

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

AGENDA

**August 25, 2016
8:00 – City Hall – Room 100**

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

**Support Staff: Linda Seufert, Manager, Parks and Recreation
Dean Adamides, Fire Division Chief**

- A. Call to Order**
- B. Approval of Agenda**
- C. Approval of Minutes**
 - 1. July 28, 2016**
- D. New/Deferred Business**
 - 1. August 25, 2016**
 - a. F17 Utility Rates with Bond Issuance and Refunding (Tankersley/Fritz)**
 - b. Alternate Funding for Water Resources Update (Fritz)**
 - c. Quarterly Financial Report (Fritz)**
 - d. Resolution to Reimburse Certain Capital Expenditures in Connection with a Police Headquarters (Fritz)**
- E. Continued Business**
- F. Upcoming Meetings Agenda Tentative Issues**
 - 1. September 8, 2016**
 - a. Changes to Purchasing Requirements (Moore)**
 - b. Quarterly Grant Report (Ojah-Maharaj)**
 - 2. September 22, 2016**
- G. New Business Item Referrals**
- H. Adjournment**

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

Minutes

**July 28, 2016
8:00 – City Hall – Room 100**

Present: Committee Members Chair James R. “Jim” Kennedy, Jr., Vice-Chair Karl Nurse
Charles Gerdes and Ed Montanari (alternate).

Absent: Councilmember Darden Rice.

Also: Councilmember Steve Kornell, Councilmember Amy Foster, Councilmember Lisa Wheeler-Bowman, Chief Assistant City Attorney, Jeannine Williams; City Administrator, Gary Cornwell; Public Works Administrator, Claude Tankersley; Finance Director, Anne Fritz; Water Resources Director, Steve Leavitt; Manager Parks and Recreation, Linda Seufert; Fire District Chief, Dean Adamides and, Pat Beneby, Senior Deputy City Clerk.

A. Call to Order

Chair Kennedy called the meeting to order with the above persons present

B. Approval of Agenda

C. In connection with the approval of the meeting agenda, Councilmember Gerdes motioned that the agenda be approved as written. All were in favor of the motion.

D. Approval of Minutes

1. July 14, 2016

In connection with the approval of the June 14th meeting minutes, Councilmember Gerdes motioned that the minutes be approved with the correction of changing the first word on page 2 from “Discussing” to “Discussion” and under New Business Item Referrals, change the misspelling of “updater” to “update” All were in favor of the motion.

E. New/Deferred Business

1. July 28, 2016

a. Removal of Sunset Park Fitness Zone from Weeki Wachee list.

Council Member Gerdes explained that this was a request brought to him by the Causeway Isla Association. In subsequent meetings, Causeway Isle was able to pass a resolution to support the fitness zone, but Yacht Club Estate was unable to pass their resolution. Without both association support, the project will not move forward. Council Member Gerdes is looking at another location and may bring the fitness zone back at a later date.

A motion was made by Council Member Gerdes to remove the Sunset Park Fitness Zone from the Weeki Wachee list. All were in favor of the motion.

b.F17 Utility Rates with Bond Issuance and Refunding (Tankersley/Fritz)

Mr. Tankersley explained that this is an interactive process that they have been working on for the past 4 to 5 months. He highlighted two points. Though this is an interactive discussion, at the end of the meeting, a clear idea of where the rates will be is needed to keep everything on track, particularly for the bonds. The second point is the question on the I&I budget and if the additional \$8 million should be added to the existing budget or the total budget amount for I&I be \$8 million. In order to keep the process going, the line item is

left as a total of 8 million but open to discussion to whether that should be adjusted to be an addition amount rather a total amount.

Mr. Leavitt explained the background on the CIP projects. The original CIP 5 year project was for \$154 million. As a result of the phase I report, additional projects were added, bringing the revised CIP budget of \$204 million. Additional projects include increasing the treatment and hydraulic capacity at Southwest plant, I & I reductions and filter expansion at Northeast plant.

Currently the proposed CIP budget shows \$8 million annual for I&I reduction, \$2 million annually for structural rehab and \$.5 million annually for manhole rehab. Mr. Leavitt explained briefly how this budget came about and stated that they are open to other options and can explore how rates will be impacted.

Andy Burnham, Hawksley Consulting, explained the rate study and how the analysis looks at a cash flow basis that starts with fund balances, estimates of current revenues, forecast of customers, integrates the operating expenses and 10 year capital requirements to determine whether or not the current rate generates sufficient revenue to pay for the departments full expenditures while keeping current financial performance indicators such as reserve levels. The 2016 study identified a forecast for this year an overall increase of 3.75%. There is a need to increase the rate in order to support the capital needs. Based upon the capital improvement program outlined, the FY17 rate study projected a 4.25% overall increase, with no increase for water, 8.75% sewer increase and 4.25% reclaimed water increase. Impacts for the customer were shown, with an increase of \$4.29 for customers with reclaimed water (12% of the customers) and an increase of \$3.42 for all other customers. This is a 3.86% increase for reclaimed water customer users and 3.77% for all other customers.

CM Kennedy asked about having a model to show a 10 year increase for a specific project. Mr. Burnham explained that he did not currently have a model available for special purpose surcharges. He also mentioned that to implement a program like that, there would be a need for more time, and in the future will have better data because of the pending analysis. This is something that can be looked at for FY18.

CM Gerdes asked if there is enough capacity from contractors to use the amount of funds in one year. Mr. Tankersley stated that there were not a lot of contractors doing this type of work and they are working on an RFP to send out and see what response is received. Discussion continued with the interactive model and what additional funds are available with different rate changes. Increasing the rates today will provide future benefits of either lowering future rate increases or providing more cash funding for capital which benefits in the future because less funds need to be borrowed, thus paying less interest on borrowed dollars.

CM Nurse discussed three changes to the rate studies. The first was changing the payment for reclaimed water services be made only by people using reclaimed instead of being subsidized by all customers. It is recommended to make this change over 5 years, with a 10% increase each year for the reclaimed users and a 25% decrease on non-reclaimed water customer's rates. The second and third change discussed was the upcoming TIFF funds and Penny for Pinellas funding and how the rates would be affected with the infusion of these funds.

CM Foster spoke that rates need to be raised now instead of later because of the critical infrastructure that needs to be addressed.

CM Montanari expressed his concern on the proposed changes to the reclaimed water charges to customers and that the changes may have customers say it cost too much and will stop the service.

CM Gerdes moved that the wastewater rate be increased by 9.75% instead of 8.75% and adopt the recommended rates of 4.25% for reclaimed water, and no increase for water. This will put the budget on the course to pay for the increased capital plan but also enterprise funds will be able to pay for more of the share of capital as opposed to debt and that future rates have more possibility to be reduced or stabilized. All were in favor of the motion.

A second motion was made to show the 10% increase for five years, starting in 2018, to reclaimed users. This will start the process of notification of this proposed change of not subsidizing reclaimed users. Motion did not carry with a tie vote. Kennedy – no, Gerdes - Yes, Nurse - Yes, Montanari – no.

Ms. Fritz spoke on the resolution on the issuance of the utility refunding revenue bond. CM Gerdes had the following questions on the resolution:

1. He asked for clarification on Bank of America being called a "Lender" and Purchaser". It was explained why both needed to be used.
2. The sentence on page 3A, "The Issuer deems it necessary, beneficial...." does the word "necessary" need to be there. It was agreed that the word "necessary" could be removed.
3. The sentence on page 3B, "The issuer shall never be required to levy..., be changed to "The issuer shall never levy". Discussion occurred as to why the language needs to be there. It was agreed to leave the wording.
4. Inconsistencies of using both "net revenue of the system" and "net revenue". It was agreed that the words "net revenue" will be used.
5. On page 7, clarification of PFM Asset Management role. It was explained that this was an affiliate and is needed to set up a temporary escrow until issuance of bonds. It was agreed that wording would be added for clarification.

Motion was made by CN Gerdes to approve the resolution as amended with CM Gerdes' changes. All were in favor of the motion.

E. Continued Business

F. Upcoming Meetings Agenda Tentative Issues

1. August 25, 2016

- a. F17 Utility Rates with Bond Issuance and Refunding (Tankersley/Fritz)**
- b. Quarterly Financial Report (Fritz)**
- c. Quarterly Grant Report (Ojah-Maharaj)**

2. September 8, 2016

- a. Changes to Purchasing Requirements (Moore)**

G. New Business Item Referrals

H. Adjournment

There being no further business, the meeting was adjourned at 9:31 am.

