

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

July 30, 2020 @ 8:00 a.m.

Welcome to the City of St. Petersburg City Council Budget, Finance and Taxation Committee Meeting. A copy of the City Council agenda and all supporting documents is available on the City's website at [www.st.pete.org/council](http://www.st.pete.org/council) or by emailing [city.clerk@stpete.org](mailto:city.clerk@stpete.org)

NOTE: City buildings are closed to the public due to the COVID-19 emergency. Accordingly, the meeting location has been changed from in-person to a "virtual" meeting by means of communications media technology pursuant to Executive Order Number 20-69, issued by the Governor on March 20, 2020, and Executive Order 2020-30 issued by the Mayor on July 8, 2020.

The public can attend the meeting in the following ways:

- Watch live on Channel 15 WOW!/Channel 641 Spectrum/Channel 20 Frontier FiOS
- Watch live online at [WWW.stpete.org/TV](http://WWW.stpete.org/TV)
- Watch/listen on your computer, mobile phone, or other device by visiting the following link:  
<https://zoom.us/j/91071466241>
- Listen by dialing any one of the following phone numbers and when prompted entering **webinar ID: 910 7146 6241 #**

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**BUDGET, FINANCE AND TAXATION COMMITTEE**  
**AGENDA**

July 30, 2020 @ 8:00 a.m.

Members: Chair Ed Montanari, Vice Chair Amy Foster, Gina Driscoll, and Robert Blackmon

Alternate: Brandi Gabbard

Support Staff: Ben Weil, Legislative Aide

**A. Call to Order**

**B. Approval of Agenda**

**C. Approval of June 11, 2020 Minutes**

**D. New/Deferred Business**

- a. External Audit Firm – Key Personnel Change (**Boriana Pollard**)
- b. Discussion on FY20 Management Evaluation

**E. Upcoming Meetings Agenda/Tentative Issues**

**1. August 13**

- a. 3<sup>rd</sup> Quarter Financial Reports (**Anne Fritz/Liz Makofske**)
- b. FY21 Fiscal Policies Changes (**Anne Fritz/Liz Makofske**)
- c. Public Utility Debt Refunding Opportunity (**Anne Fritz**)

**2. August 27**

- a. SBE Contracts – Quarterly Report (**Jessica Eilerman**)
- b. Debt Financing for Equipment Purchases (**Anne Fritz**)

**F. Adjournment**

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

**Meeting of June 11, 2020**

**Present:** Chair Ed Montanari, Vice Chair Amy Foster, Robert Blackmon, Gina Driscoll, Brandi Gabbard (Alternate)

**Other Council Members Present:** Deborah Figgs-Sanders

**Absent:** None

**Also:** Assistant City Administrator, Tom Greene; Chief Financial Officer, Anne Fritz; Director of Public Works, Claude Tankersley; Public Works Services Manager, Angela Miller; Water Resources Director, John Palenchar; Vice President of Stantec, Andy Burnham; Director of Housing and Community Development, Joshua Johnson; Chief Assistant City Attorney, Jeannine Williams; Assistant City Attorney, Jane Wallace; Assistant City Attorney, Devon Haggitt; Assistant City Attorney, Sharon Michnowicz; Senior Deputy City Clerk, Cathy E. Davis; Legislative Aide, Ben Weil

- A. Call to Order** – Chair Montanari called the meeting to order at 8:00 am.
- B. Approval of Agenda** – CM Driscoll made a motion to approve the agenda. All were in favor of the motion.
- C. Approval of May 14, 2020 Minutes** - CM Driscoll made a motion to approve the minutes. All were in favor of the motion.
- D. – (a) FY21 Water/Utility Rates**

Ms. Angela Miller, Public Works Services Manager and Andy Burnham, VP of Stantec addressed the committee to present FY2021 preliminary utility rates.

