balance as of July 31, 2015 was \$5,211,259.

The budget versus actual financial reports includes: Summarized Financial Reporting by Fund, Detailed Budget versus Actual Reporting for the General Funds Group, and Summarized Budget versus Actual Reporting by Operating Fund. Ms. Fritz noted the breakdown by fund type which includes the actual fund balances, revenues, expenditures, reserve for encumbrances, adjustments to budgetary fund balances, and budgetary fund balance. She also mentioned the report was reviewed by the Investment Oversight Committee (IOC) and there were no additional comments or concerns related to the budget vs. actual financial reports.

Ms. Fritz stated to enhance transparency in financial reporting; the City is offering an interactive reporting tool called OpenGov, which allows citizens to log on to www.Stpete.org and explore budget and other financial data online in various graphical formats selected by the user. She noted the format for quarterly financial statements was updated for this quarter to include summarized financial reporting by fund, detailed budget versus actual reporting for the General Funds Group and summarized budget versus actual reporting by operating fund. Ms. Fritz also noted the two views available are current versus annual for four years.

Tom Greene, Budget and Management Director, provided a summary of the Third Quarter Budget Report ending June 30, 2015, and projections for the balance of the fiscal year. The FY15 General Fund estimate for total revenue is \$221.641 million which exceeds both the adopted budget of \$216.312 million and the amended \$217.600 million. Mr. Greene mentioned the estimated General Fund expenditures are \$221.908 million (including \$2.002 million of FY14 encumbrances which have already been accounted for in the FY15 beginning General Fund balance). These estimated General Fund expenditures are higher than the adopted budget of \$216.312 million and the amended budget of \$220.838 million. He also mentioned when projected General Fund revenues are compared to projected General Fund expenses the result is a surplus of \$1.735 million. Mr. Greene also stated these projections don't include any of the year clean-up. He also noted should these projections hold for the remainder of the fiscal year the balance of the General Fund Group of Funds at year-end would be \$44.820 million or \$1.017 million over the 20% target of \$43.803 million. Additionally, for FY15 the core General Fund Target of 5% equates to \$10.766 and the projected core General Fund balance would be \$15.449 million.

Mr. Greene highlighted several sources of General Fund revenue that are projected to exceed budget expectations, including: Franchise Tax Electric, Utility Tax Electric, Communications Services Tax, State Half Cent Sales tax and Local Option Gas Tax.

Mr. Greene mentioned all three main Enterprise Funds are performing well and will meet or exceed their fund balance target at year end. Mr. Greene highlighted the projected increases and decreases to the General Fund subsidy. He also stated in the third quarter a total of 13 Capital Improvement Projects (CIP) were completed and closed for a total of 81 during FY15.

E. Continued Business

F. Upcoming Meetings Agenda Tentative Issues

1. August 27, 2015

a. Water Resources Utility Rate (Connors)

b. Debt Issuance Report - Water Resources Utility Rate (Fritz)

G. New Business Item Referrals

H. Adjournment- The meeting adjourned at approximately 12:08p.m.

ST. PETERSBURG CITY COUNCIL
BUDGET, FINANCE & TAXATION COMMITTEE

COMMITTEE REPORT

Meeting of August 27, 2015
8:00 a.m. - City Hall Room 100

Members & Alternate: Budget, Finance & Taxation Committee: Chair James R. "Jim" Kennedy, Jr.; Vice Chair Karl Nurse; William Dudley; Charles Gerdes; and Darden Rice (alternate).

Support Staff: Meghan Wimberly, Administrative Assistant, Billing & Collections
Robert Coats, Risk Management Analyst, Human Resources

A. Call to Order

B. Approval of Agenda- Approved unanimously

C. Approval of Minutes

1. Minutes from July 16, 2015 BF&T Meeting- Approved unanimously

D. New/Deferred Business

1. August 27, 2015

a. Water Resources Utility Rate (Cornwell)

Dr. Gary Cornwell, City Administrator, presented the committee with three reports recommending rates associated with water, wastewater, reclaimed water, sanitation services and storm water. These items are scheduled to come before City Council as a First Reading on September 3rd, and then to be considered for final adoption at a Public Hearing to be scheduled for September 17th.

Dr. Cornwell reported that administration recommends a 3.75% increase for water, wastewater, and reclaimed water and no increase proposed for storm water or sanitation services in either residential or commercial services. Dr. Cornwell stated last year a 4.75% overall increase in FY16 was anticipated to help meet projected costs and service demands. However, based on the revenue sufficiency analysis, the rate study recommends, an overall increase of 3.75% for retail water, wastewater and reclaimed water customers in FY16. He mentioned the last sanitation rate increase was in 2009 and since then, there has been no proposed increase. Dr. Cornwell stated the \$2.95 recycling fee, which was effective this month for customers is not included in the sanitation rates, as it is billed as a separate component. He also stated without a proposed increase, the recommended rates will continue to be competitive with other cities in the greater St. Petersburg area.