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

August 25, 2016

Topic	Return Date	Date of Referral	Referred by	Staff	Notes
FY17 Utility Rates with Bond Issuance	8/25/16			Tankersley / Fritz	
Changes to purchasing requirements	9/8/16	1/21/16	City Council	Louis Moore	
2016 Management Evaluation	10/13/16	10/2015 by ordinance		Brad Scott	Brad Scott preparing scope re:Purchasing
Management Evaluation Discussion	10/13/16	1st BFT Meeting of each year	Ordinance	Scott	Evaluation of the manpower requirements - Police Dept
Health Insurance Renewal	12/8/16	Annual	BF&T	Chris Guella	
Recommending approval of allocation of BP Funds to develop and establish a Climate Action Plan for the City of St. Petersburg	TBD	3/3/16	City Council	Sharon Wright	Referred to ENRS om 7/14/16 - come back with when budget complete
Forgotten Firefighters	TBD	6/16/16	City Council	Chris Guella	
Airbnb to collect sales tax and tourist taxes from guests	TBD	5/7/15	City Council	M. Dema/Goodwin	1/14/16 referral to PSI for ordinance review; referred to COW
Create a Public Art Ordinance that requires developers of private construction projects to include a public art component equal to 2% of total project	TBD	11/24/14	CityCouncil	Dave Goodwin Wayne Atherhold	COW Cancelled. To be scheduled at a late date.
Discussioni for use of Tourist Development Tax Follow-up	TBD	8/21/14	City Council	Joe Zeoli	Meeting to include David Downing of the TDC

Quarterly Financial Reports	Q1 2/11/16 Q2 5/12/16 Q3 8/25/16 Q4 11/10/16		City Council	Anne Fritz Tom Greene	
Quarterly Grant Reports	Q1 2/25/16 Q2 5/26/16 Q3 8/25/16 Q4 11/10/16		City Council	Shirmatee Ojah- Maharaj	


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

August 25, 2016

TOPIC	DATE REFERRED	REFERRED BY	RETURN DATE	STAFF RESPONSIBLE	SPECIAL NOTES
Maximo Park Project	05.12.11	Kornell	TBD	McBee/Jefferis	Referred to COW on 7/14/16 Scheduled COW on 7/28/16 \$150,000 allocated by council on 8/4/16
Childs Park Lake Project	12.13.12	Newton	TBD	McBee/Jefferis	
Meadowlawn Community Garden Project	1.22.15	Rice	TBD		6.4.15 referred to COW re: funding \$25K for due diligence/feasibility study- 10.15.15 COW. 11.12.15 Council approved \$25k funding from WWF
Mangrove Bay Golf Course Improvements	05.05.16	Kennedy	TBD	McBee/Hollis	Referred to COW on 7/14/16 Scheduled COW on 7/28/16 \$650,000 allocated by council on 8/4/16

City of St. Petersburg
MEMORANDUM
Budget & Management

TO: Budget, Finance and Taxation Committee

FROM: Tom Greene, Budget and Management Director 

DATE: August 11, 2016

RE: **Third Quarter FY16 Budgetary Analysis and Fund Balance Report**

At the August 25, 2016, meeting of the Budget, Finance and Taxation Committee the Budget Department will present the Fiscal Year 2016 third quarter budget performance. During the meeting we will review the projected revenues and expenditures, projected fund balances and their relationship to the targets as well as a review of the capital improvement projects that closed during the third quarter. The detailed information that will be discussed is attached for your review prior to the meeting. The Quarterly Fund Status Report (the Stop Light Report) includes several sections with information on revenues, expenditures, and ending fund balances based on actual performance through the third quarter and projecting performance during the remainder of fiscal year 2016.

THE GENERAL FUND -- BACKGROUND

Before reviewing the FY16 third quarter projections it is important to note a few items that occurred during FY15 or at FY15/FY16 clean up that impact the FY16 budget.

BP Settlement Appropriations and FY15/FY16 Supplemental Appropriations

During FY15 the city recognized a net increase in revenues of \$6.478 million associated with the BP Settlement. To date, City Council has appropriated and/or reserved a total of \$4.776 million for various projects including \$3 million for the replacement of water pipes. Each appropriation of BP Settlement resources is from the unappropriated fund balance of the General Fund without any current year revenues.

Additionally, we ended FY15 with a projected operating surplus of \$1.678 million and during the budget reconciliation process (FY15/FY16 Clean-Up) City Council approved net expenditures (carry over amounts) of \$1.420 million of the FY15 operating surplus. The FY15 surplus was used to fund various priorities, including an increase of \$275,000 for Youth Employment programs, \$147,000 for the arts, and \$779,000 for the replacement of equipment at the Fire and Police Departments.

Finally, in the General Fund we have \$1.745 million in encumbrances that were paid for in FY15, but that become actual expenditures in FY16.

In both cases (BP appropriations and the supplemental appropriation at clean up) these supplemental appropriations were not accompanied by additional FY16 revenues. The impact is to the FY16 General Fund budget is to force it out of balance.

FUND PERFORMANCE AND FUND BALANCE TARGETS

General Fund

Based on third quarter actual performance projected for the balance of the year we estimate General Fund revenue collections to be \$227.580 million compared to estimated total expenditures of \$235.496 million. As explained above, the \$235.496 million in expenditures includes \$4.776 million in BP funding and \$1.745 million of FY15 encumbrances which have already been accounted for in the FY16 beginning General Fund balance. Taking this into account, the net result when comparing estimated revenue and expenses is a projected operating loss of \$1.395 million. 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 \$48.397 million (including the use of \$970,000 in the Preservation Reserve) which will exceed the target of \$45.119 million. Additionally, for FY16 the core General Fund Target of 5% equates to \$11.190 million and we project that at the end of FY16 the core General Fund will have a balance of \$17.482 million which will also exceed the target.

The table below attempts to control for the BP Settlement and FY15 Encumbrances to determine the true operating surplus or loss in the General Fund. The (\$000) have been omitted in the table below.

General Fund	3rd Quarter	FY 16 BP Appropriations	FY15 Encumbrances	Adjusted FY16 Expense
Amended Revenue	\$227,580			
Amended Expense	\$235,496	\$4,776	\$1,745	\$228,975
Variance	-\$7,916			

Once we have controlled for the BP Settlement and FY15 Encumbrances we can then compare the projected General Fund Revenue to the adjusted General Fund Expense to determine our projected operating loss in the General Fund.

Amended Revenue	\$227,580
Adjusted Expense	\$228,975
Adjusted Variance	-\$1,395

Selected Enterprise Funds

Water Resources Operating Fund

Based on actual performance through the third quarter projected for the balance of FY16, the Water Resources Fund is performing better than budget expectations. The FY16 Adopted budget for the Water Resource Operating Fund contemplated the use of \$46,399 in fund balance with budgeted revenue of \$117.939 million and \$117.985 million in expenses. Based on actual revenue and expenditures through the third quarter and projections for the balance of the year, we estimate Water Resources revenue of

\$117.955 million and expenses of \$116.646 million (which includes \$1.198 million of FY15 encumbrances that have already been accounted for in the FY16 beginning fund balance) resulting in an estimated increase in fund balance of \$1.309 million.

Sanitation Operating Fund

Based on actual performance through the third quarter projected for the balance of FY16, the Sanitation Fund is performing better than the adopted budget. The FY16 Sanitation Fund adopted budget included revenue of \$43.221 million and expenses of \$45.360 million thus budgeting the use of \$2.139 million in fund balance. Based on actual revenue and expenditures through the third quarter projected for the balance of the year, we estimate Sanitation revenue of \$44.600 million and expenses of \$44.649 million resulting in an estimated use of fund balance of \$49,000 or \$2.090 million less than budgeted.