The FY21 Utility Rates include increases across all enterprise programs, except for Reclaimed Water, which is recommended to remain flat at a 0% increase. Although most utilities include rate increases, all recommended rates are increases that are lower than what was anticipated for FY21 during the FY20 Utility Rate Study. Administration is proposing the following utility rate increases for FY2021:

- Water = 2.25%
- Wastewater = 7.25%
- Reclaimed Water = 0.00%
- Stormwater = 10.07%
- Sanitation = 3.00%

Ms. Miller provided a breakdown (by Stormwater Tier) of how the proposed rates will impact a typical single family residential customer's utility bill for all services based on 4000 gallons of water/wastewater use, sanitation, recycling, reclaimed and non-reclaimed services for FY2021. The following total utility bill impacts from the proposed rate changes are presented for each stormwater tier (based on ranges of square feet of impervious service area), excluding reclaimed water:

- Tier 1 (less than 1,600 sq. ft.) = \$5.60 increase
- Tier 2 (1600 – 3200 sq. ft.) = \$6.10 increase
- Tier 3 (3200 – 4800 sq. ft.) = \$6.67 increase
- Tier 4 (more than 4800 sq. ft.) = \$7.44 increase

Mr. Burnham addressed the committee and provided a breakdown of how these rate changes support the various enterprise funds.

**Sanitation Enterprise Fund:** Rates remained flat from FY2010-2018. In FY2019, there was a 5.25% rate increase. In FY2020, rate increase were kept the same at 5.25%. The issues of the Pinellas County tipping fee increases (6% per year), recycling cost increases, debt service for facilities improvement (FY2023), and the replacement of aged fleet led to the 5.25% in previous years. The Sanitation Financial Plan highlights the same key issues as 2020. Due to economic conditions, they are proposing to do a 3% change for the upcoming year before going back to the 5.25%/year plan for FY22-24. In comparison to other nearby communities, St. Petersburg has the third highest monthly rate. However, level/types of services vary between communities which is a main factor for rate differences.

**Stormwater Enterprise Fund:** Stormwater rates remained flat from FY2010-2016. In the last few years, there were some rate adjustments to address the needed planned capital investment spending for maintenance and infrastructure improvements. In FY20, the stormwater tier program was implemented, and while there was an increase in revenue due to the change, it led to a decreased fee for tier two and tier one which make up 2/3 of the residential customer base. The rate increase for stormwater would be a \$1.00 increase to the tier 2 rate for FY21. The Stormwater Financial Plan addresses key issues ahead similar to 2020, which include increased capital spending expected from the Master Plan and anticipated operational cost increases for level of service.

Director of Public Works, Claude Tankersley, noted the importance of annual small increases for the rates, as opposed to a few large increases, which is the direction the City is now heading due to keeping the rates flat for so long.

CM Blackmon asked about the service to other municipalities and the impact development has on rates. Mr. Tankersley stated that Stormwater does not operate in other municipalities, only in a few areas does the city share a system. Mr. Tankersley noted that any new development should be neutral to rates (shouldn't increase or decrease rates for customers) due to non-single family residential stormwater rates to be based on the amount of impervious surface area for that parcel.

By billing based on impervious surface area, each parcel contributes based on the amount of additional stormwater impact they have on the system.

Chair Montanari asked what the customers are getting improved as a result of the rate increases. Mr. Tankersley stated that the rate increases have led to improved operational services on a day-to-day basis, as well as setting the City up for upcoming capital improvements for overseeing stormwater and preparing for floods. The City has additionally doubled their street sweeper fleet over the last four years leading to cleaner streets (used to be cleaned once every six months, and now it occurs once every six weeks). The increase in rates will additionally lead to large improvement projects that will help prevent flooding in the flood-prone areas like Shore Acres, Venetian Isles, Snell Isle, and areas around Lake Maggiore.

CM Driscoll noted that it was important to receive the history of rates, and agrees with the incremental increase, in order to make sure the City has infrastructure that works for the residents. CM Driscoll asked about the rain barrel program, the promotion around it, and if it is being funded again. Ms. Miller stated that the first six months were very successful with 750 customers signing up to take the courses, 80% of which showed up. Around 350 barrels were sent out with customers after the courses. The department is doing a follow up survey to see the outcome of installation from the customers. The program has been refunded and is built into their budget.

