

**ST. PETE BEACH COMMISSION
BUDGET WORKSHOP**

MINUTES

Wednesday, August 10, 2010

THOSE PERSENT:

**Mayor Mike Finnerty
Vice Mayor Parent
Commissioner Shavlan
Commissioner Halpern
Commissioner Garnett**

ALSO PRESENT:

**City Manager Mike Bonfield
City Clerk Theresa McMaster
Finance Director Elaine Edmunds**

Mayor Finnerty called upon Mike Bonfield to begin the Meeting. Mr. Bonfield brought up the matter of the *Library* increasing their hours to open on Monday. He called upon Phyllis Ruscella, *Library* Administrator, and asked if being open on Monday was acceptable to her.

Ms. Ruscella presented a new schedule to the Commission, i.e. Monday, 10 am to 7 pm.; Tuesday through Friday, 10 am to 5 pm; and Saturday, 10 am to 2 pm. This schedule covers six days with the same amount of staff that they use for five days. This schedule is without the \$10,400. Mayor Finnerty asked what schedule she would have if they received the \$10,400. Ms. Ruscella responded that she would stay open two nights a week until 8 pm and every day until 6 pm. It was agreed by the Commission that the *Library* will open on Monday.

Mr. Bonfield then gave the Commission material on the present Health Care Plan. The same premiums as last year will be budgeted for next year. When the time comes for renewal, the first of January, they can talk about it again.

Moving on, Mr. Bonfield brought up the budget for *Public Service Administration*; there is one change in personnel and that is the transfer of Dan O'Conner from the Police Department to the Finance Department where he will assume many of the duties previously handled by the Contract/Grant Administrator.

Next was *Building Maintenance*: The Submerged Land Lease is part of the City's expenses. The Merry Pier Lease is coming due January 31, 2011 and at that

time there will have to be a decision whether the City wants to re-bid that or negotiate with the existing Lessee. Steve Hallock advised the Commission that Merry Pier is having a very rough time right now, first due to the cold winter and then the oil spill, both of which have had a negative affect on their business.

As to personnel, Mr. Bonfield reported that there is a slight increase and that is because several years ago the City eliminated a cleaning contract and took on part-time staff members.

This budget includes utility costs for City Hall, insurance for City Hall, all facilities maintenance for City Hall and most of the city wide cleaning supplies.

Mr. Bonfield reminded the Commission that they had received a pretty significant grant to study energy efficiency and they are also looking at everything from new devices to help reduce energy with the air conditioning systems, lighting, etc. the City has a \$250,000 grant to perform the energy audit and start putting those improvements in place. The grant includes the improvements and is estimated to lower energy costs between \$30,000 and \$40,000 a year. The big “bang” will be the pool, the fire stations, and some of the older buildings.

On *Streets*, the City has gone from seven employees to three employees in the last four years, some of that is by contracting. The City began contracting for pickup of trash on the beach several years ago. Street sweeping is done by contract now and it is done once a month.

Replacement of the bucket truck is necessary due to the age and it's poor condition. Mr. Bonfield and Mr. Hallock are looking at a three year lease-purchase with very little interest.

Mr. Bonfield reported that holiday decorations also appear in this budget. It's about \$30,000 year with a three year contract. Steve Hallock has received many complaints from the residents; they just didn't like them. It was the general consensus of the Commission that holiday decorations would be out of line this year due to all the budget cuts that they have been forced to make.

On *Parks*, Mr. Bonfield reported that a lot of the mowing is contracted out and the vendor is very reliable and very reasonable. Tree trimming is also contracted out.

The charges for water and wastewater were added this year along with reclaimed water.

Moving on to *Recreation*, Mr. Bonfield reported that during this year, they eliminated a full time recreation assistant position. That was rolled into some extra part-time hours for some part-time staff. At the pool, the aquatic coordinator and life guards are all part-time.

The budget for marketing was discussed and it was suggested that some type of special event might bring more people in to stay at our hotels and spend money at our business. Vice Mayor Parent voiced his disappointment in the businesses and condominium associations in not joining with the City to promote events.

The Commission discussed reserving a certain amount for special events. Mayor Finnerty was not in favor of doing that at this time. Commissioner Shavlan suggested considering reserves this year and they may hear from the State about the pensions. Reserves are at \$1.6 million as of the end of last fiscal year which is about 12% of our operating costs or about six weeks worth of reserves.