Stormwater Utility Operating Fund

Based on the actual third quarter performance projected for the balance of FY16, the Stormwater Utility Fund is performing slightly worse than the FY16 Adopted budget expectations. The FY16 Adopted budget for the Stormwater Utility Operating Fund contemplated the use of \$116,577 in fund balance with budgeted revenue of \$12.125 million and \$12.241 million in expenses. Based on actual revenue and expenditures through the third quarter and projections for the balance of the year, we estimate Stormwater revenue of \$11.959 million and expenses of \$12.445 million (which includes \$68,000 of FY15 encumbrances that have already been accounted for in the FY16 beginning fund balance) resulting in an estimated decrease in fund balance of \$486,000.

Capital Improvement

During the third quarter of FY16 a total of 27 projects were completed and closed. The total number of projects completed and closed during FY16 is 85.

A few of the highlights include: In the Penny Funds there were a total of 13 projects completed and closed returning a total of \$235,465 to the fund balance of these funds. Water Resources completed and closed 12 projects returning \$389 to the fund balance of the Water Resources CIP fund. The resources that are being returned to the fund balance of the various CIP funds have been or will be incorporated into projects in the FY17 CIP budget Council will adopt in September.

Please feel free to call me at 893-7435 if you have any questions prior to the meeting.

Attachments

cc: Rick Kriseman, Mayor
Kanika Tomalin, Deputy Mayor
Gary Cornwell, City Administrator

QUARTERLY FUND STATUS REPORT OF SELECTED FUNDS
FY 2016: Q3 (Quarter Ending June 30, 2016)
 000s Omitted

	Revenues		Expenditures		Budget Annual Change	Fund Balance				
	Beginning Fund Balance	Amended Budget	Revenue Estimate	Amended Budget		Expense Estimate	Variance	Year End Adjustment	Year End Estimate	Target Fund Balance
General Fund and Reserves										
General Fund Operating	23,653	227,384	227,580	229,064	235,496	(1,680)	(7,916)	1,745	17,482	11,190
Economic Stability	23,822	848	947	-	-	848	947	-	24,769	N/A
Environmental Preservation	973	28	73	970	970	(942)	(897)	-	76	N/A
Special Assessments	259	69	17	14	14	55	3	-	262	N/A
Arts in Public Places	413	323	326	73	55	250	271	-	684	N/A
Technology & Infrastructure	5,493	1,772	1,740	2,756	2,326	(984)	(586)	217	5,124	N/A
Total General Group of Funds	54,613	230,424	230,683	232,877	238,861	(2,453)	(6,178)	1,962	46,397	45,119

Enterprise Funds

Water Resources	14,566	117,939	117,955	119,353	116,646	(1,414)	1,309	1,198	29,496	29,496
Stormwater Utility	5,131	12,125	11,959	12,511	12,445	(388)	(486)	68	4,713	2,040
Sanitation Operating	7,357	43,222	44,600	45,345	44,649	(2,123)	(49)	(15)	7,293	7,560
Airport	16	1,137	1,146	1,178	1,175	(41)	(29)	33	20	N/A
Marina	479	3,970	3,772	4,018	3,825	(48)	(53)	103	529	290
Golf Course	78	3,695	3,778	3,775	3,908	(80)	(130)	53	1	302
Jameson	118	579	470	590	588	(11)	(118)	12	12	48
Port	16	356	334	365	384	(9)	(30)	15	1	N/A
Parking	4,889	6,568	6,119	7,808	7,674	(1,240)	445	79	5,413	N/A
Mahaffey Theater	(161)	3,827	4,227	3,812	4,221	15	6	-	(155)	N/A
Pier	6	0	-	0	-	-	-	-	6	N/A
Coliseum	3	800	799	811	814	(11)	(15)	13	1	N/A
Sunken Gardens	82	1,086	1,143	1,097	1,238	(11)	(95)	14	1	N/A
Tropicana Field	1	2,354	2,438	2,351	2,438	3	-	-	1	N/A

Special Revenue Funds

Emergency Medical Services	1,716	12,372	12,443	12,841	12,559	(469)	(116)	43	1,643	N/A
Local Assistance Housing (SHIP)	1,182	1,562	1,690	2,870	1,401	(1,308)	289	12	1,483	N/A
Building Permits	6,381	4,932	7,394	4,693	4,592	239	2,802	16	9,199	N/A

Internal Service Funds

Fleet Management	1,904	16,195	14,105	16,208	14,279	(13)	(174)	138	1,868	1,339
Equipment Replacement	9,958	7,150	7,407	12,369	9,467	(5,219)	(2,060)	5,451	13,349	19,000
Municipal Office Buildings	2,834	2,856	2,872	3,182	3,124	(326)	(252)	59	2,641	509
Technology Services	1,983	10,731	10,765	11,246	11,133	(515)	(368)	363	1,978	1,782
Supply Management	428	535	581	537	582	(2)	(1)	45	472	41
Medical Insurance	15,002	46,283	45,941	46,043	46,013	240	(71)	(73)	14,858	13,925
Life Insurance	0	855	823	791	712	84	111	-	111	132
General Liabilities (Self Ins.)	6,451	3,529	3,731	6,152	4,590	(2,623)	(659)	-	5,592	7,736
Commercial Insurance	4,842	5,164	5,169	5,144	4,877	20	292	-	5,134	2,572
Workers Compensation	19,460	11,267	11,833	11,159	9,752	108	2,081	-	21,541	32,467
Billing and Collections	3,800	7,266	7,945	8,283	8,803	(1,017)	(858)	14	2,956	1,372

Green: performance better than expected, or variance of less than 2% from expected
 Yellow or X: unfavorable variance of 2% to 5% from expected
 Red or X: more than 5% unfavorable variance from expected, or if fund balance is negative

FY16 - Quarter 3 CIP Project Closeout Report
April 1, 2016 - June 30, 2016

Fund	Project Number	Project Name	Start Date	Closed Date	Budget	Actual Costs	Remaining Balance	Use of Remaining Funds
Housing and General CIP Funds								
3000	C801211	HCIP Nighborhood Housing Strategy	1-Jan-00	30-Jun-16	131,258	116,224	15,033	Return to fund balance
				Total:	\$ 131,258	\$ 116,224	\$ 15,033	
Penny Funds								
3029	13739	Demens Landing Improvements	1-Oct-12	8-Apr-16	300,000	267,430	32,570	Return to fund balance
3029	13750	Restore Fountain/Statues FY13	1-Oct-12	30-Jun-16	100,000	99,985	15	Return to fund balance
3029	13751	Athletic Field Lighting FY13	1-Oct-12	30-Jun-16	500,000	499,903	97	Return to fund balance
3029	13753	Lake Vista Center Renov/Imps	1-Oct-12	8-Apr-16	1,700,000	1,686,693	13,307	Return to fund balance
3029	13754	Gladden Park Ctr Renov/Imps	1-Oct-12	30-Jun-16	600,000	598,889	1,111	Return to fund balance
3029	14127	Sunset Park Improvements	1-Oct-13	8-Apr-16	100,000	19,605	80,395	Return to fund balance
3029	14128	Campbell Park Center Add/Imps	1-Oct-13	8-Apr-16	1,185,000	1,081,435	103,565	\$25,000 Arts in Public Places transfer at cleanup, \$78,565 return to fund balance.
3029	14137	Park Lighting Imps FY14	1-Oct-13	30-Jun-16	125,000	124,995	5	Return to fund balance
3029	14644	Willis Johns Center Add-Imp	22-Sep-14	30-Jun-16	50,000	49,588	412	Return to fund balance
3029	14645	Swimming Pool Imp FY15	22-Sep-14	30-Jun-16	194,000	193,825	175	Return to fund balance
3029	14657	Sunken Gardens Imp FY15	22-Sep-14	30-Jun-16	160,000	156,363	3,637	\$3,200 Arts in Public Places transfer at cleanup, \$437 return to fund balance
3031	13263	City Fac Roof/Waterproof FY12	1-Oct-11	30-Jun-16	150,000	149,901	99	Return to fund balance
3031	13757	City Fac Roof/Waterproof FY13	1-Oct-12	30-Jun-16	200,000	199,923	77	Return to fund balance
				Total:	\$ 5,364,000	\$ 5,128,535	\$ 235,465	
Enterprise Funds								
4003	12340	WRF SW Aeration Gen FY 09	1-Jan-08	21-Jun-16	1,390,000	1,389,612	388	Return to fund balance
4003	13114	WRF NW Electrical Rehab FY11	1-Oct-10	21-Jun-16	5,923,778	5,923,778	-	
4003	14034	WRF SW Biosolids Dewater FY13	1-Oct-12	30-Jun-16	581,100	581,100	-	
4003	14214	OBE/WAS Storage Tank FY14/15	1-Oct-13	30-Jun-16	396,250	396,250	-	
4003	14222	WRF NE Influent Pump Repl FY14	1-Oct-13	21-Jun-16	150,000	150,000	-	
4003	14233	ASM LS Communic Study FY14	1-Oct-13	30-Jun-16	2,687	2,687	-	
4003	14234	ASM Data Centralization FY14	1-Oct-13	30-Jun-16	21,004	21,004	-	
4003	14252	SAN MH Rim & Cover Repl FY14	1-Oct-13	21-Jun-16	63,471	63,470	1	Return to fund balance
4003	14793	DIS Main Valve & Aq Repl FY15	1-Oct-14	30-Jun-16	2,046,588	2,046,588	-	
4003	14806	SAN i&i Removal FY15	1-Oct-14	21-Jun-16	65,802	65,802	-	
4003	14822	WRF SW Rehab Infl Pump FY15	1-Oct-14	21-Jun-16	144,879	144,879	-	
4003	15124	Potable Water Dist Sys Imp 16	21-Sep-15	21-Jun-16	-	-	-	
4063	13736	Golf Course Fac. Imps FY13	1-Oct-12	30-Jun-16	260,000	259,993	7	Return to fund balance
				Total:	\$ 11,045,559	\$ 11,045,163	\$ 396	