**Water Resources Enterprise Fund (includes water, wastewater and reclaimed water):** The historical rate history was provided for this enterprise fund. Within recent fiscal years (2018 & 2019) there were some large rate adjustments to account for improvements to systems, address storm events that occurred, and to accelerate cost recovery for reclaimed water. The Water Resources Financial Plan addresses policy issues that are affecting rates, including the goal of achieving 50/50 cash vs debt funding of CIP which used to be less than 10% cash. Due to the current economic conditions, it was recommended that the City stay at 40% cash starting in 2021 and then discuss on a year-to-year basis when and how to hit the 50% target. Chief Financial Officer, Anne Fritz noted that the goal was originally 50/50 funding, however getting to 40% shows a strong credit and will not have a negative impact with the rating agencies. Mr. Burnham also discussed briefly the Wholesale Rate Summary and identified those customers who receive wholesale water and wholesale wastewater from the City of St. Petersburg, with the majority of customers seeing an increase.

CM Blackmon asked about the impact on the City if they were to go straight to the 50% funding, instead of 40%. Mr. Burnham stated that getting to 50/50 funding would require about a 5% increase in rates, which could be spread out over the next few years, instead of one large increase to rate payers. While the goal to get to 50/50 funding soon is still desirable, it should be reviewed yearly for viability. CM Blackmon asked about the decrease in wholesale cost. Mr. Burnham highlighted that the City has experienced a reduction in Tampa Bay water expenses, and due to economic conditions with other communities, there are some decreases in wholesale water.

Chair Montanari asked about the history of the 50/50 funding goal and if it was an informal policy decision. Assistant City Administrator Tom Greene stated that it was an informal policy but will confirm with Ms. Fritz when they review the Fiscal Policies. Chief Assistant City

Attorney Jeannine Williams added that legal can confirm and advise administration as to whether there are any resolutions. Chair Montanari asked about the 8% savings that comes from a 50/50 funding, and if it is on an annual basis. Mr. Burnham responded by saying it is an 8% savings over long term (30-year period), showing higher rates right now but lower rates after that.

#### **D –(b) Draft Consolidated Plan and Proposed Budget**

Mr. Joshua Johnson, Director of Housing and Community Development, addressed the committee requesting for staff to advertise the City's draft FY20/21 Annual Action Plan in order to meet the 30-day requirement to provide notice to the public. Once approved by the committee, a public hearing will be held on August 6, 2020 to approve the recommended annual plan and budget. Mr. Johnson explained that FY20/21 will be the fifth and final year of the implementation of the City's five-year Consolidated Plan and stated that the priority needs for the five-year period is included in the memorandum that was part of the packet and in the draft Annual Action Plan. The Consolidated Plan Review Committee reviewed the applications that were submitted, and the budget attached to the Annual Action Plan represents what the committee is recommending that agencies receive.

Following Mr. Johnson's presentation, CM Foster highlighted the CMs that are on the committee to review applications. CM Foster noted a project that got funded at a lower amount than requested due to the current issues that face the City and the importance of placing funds in other areas. CM Driscoll asked about the 30-day public comment period after the plan is advertised and how public can weigh in. Mr. Johnson noted that public can reach out to staff, either directly or using the website, and all comments received will be compiled, placed in the Annual Action Plan and sent to HUD.

**CM Driscoll made a motion to approve a resolution to advertise the draft FY2020/21 Annual Action Plan.** All were in favor of the motion.