Additionally, Dr. Cornwell noted the Sanitation Department provides a number of additional services in comparison to other communities such as, special service collections, rodent control, graffiti and snipe sign removal, and brush collection with no increases to the sanitation fund.

Dr. Cornwell introduced Andy Burnham, Senior Vice President of Burton & Associates who provided the committee with details of the process utilized to conduct the utility rate study. Mr. Burnham mentioned that the overall impact to a single-family customer using 4,000 gallons, the proposed increase will actually be 3.75%.

adjustment which equals to \$2.11 per month. He also mentioned that reclaimed water customers will see an additional monthly increase of \$.74.

After some discussion, a motion was made and approved to recommend proposed rate increases for water to 3.5%, wastewater to 4.5%, reclaimed to 4%, and wholesale to remain the same. Motion passed unanimously.

b. Debt Issuance Report - Water Resources Utility Rate (Fritz)

Anne Fritz, Finance Director, presented to the committee a debt issuance report for the 2016 CIP projects for Water Resources along with a resolution for approval authorizing the issuance of not to exceed \$33,000,000 for Series 2015 Public Utility Revenue Bonds.

A motion was made and approved for the resolution. Motion passed unanimously.

E. Continued Business

F. Upcoming Meetings Agenda Tentative Issues

1. September 10, 2015

a. Sick Leave Benefits for Part-time Employees (Guella)

b. Discussion for use of Tourist Development Tax Follow-Up (Zeoli)

G. New Business Item Referrals

H. Adjournment – The meeting adjourned at approximately 9:26 a.m.

ST. PETERSBURG CITY COUNCIL
BUDGET, FINANCE & TAXATION COMMITTEE

Committee Report

Meeting of September 10, 2015
8:00 a.m. - City Hall Room 100

Members & Alternate: Budget, Finance & Taxation Committee: Chair James R. "Jim" Kennedy, Jr.; Vice Chair Karl Nurse; William Dudley; Charles Gerdes; and Darden Rice (alternate).

Support Staff: Meghan Wimberly, Administrative Assistant, Billing & Collections
Robert Coats, Risk Management Analyst, Human Resources

- A. Call to Order
- B. Approval of Agenda- Approved unanimously
- C. Approval of Minutes
- D. New/Deferred Business

1. September 10, 2015

a. Sick Leave Benefits for Part-time Employees (Guella)

Chris Guella, Human Resources Director provided the Committee with illness leave information for Part-Time Regular Employees as well as the benefits cost savings. Mr. Guella stated the City currently employs a total of 510 Part-Time employees of which, 256 is considered Part-time Regular employees. He also provided the committee with averages for the hours worked and hourly wages for same.

Mr. Guella mentioned based on the average salaries, hours worked, and illness leave accrual projections, the total annual cost to provide sick leave to a Part-Time Regular employee could be as much as \$186,446 annually. However, he added that the cost would likely double to \$372,892 because in the event a Part-Time Regular employee takes illness leave, a replacement employee would have to fill that position. As a result, the City will essentially pay twice for one position; illness leave for the regular part-time employee as well as the wages for the replacement employee.

He also mentioned based on the average salaries and hours worked, the total benefits cost savings by using part-time employees is approximately \$2.4 million. In closing, Mr. Guella stated it would be difficult to have an accurate view of this information operationally.

After some discussion, a motion was made for Part-Time Regular Employees to receive 2 hours of sick leave for every 80 hours worked. Motion failed.

b. Discussion for use of Tourist Development Tax Follow-Up (Zeoli)

Joe Zeoli, Managing Director, CDA, provided the committee an update on the Tourist Development Council (TDC). He mentioned on June 17, 2015, the TDC voted 8 to 1 to increase the Tourist Development Tax from 5% to 6% effective January 1, 2016. He also noted the increase was allowable for high tourism impact counties of which, Pinellas County qualifies based on the annual Tourist Development Tax collections which currently exceed the 30 million dollar threshold. Mr. Zeoli stated the TDC recommended the 6% increase be allocated as 60% for marketing and 40% for

capital improvements and beach renourishment. Both of these recommendations were forwarded to the Board of County Commissioners, which voted 5 to 2 at their August 4th meeting to increase the tourist development tax to 6%, but no agreement was reached on the allocation of the funds. He also mentioned the TDC will continue to work on a spending plan and bring this back to the Board of County Commissioners when completed.