MEMORANDUM

TO: Mayor Rick Kriseman

FROM: Claude D. Tankersley, P.E. *TBG for*
Public Works Administrator

DATE: August 25, 2016

SUBJECT: FY2017 Utility Rate Studies (Water Resources and Stormwater)

Executive Summary

City staff and the financial rate team of McKim & Creed, P.A. and Hawksley Consulting (formerly Burton & Associates) have conducted a revenue sufficiency analysis and cost of service rate study for the water, wastewater and reclaimed water systems. They were also hired to conduct a separate revenue sufficiency analysis for the stormwater system. Based on their analysis, and incorporating our proposed FY17 rate increases, below is a typical customer utility bill for someone using 4,000 gallons per month and utilizing recycling and reclaimed water services.

Table 1

TYPICAL CUSTOMER UTILITY BILL					
4,000 Gallons Water & Wastewater Use/Month					
Services	FY2016	Proposed FY 2017	Amount Change	Percent Change	% Water/ Sewer
Sanitation (including recycling)	\$25.28	\$25.28	\$0.00	0.00%	
Potable Water	\$26.93	\$26.93	\$0.00	0.00%	5.25%
Wastewater	\$31.53	\$34.60	\$3.07	9.75%	
Stormwater	\$6.84	\$7.50	\$0.66	9.65%	
Reclaimed Water	\$20.42	\$21.29	\$0.87	4.25%	
TOTAL (including Reclaimed)	\$111.00	\$115.60	\$4.60	4.15%	
(12% of Customers)					
TOTAL (excluding Reclaimed)	\$90.58	\$94.31	\$3.73	4.12%	

Last year at this time, we anticipated a 3.75% overall increase in FY17 to help meet projected costs and service demands for water, wastewater and reclaimed water services. However, based on the revenue sufficiency analysis, which includes a number of different capital enhancements, primarily to the wastewater system, the rate study recommends an overall increase of 5.25% for retail water and wastewater customers and 4.25% for reclaimed water customers in FY17. Additionally, due to a \$1.4 million increase in debt service in FY19 in the Stormwater Fund as well as an increase in operating expenses of \$1.6 million in FY17, the monthly Stormwater Utility fee will have a \$0.66 increase beginning October 1. The overall increase on a typical utility bill will be \$4.60 with reclaimed water or \$3.73 without reclaimed water.

As noted in Table 1, the Potable Water rates are recommended to stay the same, while the Wastewater rates are recommended to have a 9.75% increase. Because of the added emphasis on wastewater improvements, the rate revenue is being assigned based on the utility's demands. Approximately every 5 years, the rate increase is split to align rate revenue with system expenses. For the first time since FY09, the Stormwater fee is being increased. In FY11, the fee was reduced by \$0.01, in accordance with the recommended Consumer Price Index (CPI). The Stormwater fee was tied to the local CPI until 2013, when the Ordinance removed that requirement. As noted earlier, debt service demands coming due in FY19 has required a series of rate increases to generate sufficient revenues.

Customer Notifications and Committee Review

State Statute 180.136 establishes certain notification requirements when municipal utilities propose rate increases. The City has met those requirements through inserts in the utility billing process (see Attachment 1). Letters have also been sent to wholesale water and wastewater customers notifying them of proposed adjustments. Following review by the Budget, Finance, and Taxation Committee on July 28, 2016 and then again on August 25, 2016, it is anticipated that the proposed rates will be considered at a First Reading on September 8, 2016 and a Public Hearing on September 22, 2016. If the proposed rates are approved on September 22nd, they would go into effect October 1st.

Reclaimed Water

The Reclaimed Water rate increase is recommended at 4.25%. If approved, the monthly reclaimed water rate would be increased to \$21.29 from the current monthly rate of \$20.42.

Since the costs incurred to provide reclaimed water service are currently not fully recovered through the charges to reclaimed water customers, the residual costs in excess of total reclaimed water revenues are split evenly between the water and wastewater systems, given the benefits the reclaimed water provides to both the water and wastewater systems. Those benefits to the water system are primarily associated with the conservation of water use that translates to cost avoidance in developing new raw water supplies. In addition to the use of this alternative water source to irrigate grass and landscape, reclaimed water is used to support air conditioning cooling towers and provide increased fire protection with the addition of 310 fire hydrants. Benefits to the wastewater system are based on the treated wastewater disposal option provided, in lieu of total discharge to the deep wells or advanced water treatment required for surface water discharge.

With the proposed increases, revenue generated from the reclaimed water fees is \$3,523,204 and the cost to operate is \$5,263,016. As mentioned earlier, the anticipated revenue does not fully cover the cost to operate the reclaimed water system. However the residual amount has been decreasing steadily since 2011. Based on direction by City Council at a meeting on August 4, 2016, the reclaimed water fees will go up 10% annually beginning in FY18. This has been incorporated into the 5 year rate plan by Hawksley Consulting. The intent is to make Reclaimed water as self-sufficient as possible.

Projected FY17 System Requirements

During this year's rate analysis, we looked at projected FY17 expense requirements and anticipated revenue. The operating budget for the Water Resources Department is projected at \$123,865,516 in FY17, an increase of 5.0% over the FY16 approved operating budget. Continuing in FY17, we are increasing the transfer to the Capital Improvement Fund by \$1,000,000. In previous years the bond rating agencies expressed concern that cash funded capital was low while we continued to issue new debt. Beginning in FY15, we began transferring an additional \$1,000,000 to the Capital Improvement Fund. In FY17, we will be transferring \$6,500,000. In accordance with direction approved at the Budget, Finance and Taxation Committee on July 28, 2016, an additional 1% was applied to the wastewater rate, generating an additional \$500,000 for the purposes of cash funding capital.

As previously mentioned, the FY17-21 Capital Improvement Plan includes significant capital enhancements to the water reclamation facilities, including increasing peak day treatment capacity at the Southwest Water Reclamation Facility from 40 mgd to 60 mgd and increasing peak hour capacity to 70 mgd. Improvements also include spending \$10.5 million for collection system improvements (structural repair and inflow and infiltration) repair in FY17 and \$14.5 million annually between FY18 and FY21. Below is a summary of the 5-year Capital Improvement Plan.

Table 2

Water Resources 5-Year CIP Plan						
(000's omitted)						
	FY17	FY18	FY19	FY20	FY21	TOTAL
Cosme & Repump Stations	\$6,532	\$496	\$964	\$121	\$1,725	\$9,838
Water Distribution Maint.	\$11,085	\$5,830	\$5,795	\$6,565	\$8,610	\$37,885
Water Reclamation Facilities	\$25,925	\$23,825	\$14,950	\$9,200	\$12,300	\$86,200
Wastewater Collection Maint.	\$10,640	\$15,200	\$14,500	\$15,000	\$19,700	\$75,040
Lift Stations	\$2,910	\$260	\$1,100	\$1,975	\$2,100	\$8,345
Other	\$1,440	\$400	\$150	\$170	\$350	\$2,510
TOTAL	\$58,532	\$46,011	\$37,459	\$33,031	\$44,785	\$219,818

Debt Service is programmed into the rate analysis based on preliminary debt issuance in FY17 (\$50.1 million), FY18 (\$37.3 million), FY19 (\$29.5 million), FY20 (\$24.7 million) and FY21 (\$37.4 million).