**E. Adjourned at 9:27 am**

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

**July 30, 2020**

Topic	Return Date	Date of Referral	Prior Meeting	Referred by	Staff	Notes
External Audit Firm - Key Personnel Change	7/30/20				Boriana Pollard	
Discussion on Management Evaluation	7/30/20					
Quarterly Financial Reports	Q3 = 8/13/20 Q4 = 11/12/20	Quarterly	2/13/20	City Council	Fritz/Makofske	
FY21 Fiscal Policies Changes	8/13/20				Fritz/Makofske	
Public Utility Debt Refunding Opportunity	8/13/20				Anne Fritz	
SBE contracts - Quarterly Report	8/27/20 <b>Q1 &amp; Q2</b>	Quarterly		Ordinance	Jessica Eilerman	
Debt Financing for Equipment Purchases	8/27/20				Anne Fritz	
2021 Management Evaluation	10/8/20			Ordinance	Boriana Pollard	

Grants - Quarterly Report	10/8/20 <b>Q3 &amp; Q4</b>	Quarterly		City Council	Shrimatee Ojah-Maharaj	
SBE contracts - Quarterly Report	10/8/20 <b>Q3 &amp; Q4</b>	Quarterly		Ordinance	Jessica Eilerman	
Budget Cleanup	11/12/20	Annual			Liz Makofske/Tom Greene	
2021 Health Insurance Renewal and Status update on current year health plan	Jan. 2021	Annual		BF&T	Chris Guella/Vicki Grant	
2020 Property Insurance Renewals	Mar. 2021	Annual			Blaise Mazzola/Chris Guella	
External Audit	Mar. 2021	Annual			Anne Fritz	
Grants - Quarterly Report	Apr. 2021 <b>Q1 &amp; Q2</b>	Quarterly		City Council	Shrimatee Ojah-Maharaj	
Social Action Funding Program	Apr. 2021	Annual			Theresa Jones	
FY21 Water/Utility Rates	Jun. 2021	Annual			Angela Miller	First presentation in June, second presentation in July (if needed)

Draft Consolidated Plan and Proposed Budget. Approval of draft for publication and comment	Jun. 2021	Annual			Joshua Johnson	
Discussion of exceptions for legal defense fund suggested by Free Speech for People and process for retaining outside legal counsel	TBD	11/2/17		Darden Rice		
A discussion to allocate Weeki Wachee Funds for a new parking lot addition to Puryear Park	TBD	3/12/20		Ed Montanari	Mike Jefferis	
Discussion on developing a plan for funding non-utility infrastructure projects that currently do not have a dedicated funding source	TBD	2/6/20		Gina Driscoll		

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

**July 30, 2020**

<i>TOPIC</i>	<i>DATE REFERRED</i>	<i>REFERRED BY</i>	<i>RETURN DATE</i>	<i>STAFF RESPONSIBLE</i>	<i>SPECIAL NOTES</i>
Skating Rink to the Southside CRA	7.19.18	Wheeler-Bowman		Jefferis	
Exercise Zone and Playground in Broadwater Park	7.19.18	Wheeler-Bowman		Jefferis	
Puryear Park – Parking Lot Project	3.12.20	Ed Montanari		Jefferis	



To: Budget, Finance & Taxation Committee

From: Boriana A. Pollard, City Auditor *B.P.*

Date: July 14, 2020

Re: EXTERNAL AUDIT FIRM KEY PERSONNEL CHANGE

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On September 24, 2019, Cherry Bekaert LLP entered into an agreement with the City of St. Petersburg to perform annual external audit and related services for fiscal years 2019 through 2021. At the City's discretion the agreement can be extended to FY2022 and FY2023.

Scott Anderson, Director of Cherry Bekaert LLP, has been awarded a two-year fellowship with GASB, Governmental Accounting Standards Board, in Connecticut. Per Section 8.A of the agreement, *"If any such key personnel are removed as provided above, Auditor shall replace such key personnel with other equally qualified personnel approved by the City."*

The attached resolution is to obtain your approval of Lauren Strope as Mr. Anderson's replacement. Ms. Strope has worked on the City's annual audit engagement for several years. Attached is Ms. Strope's bio for your consideration.