Mr. Zeoli mentioned that the Tourist Development Tax has increased each month of this Fiscal Year compared to last year. He noted there was a 12.5% increase from FY14 to FY15 through July. At current collection levels, each percent of TD Tax generates approximately \$7.5 million.

Additionally, each year the TDC recommends elite events in the county. There are twelve (12) events funded for FY16 of which four (4) are in St. Petersburg. The four (4) events included the Firestone Grand Prix, East/West Shrine Football Game, Ribfest, and the St. Pete Bowl.

The next TDC meeting will be October 21, 2015 and there will be further discussion related to funding and allocations.

E. Continued Business

F. Upcoming Meetings Agenda Tentative Issues

- 1. September 24, 2015**
 - a. Third Quarter Grants Report (Ojah-Maharaj)**
- 2. October 8, 2015**
 - a. Management Evaluation Discussion (Scott)**

G. New Business Item Referrals

H. Adjournment

**ST. PETERSBURG CITY COUNCIL
BUDGET, FINANCE & TAXATION COMMITTEE**

COMMITTEE REPORT

**Meeting of September 24, 2015
8:00 a.m. - City Hall Room 100**

Members & Alternate: Budget, Finance & Taxation Committee: Chair James R. "Jim" Kennedy, Jr.; Vice Chair Karl Nurse; William Dudley; Charles Gerdes; and Darden Rice (alternate).

Support Staff: Meghan Wimberly, Administrative Assistant, Billing & Collections
Robert Coats, Risk Management Analyst, Human Resources

- A. Call to Order**
- B. Approval of Agenda-** Approved unanimously
- C. Approval of Minutes** -None
- D. New/Deferred Business**

1. September 24, 2015

a. Third Quarter Grants Report (Ojah-Maharaj)

Shrimatee Ojah-Maharaj, Grants Officer, provided the Committee an overview of the Third Quarter Grants Report. Ms. Ojah-Maharaj highlighted that during the third quarter, the City was awarded eight (8) grants totaling \$5,212,073. She also stated during this reporting period, the city secured an \$893,600 FDOT grant for the construction of the on-street bicycle lanes project on Bayshore Drive, a FEMA Assistance to Fire Fighters Grant (AFG) of \$478,819 and two (2) FFA grants for the airport totaling \$3,201,060 for runway rehab and the Southwest Hangar Redevelopment Project. Also within this period, the city was awarded a \$50,000 Fire and Rescue Career Source grant, a \$35,000 Advanced Electric Charging Infra Nissan/Nova grant and a \$75,000 Now is the Time School Justice Collaboration (OJJD) grant. Year to Date (YTD), the city has received nineteen (19) grants totaling \$10,224,435.

Ms. Ojah-Maharaj mentioned YTD, the Grants Working Group has reviewed thirty-nine (39) Grants. In Q3, nine (9) grants were reviewed and applications were submitted of which, three (3) grants were received and six (6) are still pending. Ms. Ojah-Maharaj reiterated the Grant's Program goal is to enhance the City's budget by optimizing grant funding while maintaining compliance with all grants received. Within FY14, there were no audit findings for the grants. She also noted the strategy to reach the goal is to build an infrastructure to enhance and sustain grant awards internally and externally. In conclusion, Ms. Ojah-Maharaj mentioned a five point approach in reaching the Grant's Program goal.

The Committee discussed the need to establish personal relationships with grant providers beyond a written submittal of a grant request, and ways to ensure adequate funding is available for staff to pursue such personal relationships, E.g. travel expenses to meet with grant providers.

b. Removal of the Park Features on the Uplands of the Pier from the Weeki Wachee List

A motion was made and approved. Motion passed unanimously.

c. Removal of the Rubber Track Project for Gibbs High School from the Weeki Wachee List

A motion was made and approved. Motion passed unanimously.

E. Continued Business

F. Upcoming Meetings Agenda Tentative Issues

1. October 8, 2015

a. Management Evaluation Discussion (Scott)

b. Public Art Ordinance that requires developers of private construction projects to include a public art component equal to 2% of total project (Atherholt/Lee)

G. New Business Item Referrals

H. Adjournment

ST. PETERSBURG CITY COUNCIL
BUDGET, FINANCE & TAXATION COMMITTEE

COMMITTEE REPORT

Meeting of October 8, 2015
8:00 a.m. - City Hall Room 100

Members & Alternate: Budget, Finance & Taxation Committee: Chair James R. "Jim" Kennedy, Jr.; Vice Chair Karl Nurse; William Dudley; Charles Gerdes; and Darden Rice (alternate).

