

**City of Jacksonville Beach
Minutes of City Council
FY2019 - Budget Workshop
Tuesday, August 14, 2018 – 5:00 P.M.**

Interim City Manager Karen Nelson called the Budget Workshop to order at 5:00 P.M.

The following City Council Members were in attendance:

Mayor: Charlie Latham (late)

Council Members:	Lee Buck	Keith Doherty	Christine Hoffman
	Bruce Thomason	Phil Vogelsang (absent)	Jeanell Wilson

Also present were Chief Financial Officer Michael Nadeau, Budget Officer Ashlie Gossett, Director of Beaches Energy Services Allen Putnam, Director of Parks and Recreation Jason Phitides and Golf Course Superintendent Trevor Hughes.

Everyone present had a copy of the Proposed Budget and Business Plan for FY2019.

Beaches Energy Services

Interim City Manager Karen Nelson stated the Mission of Beaches Energy Services (BES) is to provide reliable energy services at a competitive price with superior customer service, "Above and Beyond the Expected." BES services over 35,000 meters. Ms. Nelson stated during the FY2019 storeroom functions were reorganized so that the personnel now reports to the Property & Procurement Officer. The personnel costs remain in the BES budget. Director of Beaches Energy Services Allen Putnam reminded Council it was previously approved to eliminate one Lineman position to create an Engineering position.

Mr. Putnam reviewed the Accomplishments for FY2018 highlighting the following:

- Completed 20,763 feet of natural gas main extension, which should add an additional 25 customers to this gas line.
- Reduced service outage time to less than half of the average for the Southeast United States and selected Florida Municipal Power Agency (FMPA) members.

Ms. Nelson reviewed the cost chart outlining the average rates for 1,000 kWh for the state. BES continues to meet its goal of keeping rates below the state average. Ms. Nelson stated that BES does not charge any franchise fees or utility taxes in our rates.

Mr. Putnam stated the City entered into a solar agreement this year for three 74.5 megawatts solar farms that would be in production in 2020. The City's share of the solar power is approximately 10 megawatts.

Ms. Nelson outlined the Performance Measures by highlighting the following as the primary objectives:

- Cost
- Service
- Reliability

Ms. Nelson reviewed the Financial Summary stating the personal services increase is primarily due to pension contribution, health insurance, and annual merit increases. Ms. Nelson stated a portion of the Capital Outlay budget is coming out of the capital reserves and that the bond would be paid off in 2020, so we will not budget for debt service after that.

While reviewing budget issues, Mr. Putnam stated there might be a budget modification for an additional tree trimming project done at Guana Substation to eliminate trees near electrical lines.

Mr. Putnam stated BES is constantly pushing the Florida Municipal Power Agency to pay off the All-Requirements Project debt in 20 years or less. Mr. Putnam also stated the BES fee structure would be reviewed in the near future. Mr. Putnam stated BES is meeting with JEA and plans to dissolve the current Interconnection Agreement, which will save the City over \$600,000 a year.

Mr. Putnam outlined the Capital Projects for FY2019 highlighting the following:

- Overhead Line Rebuild – Roscoe Blvd. North Phase Two and Three
- Specify, bid, procure and begin installation of an Outage Management System for Beaches Energy
- Design, Purchase, and installation of a new 224 MVA transformer for Sampson Substation

Ms. Nelson stated BES owns a natural gas distribution system within BES territory that is primarily for commercial customers along the main gas line route. It was designed to provide approximately 3,000,000 therms annually, and during the calendar year 2017, customers purchased 2,082,692 therms.

Parks and Recreation

Ms. Nelson reviewed the Parks and Recreation Department mission statement and the organization. Ms. Nelson stated two Grounds Maintenance Workers had been added to assist with the landscaping maintenance previously contracted out.

Ms. Nelson reviewed the financial summary stating Capital Outlay increases include the addition of an eighth tennis court at Huguenot Tennis Facility and playground equipment at Tall Pines Park.

Recreation Administration Division

Director of Parks and Recreation Jason Phitides reviewed the recent accomplishments of the department by highlighting the following:

- New K-9 artificial turf was installed at the Dog Park
- Improved South Beach Park by installing turf on the multi-purpose field, extending the splash pad to accommodate toddlers, and replacing fitness equipment
- Replaced pump station for the golf course and city-wide irrigation system

Ms. Nelson reviewed the Financial Summary and explained payroll related increases are attributed to merit, pension, and health insurance increases.

Ocean Rescue Division

Mr. Phitides stated the incentive program helped greatly with recruiting additional staff for the summer hours needed to provide a safe beach. He stated the Ocean Rescue staff are well trained and very committed to the hard work they do. Mr. Phitides stated if the Volunteer Life Saving Corp does not provide full coverage on Sundays and holidays, it would significantly increase costs.

Ms. Nelson reviewed the Financial Summary stating the Capital Outlay includes the replacement of a 2011 Chevy Silverado.

Ground Maintenance Division

Mr. Phitides explained the increase in staffing as two Maintenance Worker positions had been added to take over certain landscape maintenance work previously contracted out. Mr. Phitides stated he intends to integrate this division with the golf course to provide additional help when needed.

Tennis Center Division

Ms. Nelson stated revenues at the Huguenot Tennis Center have increased. The goal is to have the tennis center's revenues cover its expenses. Additional money has been budgeted to construct an additional lighted tennis court and a half basketball court.

Carver Center

Mr. Phitides stated the staff at the Carver Center does an excellent job and services approximately 100 people a day.

Ms. Nelson stated in the past, Community Block Grant funding for this program has been reduced and may be subject to further federal budget reductions.

Oceanfront Facilities Division

Mr. Phitides stated the restrooms and showers are in good working order and are opened at 7:00 A.M. daily.

Community Center and Exhibition Hall

Mr. Phitides stated revenue for the Community Center, and Exhibit Hall is up approximately 20% since installing the new flooring. The fee structure has been updated and is intended to cover operating costs.

Special Events

Ms. Nelson stated the funding for the Special Events Division is a combination of the General Fund and the Conventional Development Fund. Ms. Nelson stated the facility rentals and fees cover the entire cost of the Special Events Coordinator position. Mr. Phitides stated the fee structure had been updated and an additional administrative fee had been added. The fee structure is intended to cover operating costs.

Golf Course

Mr. Phitides stated the Golf Course would have one full-time Golf Course Superintendent and five full-time Maintenance Workers.

Mr. Phitides reviewed the recent accomplishments of the Golf Course highlighting the following:

- Installation of a new irrigation pump station including the dual pump attachment system to control PH levels
- Extended the driving range to add 35% more capacity
- All greens have inboard/outboard irrigation surrounding the greens

Mr. Phitides reviewed the goals for FY2019 of the Golf Course highlighting the following:

- Ensure the Golf Course pays its way by increasing revenues through marketing and other promotions
- Improve competitive position with local golf facilities through excellent customer service and well-maintained playing conditions
- Increase the Golf Course's visibility and usage

Golf Course Superintendent Trevor Hughes stated he finds it unrealistic to keep the grand opening date for the Golf Course on September 1, 2018, due to the current drainage channel project. Because of that project, three tees are not built or grassed. Once the drainage project is complete, Mr. Hughes stated the tee boxes would be built and grassed. Mr. Hughes suggested pushing the grand opening back to September 29 or October 6 to assure total completion of the golf course.

Ms. Nelson stated a contract for a restaurant vendor would be on an upcoming agenda.

The Workshop adjourned at 6:15 P.M.

Submitted by: Jodilynn Byrd
Administrative Assistant

Approved: _____



William C. Latham, Mayor

Date: _____

8-14-18