Should you have any questions, please feel free to call me at extension 7510.

cc: City Council Members  
Mayor Rick Kriseman  
Dr. Kanika Tomalin, Deputy Mayor/City Administrator  
Tom Greene, Assistant City Administrator  
Jackie Kovilaritch, City Attorney  
Anne Fritz, CFO  
Louis Moore, Director, Procurement and Supply Management Department



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## Lauren Strope, CPA

Senior Manager

Let's Talk

E [lstrope@cbh.com](mailto:lstrope@cbh.com)

P 813.251.1010

As Senior Manager, Lauren's duties will encompass all aspects of our services from planning, performing, supervising, reporting and completing the engagement, to direct client communication and value-added services.

Lauren is a Certified Public Accountant and Audit Senior Manager with over 10 years of experience with Cherry Bekaert. She specializes in audit services to public sector clients, predominantly local governments. She focuses on financial reports, identification of key audit areas, testing design of key accounts and transaction cycles, and supervision of engagement teams. To further her expertise in reporting, Lauren volunteers as a GFOA CAFR reviewer. Many of the local government audits she has participated in have received the GFOA's Certificate of Achievement for Excellence in Finance Reporting as a result of the review program.

Lauren is an instructor for firm-sponsored trainings and has taught upper-level financial accounting courses for the University of South Florida. She is a past chair and board member of the Accounting Circle, University of South Florida. She is also on the Accounting Advisory Board of the University of South Florida.

### Education

- ▶ B.S. in Accounting, University of South Florida
- ▶ MAcc, University of South Florida

### Relevant Experience

- ▶ City of St. Petersburg, Florida
- ▶ City of Clearwater, Florida
- ▶ City of Pinellas Park, Florida
- ▶ Hillsborough County, Florida
- ▶ Lee County, Florida
- ▶ Miami-Dade Aviation Department, Florida
- ▶ Loudoun County, Virginia
- ▶ Sarasota Manatee Airport Authority, Florida
- ▶ Tampa Port Authority, Florida
- ▶ Hillsborough Area Regional Transit (HART), Florida
- ▶ Juvenile Welfare Board of Pinellas County, Florida
- ▶ Lee County School District, Florida
- ▶ Pinellas County School District, Florida

### Professional Involvement

- ▶ American Institute of Certified Public Accountants
- ▶ Florida Institute of Certified Public Accountants

Resolution \_\_\_\_\_

A RESOLUTION APPROVING THE REPLACEMENT OF SCOTT ANDERSON, DIRECTOR OF CHERRY BEKAERT, LLP WITH LAUREN STOPE TO PERFORM SERVICES UNDER THE CITY'S AGREEMENT WITH CHERRY BEKAERT, LLP FOR EXTERNAL AUDIT AND RELATED SERVICES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on September 24, 2019, the City entered into an agreement with Cherry Bekaert, LLP ("Auditor") to perform external audit and related services ("Agreement"); and

WHEREAS, under that Agreement, the Auditor is required to assign key personnel to perform work, unless the removal of such key personnel is due to incapacity, promotion, voluntary termination, termination for cause, or professional rotation; and

WHEREAS, pursuant to the Agreement, the City must approve the replacement of any key personnel; and

WHEREAS, Scott Anderson, Director of Cherry Bekaert LLP, has been awarded a two-year fellowship with Governmental Accounting Standards Board (GASB) and therefore will no longer be able to perform services for the City under the Agreement due to professional rotation; and

WHEREAS, the Auditor has proposed Lauren Stope to perform the services being performed by Scott Anderson under the Agreement; and

WHEREAS, Lauren Stope possesses the qualifications and experience necessary to perform the required services for the City; and

WHEREAS, the Budget, Finance, and Taxation Committee recommends approval of this resolution.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida that the replacement of Scott Anderson, Director of Cherry Bekaert, LLP with Lauren Stope to perform services under the City's agreement with Cherry Bekaert, LLP for external audit and related services is approved.

This resolution shall take effect immediately upon its adoption.

Approved as to form and content:

/s/ Sharon Michnowicz

City Attorney (designee)

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