Support Staff: Meghan Wimberly, Administrative Assistant, Billing & Collections
Robert Coats, Risk Management Analyst, Human Resources

- A. Call to Order
- B. Approval of Agenda- Approved unanimously
- C. Approval of Minutes - None
- D. New/Deferred Business

1. October 8, 2015

- a. **Public Art Ordinance that requires developers of private construction projects to include a public art component equal to 2% of total projects (Atherholt)**

Wayne Atherholt, Cultural Affairs Director, provided to the Committee recommendations from the Public Art Commission. Mr. Atherholt introduced Cliff Smith with the City of Sarasota to provide a presentation on the Public Art Ordinance for the City of Sarasota. Mr. Smith indicated there are three options available for construction projects to choose from on the Public Art Contribution application. The three options are as follows- make a contribution to the public art fund, provide public art on development site, or provide public art off development site. Mr. Smith also mentioned the contribution to the public art fund is one half of one percent (.005) of the construction value, with a maximum contribution of \$250,000 for buildings more than \$1 million total construction value. Additionally, the option to provide public art, subject to approval by the Public Art Committee, on the development site or in a place off site, of a value of one half one percent (.005) of the total construction value with maximum required value \$250,000.

Mr. Smith highlighted Economic Development is thriving in Sarasota with many real estate development projects under construction and in the pipeline. He stated there are projects with a construction value of over \$500,000 each, which are taking place within the Downtown Community Redevelopment Authority (CRA) boundary and are subject to the Public Art requirements. Mr. Smith also stated projects through the City of Sarasota or through the county are not exempt from the Public Art requirements. The only exemptions are buildings or portions of buildings which include attainable housing units as defined by the City Commission; shall not be required to conform to these requirements or building permits for individual condominium units shall not be required to conform to these requirements. The City of Sarasota Public Art Requirements are applicable to any property owner or developer who applies to the City for a Building Permit to construct or make improvements that exceed \$250,000 in a construction value to a multi-family, mixed-use or commercial building or non-residential portion of a mixed-use building located in the, Downtown Edge(DTE), Downtown Core (DTC), Downtown Bayfront (DTB), Commercial-Central Business District (C-CBD) zone or the Theater & Arts District (TAD) zone, or public building on Governmental Use (G) zoned property located in the Community Redevelopment Area as depicted in the Community Redevelopment Plan adopted September 22, 1986, shall be required to make a public art contribution.

After some further discussion, a motion was made and approved for City Council to hold a workshop consisting of administration, developers, Public Art Commission (PAC), and City Council to discuss Public Art Ordinance requirements. Motion passed unanimously.

b. Management Evaluation Discussion (Scott)

Brad Scott, City Auditor, provided to the Committee the process to conduct a Management Evaluation study. Mr. Scott stated 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." He also stated in FY99, City Council delegated the responsibility of evaluation alternative areas for this study to the Budget Finance & Taxation Committee so they may make recommendations to City Council for their consideration and approval.

Mr. Scott mentioned CR 2012-02 requires the Budget, Finance and Taxation Committee to discuss potential Management Evaluations at the first Budget, Finance and Taxation Committee meeting of each fiscal year.

There was some discussion in regards to having a Management Study to be conducted relative to the Public Works Department on the Sanitary Sewer Lines. After further discussion, a motion was made and approved for a joint BF&T and PS&I Committee Meeting to be held October 22, 2015 with a presentation from administration intending to provide information to help define the scope of the proposed study. Motion passed unanimously.

E. Continued Business

F. Upcoming Meetings Agenda Tentative Issues

1. October 22, 2015

- a. Amend resolution of bank loan for purchase of recycling equipment (Fritz)**
- b. Joint BF&T & PS&I Committee Meeting**

2. November 16, 2015

- a. 2015 Budget Clean Up (Green/Fritz)**

3. November 23, 2015

- a. 2015 4th Quarter Financial Report (Fritz)**
- b. Investment Oversight Report (Fritz)**
- c. Banking RFP recommendation-JP Morgan Chase (Fritz)**

4. December 10, 2015

- a. Quarterly Grant Reports (Ojah-Maharaj)**
- b. Discussion for use of tourist development tax (Zeoli)**

G. New Business Item Referrals

H. Adjournment- Meeting was adjourned at approximately 9:32 a.m.

ST. PETERSBURG CITY COUNCIL
BUDGET, FINANCE & TAXATION COMMITTEE & PUBLIC SERVICES & INFRASTRUCTURE COMMITTEE

COMMITTEE REPORT

Meeting of October 22, 2015
8:00 a.m. - City Hall Room 100

Members & Alternate: Budget, Finance & Taxation Committee: Chair James R. "Jim" Kennedy, Jr.; Vice Chair Karl Nurse; William Dudley; Charles Gerdes; and Darden Rice (alternate).