In comparison, Madeira Beach has 95% of their operating revenue or about eleven months of reserves. The actuary recommends, minimally, three months of operating revenues. St. Pete Beach is short about \$1.6 million. Gulfport has five months, Treasure Island has 3.6 months.

The Commissioners agreed to put \$50,000 in the recreation budget for special events.

Commissioner Shavlan said he knew someone who wanted to have their wedding at the Recreation Center but ended up at the Lions Club and paid about \$1300. for the whole day. The Center asked \$2,000 for four hours and that includes clean up. Steve Hallock said they are reviewing fees and they do understand that their price is too high at this time

Mr. Bonfield said as far as the general fund is concerned, they are finished. Vice Mayor Parent brought up replacing vehicles. Mr. Bonfield said they have tried to roughly budget the same amount of money every year, somewhere between \$135,000 to \$175,000.

Mr. Bonfield asked the Commission what they wanted him to prepare for first reading, the same millage rate, the roll back rate, etc.

Commissioner Halpern brought up the matter of the marina and presented some material to the Commission. Mayor Finnerty is concerned about the bridge opening. Commissioner Garnett wants to find out if it's even an option in that

area and she is willing to set aside a little money to find out if this is even a discussion item to have. They are talking about a minimal feasibility study, less than \$10,000, to see if this is even an opportunity that they should look into as a potential new source of revenue and that it has nothing to do with the budget.

Mr. Bonfield asked the Commission if there is a consensus that they want the roll back rate with all the things they have discussed, adding the Library in and adding the \$50,000 for special events in; is that what you want to bring forward at first reading? The Commission agreed. Technically, there is no tax increase.

Mr. Bonfield then asked the Commission if there is a consensus that they want to do something now on the marina. Mr. Halpern suggested asking Mr. Wood to do the bathometric studies first and then maybe they could call off the rest if there is too much sea grass to deal with.

Steve Hallock then brought up the matter of *Wastewater*. There have been substantial cost increases over the last couple of years and there will be one more rate increase of 7.5% on January 1st of next year. Staff stays relatively constant.

He went on to say that they have a vehicle replacement plan that allows them to set the money aside year after year so they won't have the ups and downs when it comes to purchases.

The next item is the *Reclaimed Water*. Staffing has stayed the same. They implemented a rate increase which goes into effect October 1, 2010.

Moving on to *Storm Water*, Mr. Hallock reported that they have identified numerous locations where they need to make major improvements and they didn't have the money in the General Fund. This is going to be a dedicated fund of money and it will not go anywhere else; it's going into *Storm Water* to ease flooding and help protect the environment. It will split over two years and once the legal issues are resolved Mr. Hallock can bring some consultants on board. The money cannot leave this fund and if it isn't spent, it will be dropped into the reserves and go toward operating costs for their first fiscal year.

Mr. Bonfield then spoke about the *C.I.P.* which is a separate fund and the revenues primarily come from the Penny for Pinellas; it comes from a General Fund transfer; this year they have \$475,000. On the City Hall debt of \$302,000, they have one more year after next and the building will be paid off.

In all the changes in personnel, one of the positions that came out of that is a new position entitled "C.I.P. Manager". They have hired a person who is moving here from Indiana and she should be here within the next few weeks. She will be scheduling all the *C.I.P.* maintenance and improvements in the City.

The City has been notified that they will be receiving a grant for the Bay Way landscaping. Gulf Boulevard landscaping is a 100% DOT grant. On Merry Pier, they have budgeted to install new fuel tanks next year. Horan Park is in need of lighting, it's very dark. They may end up with a lease agreement with Progress Energy to do this.

The Egan Park project has been revised to show the grant payment is to be paid this year, but if not, then next year. They will pay off the loan early and take what was budgeted as the final payment and roll it into construction. They put in a \$595,000 construction cost in 2013 of which \$400,000 they plan on coming from grants.

On the two ball fields, Egan and Hurley, they are trying to get some grant money to do some refurbishing there, most of which will be lighting.

On *C.I.P. Waste Water*, Steve Hallock reported that on Lift Station #1 subaqueous, it is beginning to look like that project can be delayed possibly as long as five to ten years.

Lift Station #2 and #3 force main is a project that will have to be addressed and may move up to top priority. Most likely they will look for state revolving fund loan when the time comes.

The Treasure Island - St. Pete Beach force main is currently under study and it looks like it's in good condition and they may be able to defer this project for several years.

There being no further business to come before the Workshop, the Meeting was adjourned.

Theresa McMaster, City Clerk

Mayor Mike Finnerty