On June 20, 2016, the Tampa Bay Water Board (TBW) approved its FY17 budget at a public hearing. St. Petersburg's cost of purchasing raw water from TBW is anticipated to increase slightly for FY17, however, due to projected increases in consumption and an increase in anticipated interest earnings, the TBW pass-thru rate on the utility will actually go down. Interest earnings from the Rate Stabilization Fund continue to be used to help offset the cost of water.

The anticipated earnings in FY17 are budgeted at \$1,585,541, which is more than \$293,000 higher than the current fiscal year. Details of the Potable Water rates are on Attachments 2 and 3.

The proposed rate increase for FY16 is mitigated by the use of the Water Cost Stabilization Fund to meet the Target Fund Balance for three (3) months of operating expenses associated with water, wastewater and reclaimed water. Two (2) months of the Target Fund Balance are proposed to be met by a portion of the Water Cost Stabilization Fund reserve while one (1) month will be met by the Operating Fund reserve. The target fund balance excludes the transfer to capital share of expenses.

Rate Data on Other Local Entities

Assuming that the recommended rates are implemented, the City's water and wastewater rates are shown in Figures 1, 2 and 3 in comparison to other local governments. Please note that the rates of the other governmental entities have been adjusted to reflect proposed rate increases for FY17 as advised by each entity. No increase is shown for those communities whose rate analysis is not complete as of this writing or do not intend to increase their rates at this time.

Figure 1

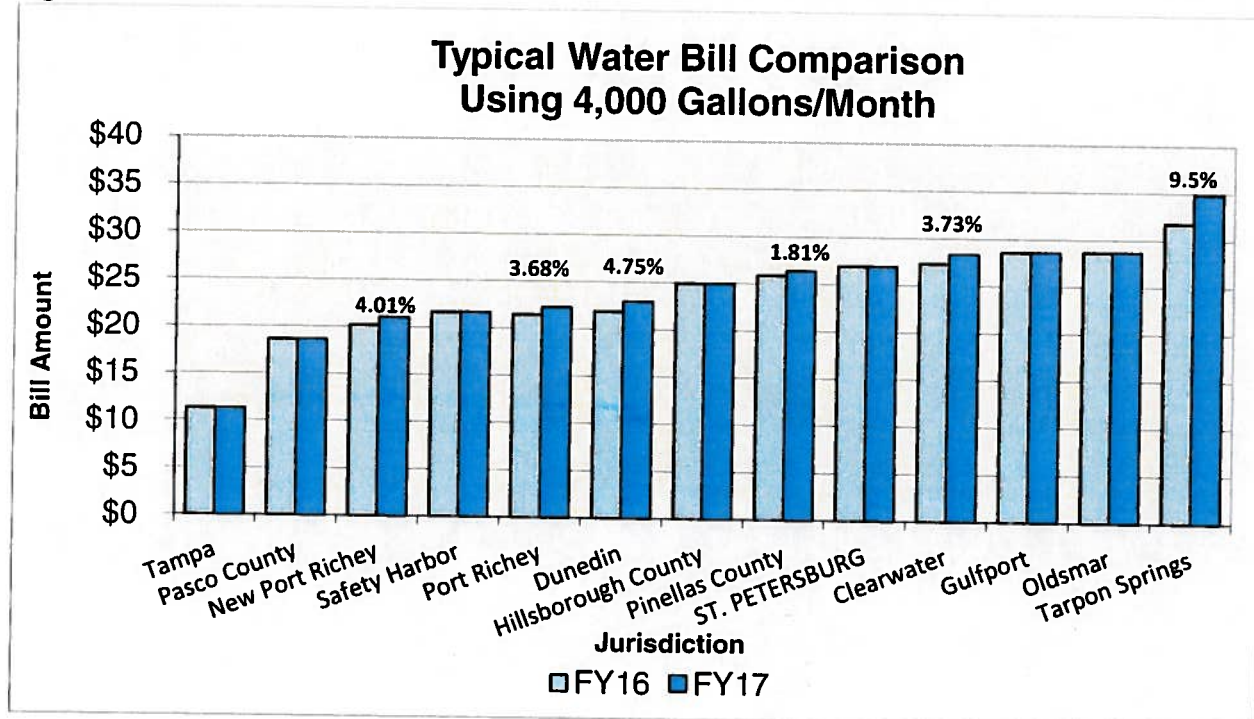


Figure 2

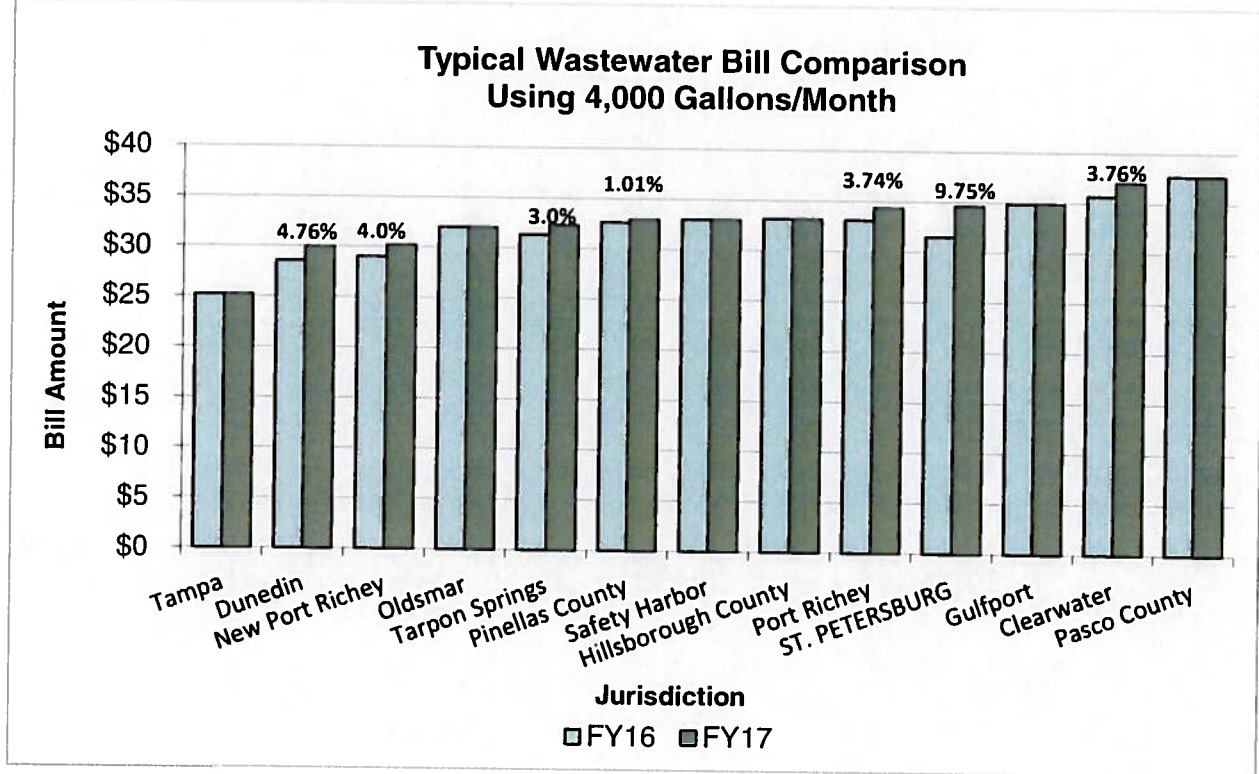
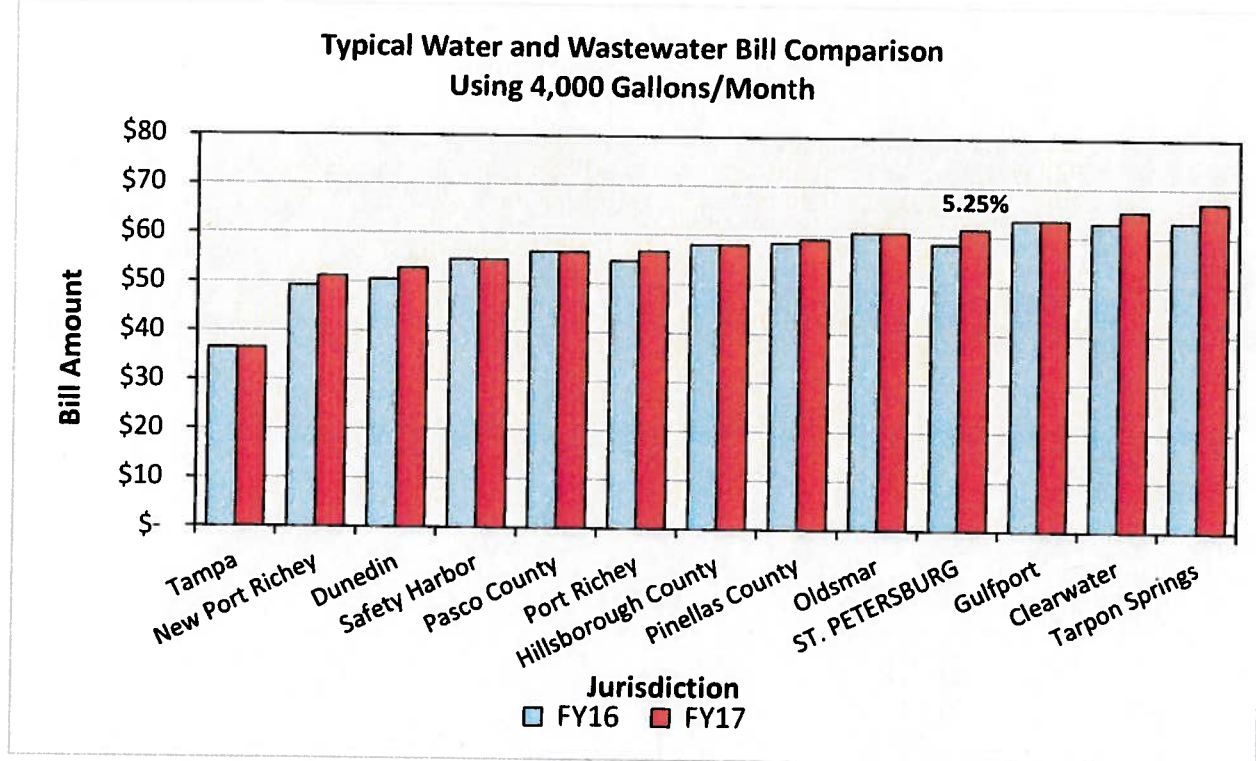