Also: Public Services & Infrastructure Committee: Chair William "Bill" Dudley; Vice Chair Steve Kornell; James Kennedy; Darden Rice; and Amy Foster (alternate).

Support Staff: Meghan Wimberly, Administrative Assistant, Billing & Collections
Robert Coats, Risk Management Analyst, Human Resources

- A. Call to Order
- B. Approval of Agenda- Approved unanimously
- C. Approval of Minutes- None
- D. New/Deferred Business

1. October 22, 2015

a. Amend resolution of bank loan for purchase of recycling equipment (Fritz)

Anne Fritz, Finance Director, provided to the committee a resolution amending resolution No. 2014-444 which authorized the issuance of a non-ad valorem revenue note, series 2014 of the City in the principal amount of not to exceed \$6,500,000 to finance the acquisition of containers and trucks as part of the City's recycling and solid waste programs; and providing an effective date.

A motion was made and approved for the resolution. Motion passed unanimously.

b. Joint BF&T & PS&I Committee Meeting-Water Resources presentation (Gibson/Leavitt)

Thomas Gibson, Interim Public Works Administrator and Steve Leavitt, Water Resources Director presented to the committee an overview of the Waste Water Collection System. The presentation highlighted the water reclamation service areas, the water reclamation service agreements, the waste water collection system inventory, infiltration and inflows, sewer system studies, operations and maintenance and the capital improvement plan. Mr. Gibson stated there are three water reclamation service areas: the southwest area as well as the northwest area both have a 20 million gallon capacity and the northeast areas has a capacity of 16 million gallons for a total amount of 56 million gallons. He also stated the City has water reclamation service agreements with the St. Petersburg Beach, Gulfport, Treasure Island, South Pasadena, Tierra Verde Utilities, Pinellas County Bear Creek District and Pinellas County Ft. Desoto Park. Mr. Gibson noted the waste water collection system inventory includes: 19,500 manholes, 4.8 million ft. gravity collection pipe, 97,000 service connections, 2.5 million ft. lateral sewers, 78 lift stations and 300,000 ft. sewer force main. He mentioned Sanitary Sewer Overflows (SSO) is common to all Sanitary Sewer Utility Operators worldwide. During 1985 to 1999 there were twelve (12) major overflows due to lack of maintenance.

Mr. Gibson stated moving forward more wastewater flow monitoring needs to be done to determine which part of the system is receiving excessive wet water flow in order to adequately

target lateral infiltration. At this time, a study is being conducted in the Maximo Moorings area specifically to address lateral infiltration and implementing public lateral lining. This study is scheduled to be completed after the wet weather season in 2016. He mentioned the sewer system studies which were conducted included the FDEP consent order in 2000 to 2010. In 1998, a major sewer study was conducted and resulted in 68 flow meters being installed, a hydraulic model of the sewer system being developed to measure the wet and dry ground flow, as well as 40 % of the Sanitary Sewer System being inspected from November 1995 to March 1997. Mr. Gibson stated the EPA guidance is to reduce peak flows through Capacity, Management, Operations, and Maintenance (CMOM). The EPA and FDEP guidance also provides sufficient treatment capacity, utilizes off-line storage, reduce infiltration and inflow (I/I), provides sufficient collection system capacity and maximizes the use of collection system storage.

Mr. Gibson noted the management tools used in the operations and maintenance of the sewer system to include the asset management system (WAM), flow monitoring and modeling, smoke testing, CCTV inspection, customer complaints, available resources and staffing. Additionally, there is the Biosolids Project Viability study which will review the ability of SWWRF to receive additional solids, the reliability and redundancy of Biosolids to Energy project, and the energy recovery and cost model for project. Also, the CH2M is working on a liquid study for all sewer plants to review flow projections through 2030 and will provide recommendations.

Mr. Gibson noted the Capital Improvement Plan has not been included in the budget hearing process or the BP funds. Based on the wastewater collection system, the estimated cost of maintenance for FY16 is \$9.25 million which includes an additional \$1 million from the BP funds for the annual pipe repair lining (1) (2) and \$500,000 increase per year from the budget hearing process. He also noted the estimated cost for the Capacity and Flow Management projects which includes the lift station #87 flow diversion, the SWWRF injection well pumps and the SWWRF reject water storage tank. In closing, he stated the estimated cost to maintain the wastewater collection system for the next five (5) years is projected at \$48.9 million.

After further discussion, a motion was made and approved for administration to return to the November 16th, 2015 BF&T meeting with the cost for an expanded scope study on the Wastewater Collection System, the cost for the wastewater system to be robust where it would be under a capacity of forty (40) million gallons and an understanding of a rate study of the customer's cost to accomplish same. Motion passed unanimously.