Figure 3



Recommended Action

Attached are two rate ordinances. One, which reflects the proposed base, variable and wholesale rate changes for water and wastewater. It also includes the changes to the reclaimed water rates, charges and services. Deposits, Connection Fees, and Fire Service Fees are proposed to remain the same in FY17 with the potential to update during next year's rate study. A second ordinance reflects the changes to the stormwater utility fee.

It is recommended that City Council conduct a first reading of the proposed rate ordinance on September 8, 2016 and consider the proposed rate for final adoption following a public hearing on September 22, 2016. This will allow the rates to be effective as of October 1, 2016, as included within the FY16 revenue projections.

CDT/ER

- Attachment 1: Customer Notification
 - Attachment 2: Variable Rates including TBW pass-thru
 - Attachment 3: Recommended Base Rates
 - Attachment 4: Irrigation Only Rates
 - Attachment 5: Wholesale Rates
 - Attachment 6: History of Rate Increases
- Chapter 27 Rate Ordinances

NOTICE TO CUSTOMERS



ST. PETERSBURG UTILITY CUSTOMERS

Notice is hereby given that at the date and time shown below, the St. Petersburg Council will consider increases to water, wastewater, reclaimed water, and stormwater utility rates and charges.

- Thursday, September 8, 2016
8:30 a.m. (First Reading)
- Thursday, September 22, 2016
6 p.m. (Public Hearing)

Meetings will be held in:

City Council Chamber
St. Petersburg City Hall
175 Fifth Street North
St. Petersburg, Florida

The proposed rate adjustments will be published at First Reading and made available on the City's website www.stpete.org

For additional information, contact the Water Resources Department at 893-7297.



Billing and Collections Department
727-893-7341
www.stpete.org/utility_rates

RECOMMENDED VARIABLE RATES

WATER BLOCK RATES

(Single-Family Residential and Multifamily Residential: Per Dwelling Unit)
Per 1,000 Gallons

	FY16	TBW	FY16 Total	FY17	TBW	FY17 Total
First 5,600 Gallons/month	\$1.54	\$2.44	\$3.98	\$1.67	\$2.31	\$3.98
Next 2,400 Gallons/month	\$2.56	\$2.44	\$5.00	\$2.69	\$2.31	\$5.00
Next 7,000 Gallons/month	\$4.35	\$2.44	\$6.79	\$4.48	\$2.31	\$6.79
Next 5,000 Gallons/month	\$6.53	\$2.44	\$8.97	\$6.66	\$2.31	\$8.97
Over 20,000 Gallons/month*	\$15.51	\$2.44	\$17.95	\$15.64	\$2.31	\$17.95

* Applies to Single-Family Residential Customers only

(Commercial)
Per 1,000 Gallons

	FY16	TBW	FY16 Total	FY17	TBW	FY17 Total
Up to the Average	\$1.54	\$2.44	\$3.98	\$1.67	\$2.31	\$3.98
Average to 1.4 Times Average	\$3.00	\$2.44	\$5.44	\$3.13	\$2.31	\$5.44
1.4 to 1.8 Times Average	\$4.35	\$2.44	\$6.79	\$4.48	\$2.31	\$6.79
Over 1.8 Times Average	\$5.56	\$2.44	\$8.00	\$5.69	\$2.31	\$8.00

WASTEWATER VARIABLE RATE

(Per 1,000 Gallons)

	FY16	FY17
WASTEWATER	\$4.77	\$5.24

RECOMMENDED BASE RATES

WATER BASE RATES

Meter Size	FY16	FY17	Difference	Percent Difference
5/8"	\$11.01	\$11.01	\$0.00	0.00%
1"	\$27.52	\$27.52	\$0.00	0.00%
1½"	\$55.04	\$55.04	\$0.00	0.00%
2"	\$88.06	\$88.06	\$0.00	0.00%
3"	\$176.13	\$176.13	\$0.00	0.00%
4"	\$275.20	\$275.20	\$0.00	0.00%
6"	\$550.39	\$550.39	\$0.00	0.00%
8"	\$880.63	\$880.63	\$0.00	0.00%
10"	\$1,265.91	\$1,265.91	\$0.00	0.00%
12"	\$2,366.69	\$2,366.69	\$0.00	0.00%

WASTEWATER BASE RATES

Meter Size	FY16	FY17	Difference	Percent Difference
5/8"	\$12.45	\$13.66	\$1.21	9.75%
1"	\$31.13	\$34.16	\$3.03	9.75%
1½"	\$62.25	\$68.32	\$6.07	9.75%
2"	\$99.60	\$109.31	\$9.71	9.75%
3"	\$199.20	\$218.62	\$19.42	9.75%
4"	\$311.25	\$341.60	\$30.35	9.75%
6"	\$622.50	\$683.19	\$60.69	9.75%
8"	\$996.00	\$1,093.11	\$97.11	9.75%
10"	\$1,431.75	\$1,571.35	\$139.60	9.75%
12"	\$2,676.75	\$2,937.73	\$260.98	9.75%