A motion was made to reserve half of the BP funds for the wastewater system. Motion failed.

A motion was made and approved requesting administration provide Council additional detail information regarding the two proposed projects for the ferry & research vessel. Motion passed unanimously.

E. Continued Business

F. Upcoming Meetings Agenda Tentative Issues

1. November 16, 2015

- a. Investment Oversight Report (Fritz)**
- b. 2015 Budget Clean Up (Fritz/Greene)**
- c. Water Resources Waster Water Collection System (Gibson/Leavitt)**

- d. Fourth Quarter Financial Report (Fritz/Greene)**

- 2. November 23, 2015**
 - a. Banking RFP recommendation-JP Morgan Chase (Fritz)**

- 3. December 10, 2015**
 - a. Quarterly Grant Reports (Ojah-Maharaj)**
 - b. Discussion for use of tourist development tax (Zeoli)**
 - c. RFP Approval for External Audit and Assurance Services (Scott)**

- G. New Business Item Referrals**

- H. Adjournment**

**ST. PETERSBURG CITY COUNCIL
BUDGET, FINANCE & TAXATION COMMITTEE**

AGENDA

**November 16, 2015
8:00 a.m. - City Hall Room 100**

Members & Alternate: Budget, Finance & Taxation Committee: Chair James R. "Jim" Kennedy, Jr.; Vice Chair Karl Nurse; William Dudley; Charles Gerdes; and Darden Rice (alternate).

Also: Public Services & Infrastructure Committee: Chair William "Bill" Dudley; Vice Chair Steve Kornell; James Kennedy; Darden Rice; and Amy Foster (alternate).

Support Staff: Robert Coats, Risk Management Analyst, Human Resources

- A. Call to Order**
- B. Approval of Agenda**
- C. Approval of Minutes**
- D. New/Deferred Business**

1. November 16, 2015

a. Cost for Expanded Scope for Study of the Wastewater Collection Systems (Gibson/Leavitt)

Tom Gibson, Engineering and Capital Improvements Director and Interim Public Works Administrator, and Steve Leavitt, Water Resources Director along with Susan Moiso with the consulting firm of CH2M Hill presented information along with a cost estimate to expand the scope of Water Resources department's current peer review study to include waste water collection systems modeling, and evaluation of projects and budget costs to keep wet weather flows below levels experienced in August of 2015. The additional study proposed by CH2M Hill will consist of two phases.

During Phase 1 CH2M Hill will conduct an analysis of the City's infiltration and inflows so as to provide recommendations and budget costs to reduce infiltration of City's wastewater collection system. The study will include a detailed report which shall provide recommendations for wet weather overflow mitigation projects and cost estimates to achieve the City's desired peak flow reduction goals at all of the water resource facilities. The recommendations will then be incorporated into the five year CIP planning process. Phase 2 will then be developed based upon the findings and recommendations of Phase 1. The cost of expanding the scope to include Phase 1 is \$191,046.

A motion was made to accept the expanded scope of the peer studies, and it passed unanimously.

The peer evaluation reports will be available by March 2016. The presenters were asked to return to a BF& T Committee meeting in March 2016 when the reports are available

A second motion was made to provide \$1.5 million additional money to the current budget to water resources to begin necessary collection system repairs to include pipe rehabilitation, manhole cover projects, and pipe lining. The motion passed unanimously.

b. Investment Oversight Report (Fritz)

Anne Fritz, Finance Director presented the Investment Oversight Report for the quarter ending September 30, 2015. Ms. Fritz advised that the investment committee made a motion and agreed to the sale of individual investments out of the Columbia Strategic Cash Portfolio. The shares will be sold only if the proceeds are greater than 88% of book value. Securities involved were from foreign mortgage securities the City received as part of the Columbia Strategic Fund's December 2007 Distribution. The sale will be made if the minimum price is achieved, and reported back at the next quarterly report.

c. Fourth Quarter Financial Report (Fritz/Greene)

Anne Fritz, Finance Director and Tom Greene, Budget Director presented the 2015 4th Quarter Finance Report. Ms. Fritz presented the report in 5 chapters as follows:

- 1. Investments.** The City maintains five investment portfolios: Core, Debt Service, Bond Proceeds, Water Cost Stabilization, and Parks Preservation. As of September 30, 2015 the book value of was \$429,354,342 with a market value of \$430,882,935 which provided an unrealized gain of \$1,528,593. Ms. Fritz pointed out that the market is a bit "rocky" right now, and specifically mentioned index funds which were purchased for a little over \$20 million but as of September 30, 2015 had a market value of \$18.1 million. They were purchased though to replace fixed income instruments with instruments that provide dividend income. Thus far the city has over \$395,000 of dividend income. The book rate of return for the City's entire portfolio for the quarter is 1.52%. This is an uptick from where we were a year ago which is 1.36%. The City's investment earnings for the year were \$5,562,491 for a rate of return of 1.29%.
- 2. Debt.** Outstanding debt as of September 30th 2015 includes General Governmental debt and Enterprise debt. The governmental debt includes the TIF debt and the last payment for the debt of the First Florida bond. There has been no debt issued for the pier or the pier approach project. Enterprise debt is higher. Water Resources has the greatest share. The City historically has been wrapping its debt where you put the heavy amount of principal payments towards the end of the debt. Recently the City has been attempting to change this so that high payments are not due at the end of the debt. The principal for enterprise debt is currently \$375 million. Interest for this over 30 years will be \$241 million for a total of \$616 million. This is all the total principal and interest for the enterprise debt until 2045.
- 3. Pensions.** The pension report includes the ERS, Fire and Police. The total in all three pensions as of September 30, 2015 has increased from \$963,681,499 to \$988,168,168. From an investment standpoint though the total value shows a loss of 1%. Ms. Fritz indicated that The Market Value vs the Actuarial Figures for Solvency Test is the most important test. Comparing these shows the percentage of current market value of assets at September 30, 2015 versus the estimated futures requirements using the Actuarial Present Value of Benefits Accumulated to October 1, 2014. Using this method, ERS is funded at 109% (111% in 2014), Fire Pension is funded at 113% (115% in 2014), and the Police Pension is funded at 102% (105% in 2014). The 12 month change shows reductions of two to three percent from the prior year.

4. **Weeki Wachee.** As of September 30, 2015 the Parks and Preservation Fund shows an “undesignated” balance of 1.3 million. A number of recent projects have been funded through Weeki Wachee, and Ms. Fritz stated that the returns over the next several years may not experience what was achieved during the past couple of years due to the market environment.
5. **Budget vs. Actual.** Ms. Fritz summarized that the differences between actual revenues, expenditures, and changes versus budgeted before “clean up” would vary greatly depending on the fund. She indicated that break down and analysis of these numbers is preliminary and budget clean up needs to take place before placing too much stock in these numbers.

Tom Greene, Budget and Management Director discussed that the General Fund will end Fiscal Year 2015 ‘in the black’. He indicated that this is a significant accomplishment. Based on revenues and expenditures as of 10/27/15 the City’s General Fund projects a surplus for the second year in a row. During FY15 the General Fund received total revenues of \$229.009 million and had total expenditures of \$220.802 million for a gross operating surplus of \$8.2 million. This includes the net benefit of \$6.477 million of BP settlement monies. After netting out the \$6.477 million associated with the BP Settlement and taking into consideration the required FY15 appropriations of \$474,000 the projected operating surplus is 1.4 million.

Mr. Greene also reported that during the 4th Quarter a total of 83 capital improvement projects were completed and closed returning a total of \$594,771 to the respective fund balance of the CIP Funds. For the fiscal year a total of 167 capital improvement projects were completed and closed.

E. Continued Business

F. Upcoming Meetings Agenda Tentative Issues

1. November 23, 2015

- a. **Banking RFP recommendation-JP Morgan Chase (Fritz)**

2. December 10, 2015

- a. **Employee Health Insurance Renewal (Guella)**
- b. **Discussion for use of tourist development tax (Zeoli)**

3. December 17, 2015

- a. **Quarterly Grant Reports (Ojah-Maharaj)**
- b. **RFP Approval for External Audit and Assurance Services (Scott)**

G. New Business Item Referrals

H. Adjournment

ST. PETERSBURG CITY COUNCIL
BUDGET, FINANCE & TAXATION COMMITTEE

Committee Report

Meeting of November 23, 2015
8:00 a.m. - City Hall Room 100

Members & Alternate: Budget, Finance & Taxation Committee: Chair James R. "Jim" Kennedy, Jr.; Vice Chair Karl Nurse; William Dudley; Charles Gerdes; and Darden Rice (alternate).

Support Staff: Robert Coats, Risk Management Analyst, Human Resources
Linda Seufert, Manager, Parks and Recreation

- A. Call to Order
- B. Approval of Agenda--Approved
- C. Approval of Minutes--None
- D. New/Deferred Business

1. November 23, 2015

a. 1st Quarter Delinquent Lease List FY16 (Grimes)

Bruce Grimes, Real Estate and Property Management Director reported that Sylvia's Restaurant located at the Manhattan Casino owes back rent in the amount of \$22,470.00 and additional rent in the form of late fees and NSF fees of \$2,160.50 together with delinquent 2014 Real estate taxes of \$35,633.92 totals \$60,264.42 that is owed the City of St. Petersburg. Mr. Grimes reported that his department is currently working with Legal to provide the required statutory notice to Tenant to pay rent or vacate the premises. Mr. Grimes further stated that the eviction process will ensue if tenant does not respond in a timely fashion.

There is no required action.

b. False Security Alarm Program (Jerome)

Tammy Jerome, Billing and Collections Department Director proposed that the following changes be made to City's False Alarm Program.

1. Modify the current structure to eliminate the first non-permitted false alarm fine which will allow the City of St. Petersburg the opportunity to provide citizens with a written warning prior to the issuance of the first fine,
2. Decrease the cost of the second and third non permitted fines from \$250 and \$500 to \$200 and \$400 respectively.
3. Realigning the expiration date of each security alarm permit to allow all permits to expire annually on December 31st.
4. Cancelling fines due to alarm malfunctions that have been corrected or repaired by the alarm company allowing for false alarms occurring within 48 hours of each other to be counted as a single false alarm occurrence.

A motion was made to approve the ordinance, and schedule it for First Reading before City Council on December 3, 2015. The motion passed.

E. Continued Business

F. Upcoming Meetings Agenda Tentative Issues

1. December 10, 2015

a. Employee Health Insurance Renewal (Guella)

b. Discussion for Use of Tourist Development Tax (Zeoli)

2. December 17, 2015

a. RFP Approval for External Audit and Assurance Services (Scott)

b. Banking RFP recommendation-JP Morgan Chase (Fritz)

c. Quarterly Grant Reports (Ojah-Maharaj)

G. RFP Approval for External Audit and Assurance Services (Scott)

H. New Business Item Referrals

I. Adjournment

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

December 10,
2015
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TOPIC	DATE REFERRED	REFERRED BY	RETURN DATE	STAFF RESPONSIBLE	SPECIAL NOTES
Create a Public Art Ordinance that requires developers of private construction projects to include a public art component equal to 2% of total project	11.24.14	City Council	TBD	(Goodwin/Atherholt)	10.8.15 refer to CC to hold a workshop for discussion
Mandating an Apprenticeship Program as a prerequisite for doing business with the City	4.16.15	City Council	TBD	(Kornell)	
City Council Management Evaluation discussion	1 st BFT meeting of each fiscal year	BF&T Committee	TBD	(Scott)	
Quarterly Financial Reports		City Council	TBD	(Fritz/Greene)	
Quarterly Grant Reports		City Council	Q1 - 2.11.16 Q2 - 4.23.15 Q3 - 7.16.15 Q4 -12.17.15	(Ojah-Maharaj)	

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

December 10,
2015
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TOPIC	DATE REFERRED	REFERRED BY	RETURN DATE	STAFF RESPONSIBLE	SPECIAL NOTES
Airbnb to collect sales tax and tourist taxes from guests	5.7.15	BF&T Committee	TBD	(Nurse) (Goodwin)	7.16.15 BF&T request to return at a later date
Uniform fee schedule for impact or redevelopment fees across the City.	11.12.15	City Council	TBD	((Nurse))	
Potential Recycling Expansion for Multi-family Properties	8.27.15	BF&T Committee	TBD	(Shirley)	
Discussion for use of Tourist Development Tax Follow-up	8.21.14	BF&T Committee	12.10.15	(Kennedy) Zeoli	Report

**BUDGET, FINANCE & TAXATION COMMITTEE
WEEKI WACHEE PROJECT LIST**

December 10, 2015
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TOPIC	DATE REFERRED	REFERRED BY	RETURN DATE	STAFF RESPONSIBLE	SPECIAL NOTES
Maximo Park Project	05.12.11	Kornell	TBD		
Childs Park Lake Project	12.13.12	Newton	TBD		
Purchase Adjacent Lands for Addition to Boyd Hill Nature Preserve: Legal & Real Estate to research	10.16.14	BF&T Kornell	9.17.15 COW	Grimes/Jefferis	9.3.15 referred to 9.17.15 COW
Sunset Park – add a Fitness Zone, north of Pasadena Card Club	11.24.14	Gerdes	TBD		
Meadowlawn Community Garden Project	1.22.15	Rice	TBD		6.4.15 referred to COW regarding funding \$25K for due diligence/feasibility study- 10.15.15 COW
Installation of 3-5 Exercise Zones and Shade Shelters per zone at various parks	9.17.15	Kennedy	TBD	Jefferis	