IRRIGATION-ONLY RATES

Irrigation Only Base and Volume Charges							
Meter Size (inches)	Base Fee ₁	Volume Rates (per 1,000 Gallons)			Consumption Ranges (in Gallons)		
		Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 3
¾	\$14.01	\$4.35	\$6.55	\$15.53	0-15,000	15,001-20,000	>20,000
1	\$30.52	\$4.35	\$6.55	\$15.53	0-37,000	37,001-50,000	>50,000
1½	\$58.04	\$4.35	\$6.55	\$15.53	0-75,000	75,001-100,000	>100,000
2	\$91.06	\$4.35	\$6.55	\$15.53	0-120,000	120,001- 160,000	>160,000
3	\$179.13	\$4.35	\$6.55	\$15.53	0-240,000	240,001- 320,000	>320,000
4	\$278.20	\$4.35	\$6.55	\$15.53	0-375,000	375,001- 500,000	>500,000
6	\$553.39	\$4.35	\$6.55	\$15.53	0-750,000	750,001- 1,000,000	>1,000,000
8	\$883.63	\$4.35	\$6.55	\$15.53	0-1,200,000	1,200,001- 1,600,000	>1,600,000
10	\$1,268.91	\$4.35	\$6.55	\$15.53	0-1,750,000	1,750,001- 2,300,000	> 2,300,000
12	\$2,369.69	\$4.35	\$6.55	\$15.53	0-3,225,000	3,225,001- 4,300,000	>4,300,000
Tampa Bay Water:		\$2.31 per 1,000 Gallons					

WHOLESALE RATES

WHOLESALE WATER:

Customer: City of Gulfport

1.2% increase

FY16: \$4,824/million gallons

FY17: \$4,882/million gallons

WHOLESALE WASTEWATER:

Customers: City of Gulfport; City of South Pasadena; Bear Creek Sanitary Sewer District, Pinellas County; Ft. Desoto, Pinellas County; City of Treasure Island; and Tierra Verde Utilities, Inc.

1.7% increase

FY16: \$2,956/million gallons

FY17: \$3,005/million gallons

Customer: City of St. Pete Beach

1.05% decrease

FY16: \$2,052/million gallons, \$52,082/month for capital projects

FY17: \$2,027/million gallons, \$51,816/month for capital projects

HISTORY OF RATE INCREASES

CONSUMPTION OF WATER AND SEWER

AT 4,000 GALLONS PER MONTH

(FY 00 – 17)

Fiscal Years	Amount Prior to Increase	Bill After Increase	Amount Change	Percent Change
99-00	\$25.35	\$27.01	\$1.66	6.55%
00-01	\$27.01	\$28.42	\$1.41	5.22%
01-02	\$28.42	\$30.75	\$2.33	8.20%
02-03	\$30.75	\$34.37	\$3.62	11.77%
03-04	\$34.37	\$37.58	\$3.21	9.34%
04-05	\$37.58	\$39.25	\$1.67	4.44%
05-06	\$39.25	\$40.19	\$0.94	2.39%
06-07	\$40.19	\$41.27	\$1.08	2.69%
07-08	\$41.27	\$42.72	\$1.45	3.51%
08-09	\$42.72	\$44.03	\$1.31	3.07%
09-10	\$44.03	\$44.90	\$0.87	1.98%
10-11	\$44.90	\$48.25	\$3.35	7.46%
11-12	\$48.25	\$50.53	\$2.28	4.73%
12-13	\$50.53	\$51.89	\$1.36	2.69%
13-14	\$51.89	\$53.83	\$1.94	3.74%
14-15	\$53.83	\$56.37	\$2.54	4.72%
15-16	\$56.37	\$58.46	\$2.09	3.71%
16-17	\$58.46	\$61.53	\$3.07	5.25%
Total Increase/Average Percentage			\$36.18	4.79%

ORDINANCE NO. _____

AN ORDINANCE RELATING TO UTILITY RATES AND CHARGES; AMENDING CHAPTER 27, SUBSECTIONS 27-141 (a), 27-142 (a), 27-144 (c), 27-177 (a), 27-283 (a), AND SUBSECTIONS 27-284 (a) AND 27-284 (d) OF THE ST. PETERSBURG CITY CODE; AMENDING VOLUME CHARGES FOR WATER SERVICE; AMENDING WHOLESALE WATER SERVICE CHARGES FOR THE CITY OF GULFPORT AND PROVIDING FOR A 25% OUT OF CITY SURCHARGE UPON EXPIRATION OF GULFPORT'S EXISTING AGREEMENT; AMENDING VOLUME CHARGES FOR IRRIGATION ONLY ACCOUNTS; AMENDING RECLAIMED WATER RATES AND CHARGES; AMENDING BASE AND VOLUME CHARGES FOR WASTEWATER SERVICE; AMENDING WASTEWATER SERVICE CHARGES FOR WHOLESALE CUSTOMERS; PROVIDING FOR SEVERABILITY OF PROVISIONS; PROVIDING AN EXPLANATION OF WORDS STRUCK THROUGH AND UNDERLINED; ESTABLISHING A DATE TO BEGIN CALCULATING NEW RATES FOR BILLING PURPOSES; AND PROVIDING AN EFFECTIVE DATE.

THE CITY OF ST. PETERSBURG DOES ORDAIN:

SECTION 1. Subsection 27-141 (a) of the St. Petersburg City Code is hereby amended as follows:

Sec. 27-141. - Established; amount; service categories defined; surcharge.

(a) *Monthly use rate.* City water customers will be charged monthly base and volume charges as set forth in the following subsections:

(1) *Base charges.* The base charges, determined by meter size, are listed in the following table:

Meter Size (in inches)	Base Charge
$\frac{5}{8}$ or $\frac{3}{4}$	\$ 11.01

*Volume Charges
Multifamily Dwelling Customer
Rates Per 1,000 Gallons
Total Volume Divided by Number of Dwelling Units Served by Meter*

First 5,600 per unit	\$ 1.54 <u>1.67</u>
Next 2,400 per unit	2.56 <u>2.69</u>
Next 7,000 per unit	4.35 <u>4.48</u>
Over 15,000 per unit	6.53 <u>6.66</u>

- c. For commercial customers, ~~\$2.44~~ 2.31 for each 1,000 gallons consumed as cost of water from Tampa Bay Water and an inverted rate as follows:

*Volume Charges
Commercial Customer
Rates Per 1,000 Gallons
Gallorage Based on Monthly Average per Commercial Customer*

Up to average	\$ 1.54 <u>1.67</u>
Average to 1.4 times average	3.00 <u>3.13</u>
1.4 to 1.8 times average	4.35 <u>4.48</u>
Over 1.8 times average	5.56 <u>5.69</u>

A monthly average of a 12-month period will be calculated per commercial customer for each fiscal year beginning October 1. The 12-month period utilized will be October through September of the preceding fiscal year and will be updated annually. For new commercial customers without consumption history, the lowest block rate will be utilized until a 12-month period between October and September is completed.

A commercial customer who experiences changed business conditions which would necessitate a revised calculation of the monthly average, may request a water use evaluation by the City. The City may calculate a new average based on that evaluation. After receiving notice of the results of the evaluation, the customer may appeal these results to the Utility Billing Review Committee within 14 days by filing notice of appeal with the City Clerk.

12	\$2,369.69	\$4.22 \$4.35	\$6.42 \$6.55	\$15.40 \$15.53	0-3,225,000	3,225,001- 4,300,000	>4,300,000
Tampa Bay Water:		\$2.44 2.31 1,000 Gallons					

SECTION 4. Subsection 27-177 (a) of the St. Petersburg City Code is hereby amended to read as follows:

Sec. 27-177. - Rates

- (a) A rate shall be charged to the customers of the reclaimed water system in accordance with the following schedule:
- (1) For nonmetered service for tracts of one acre in size or smaller, the monthly charge shall be ~~\$20.42~~ 21.29.
 - (2) For nonmetered service for larger tracts an additional monthly charge of ~~\$11.70~~ 12.20 per each additional acre, or portion thereof in excess of one acre, shall be added to the fee of ~~\$20.42~~ 21.29 per month.
 - (3) For customers on metered service, the charge shall be ~~\$0.58~~ 0.60 per 1,000 gallons per month, but in no case shall the charge be less than ~~\$20.42~~ 21.29 per month.
 - (4) A surcharge of twenty-five percent (25%) ~~percent~~ will be added for service outside the City.
 - (5) The customer shall be required to obtain a reclaimed water permit, the charge shall be \$25.00 per permit issued. All reclaimed water permits shall be issued by the Reclaimed Water section of the Water Resources Department.

SECTION 5. Subsection 27-283 (a) of the St. Petersburg City Code is hereby amended to read as follows:

Sec. 27-283. - Wastewater service charge.

(a) *Established, amount.* There is hereby established and imposed upon the owners and/or occupants of all premises which are connected to the sewer system a charge, to be designated "wastewater service charge," which charge shall be based upon the amount of water used on the premises except for that amount of water used for irrigation only accounts as established pursuant to Section 27-144, as shown by the following schedule:

(d) Wholesale wastewater service shall be provided to the City of St. Pete Beach at an estimated rate including a uniform operation and maintenance volume rate of ~~\$2,052.00~~ 2,027.00 per million gallons and a monthly capital charge of ~~\$52,082.00~~ 51,816.00 for wholesale wastewater service effective October 1, ~~2015~~ 2016. At the end of each fiscal year, actual rates for the fiscal year will be determined in accordance with the terms of the agreement for wholesale wastewater service between the City of St. Petersburg and the City of St. Pete Beach.

SECTION 7. That the unconstitutionality or invalidity of any word, sentence, or portion of this ordinance shall not affect the validity of the remaining portions.

SECTION 8. That words in ~~struck-through~~ type are deletions from the existing St. Petersburg City Code and words that are underlined are additions.

SECTION 9. That the rates and charges established by this ordinance shall be utilized in calculating customers' bills beginning on November 1, 2016 for water consumed during the preceding month.

SECTION 10. In the event that this ordinance is not vetoed by the Mayor in accordance with the City Charter, it shall become effective after the fifth business day after adoption unless the Mayor notifies the City Council through written notice filed with the City Clerk that the Mayor will not veto the ordinance, in which case the ordinance shall take effect immediately upon filing such written notice with the City Clerk. In the event this ordinance is vetoed by the Mayor in accordance with the City Charter, it shall not become effective unless and until the City Council overrides the veto in accordance with the City Charter, in which case it shall become effective immediately upon a successful vote to override the veto.

LEGAL:



City Attorney (designee)

ADMINISTRATION:



ORDINANCE NO. _____

AN ORDINANCE RELATING TO UTILITY RATES; AMENDING CHAPTER 27, SUBSECTIONS 27-405 (b)(1) AMENDING THE STORMWATER UTILITY FEE; PROVIDING FOR SEVERABILITY OF PROVISIONS; PROVIDING AN EXPLANATION OF WORDS STRUCK THROUGH AND UNDERLINED; ESTABLISHING A DATE TO BEGIN CALCULATING NEW RATES FOR BILLING PURPOSES; AND PROVIDING AN EFFECTIVE DATE.

THE CITY OF ST. PETERSBURG DOES ORDAIN:

SECTION 1. Subsection 27-405 (b)(1) of the St. Petersburg City Code is hereby amended as follows:

Sec. 27-405. Stormwater management system utility fee.

(b) *Scheduled rates.* The following uniform schedule of utility rates for services and facilities of the stormwater system is hereby established:

(1) A monthly stormwater system utility fee of ~~\$6.84~~7.50 per month is established as the rate for each SFRP.

SECTION 2. That the unconstitutionality or invalidity of any word, sentence, or portion of this ordinance shall not affect the validity of the remaining portions.

SECTION 3. That words in ~~struck through~~ type are deletions from the existing St. Petersburg City Code and words that are underlined are additions.

SECTION 4. That the rates established by this ordinance shall be utilized in calculating customers' bills beginning on October 1, 2016.

SECTION 5. In the event that this ordinance is not vetoed by the Mayor in accordance with the City Charter, it shall become effective after the fifth business day after adoption unless the Mayor notifies the City Council through written notice filed with the City Clerk that the Mayor will not veto the ordinance, in which case the ordinance shall take effect immediately upon filing such written notice with the City Clerk. In the event this ordinance is vetoed by the Mayor in accordance with the City Charter, it shall not become effective unless and until the City Council overrides the veto in accordance with the City Charter, in which case it shall become effective immediately upon a successful vote to override the veto.

LEGAL:



City Attorney (designee)

ADMINISTRATION:



ST. PETERSBURG BUDGET, FINANCE, AND TAXATION COMMITTEE

Meeting of August 25, 2016

TO: James R. "Jim" Kennedy, Chair, and Committee Members

FROM: Anne A. Fritz, Finance Director

RE: Reimbursement Resolution for Upcoming Financing

Background:

During FY17 the City is planning on issuing tax-exempt financing relating to the construction of the new police headquarters, the firing range project, and the police parking deck facility.

As certain costs relating to the projects may be made in advance of the actual issuance, this reimbursement resolution will allow the City to be reimbursed if necessary from the future financing.

This resolution does not approve the financing, which will be done at an upcoming meeting.

Recommendation:

Recommend Reimbursement Resolution be placed on City Council agenda

Attachments:

Resolution

RESOLUTION NO. 2016-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ST. PETERSBURG, FLORIDA ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH ACQUISITION, CONSTRUCTION AND EQUIPPING OF A POLICE HEADQUARTERS FACILITY, A PISTOL SHOOTING RANGE AND TRAINING CENTER, AND AN ATTENDANT PARKING GARAGE, WITH PROCEEDS OF A FUTURE TAX-EXEMPT FINANCING; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of St. Petersburg, Florida (the "Issuer") has previously adopted Resolution No. 2011-354 on September 8, 2011 (the "2011 Resolution"), declaring its intention to be reimbursed from proceeds of a future tax-exempt financing for capital expenditures to be paid by the Issuer for the purpose of acquiring land and constructing and equipping of a police headquarters thereon and other public safety projects, all in accordance with plans on file at the offices of the Issuer, as such plans may be modified from time to time (the "Original Project"); and

WHEREAS, the Issuer now desires to modify the description of the Original Project and certain other details relating to the 2011 Resolution by adopting this Resolution.

BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida, that:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the municipal charter of the City of St. Petersburg, Florida and other applicable provisions of law (collectively, the "Act").

SECTION 2. FINDINGS. It is hereby ascertained, determined and declared that:

A. The Issuer has determined that the need exists to incur debt to expend funds in the general fund or other appropriate fund or account in order to acquire, construct and equip the Issuer's police headquarters facility, pistol shooting range and training center, and attendant parking garage, all in accordance with plans on file at the offices of the Issuer, as such plans may be modified from time to time (the "Revised Project").

B. It is expected that the costs of the Revised Project will be reimbursed by and financed with the borrowing proceeds by the Issuer in the future.

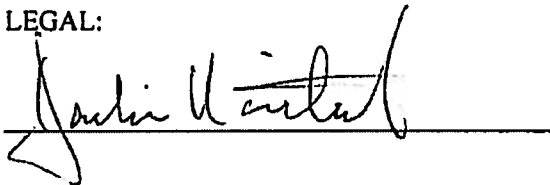
SECTION 3. DECLARATION OF INTENT. The Issuer hereby expresses its intention to be reimbursed from proceeds of a future tax-exempt financing for capital expenditures to be paid by the Issuer for the purpose of acquiring, constructing and equipping the Revised Project. The Issuer expects to use funds on deposit in the general fund or other appropriate fund or account to pay costs associated with the Revised Project. It is reasonably expected that the total amount of debt to be incurred by the Issuer with respect to the Revised Project will not exceed \$58,000,000. This Resolution is intended to constitute a "declaration of official intent" within the meaning of Section 1.150-2 of the Income Tax Regulations which were promulgated pursuant to the Internal Revenue Code of 1986, as amended, with respect to the debt incurred, in one or more financings, to finance the Revised Project.

SECTION 4. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution.

SECTION 5. SUPERSEDING OF INCONSISTENT RESOLUTIONS. This Resolution supersedes all prior actions of the Issuer inconsistent herewith. All resolutions or portions thereof in conflict with the provisions of this Resolution are hereby superseded to the extent of any such conflict.

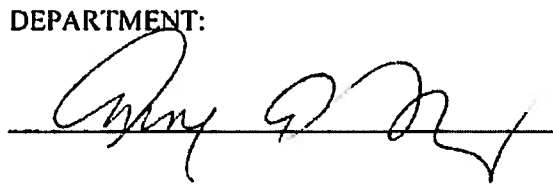
SECTION 6. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

LEGAL:



A handwritten signature in black ink, appearing to read "Justin K. [unclear]", is written over a horizontal line.

DEPARTMENT:



A handwritten signature in black ink, appearing to read "Amy G. [unclear]", is written over a horizontal line.