

**City of Jacksonville Beach
Minutes of City Council
FY 2011 - Budget Workshop
Tuesday, August 3, 2010 – 4:00 PM**

Mayor Sharp called the Budget Workshop to order at 4:00pm.

City Council members in attendance:

Penny Christian	Dick Matthews
Steve Hartkemeyer	Tom Taylor
Rick Knight	Mayor Fland Sharp

Also present were City Manager George Forbes, Budget Officer Trish Roberts, Ty Edwards, Director of Public Works, and Senior Secretary, Cathy Martinich.

Public Works Department

Mr. Forbes presented the FY 2011 Proposed Budget for the department. He reviewed the Mission Statement and Authorized Positions by Division.

Mr. Edwards noted the recent accomplishments and goals for 2011. Ms. Christian complemented Mr. Edwards and the department of the outstanding job they were doing in keeping the City clean. Discussion ensued regarding the collection of trash and recyclables.

Mr. Forbes reviewed the Performance Measures including:

- Drinking water
- Wastewater
- Streets
- Stormwater
- Sanitation

Mr. Forbes explained the Public Works Financial Summary and Funding Sources. He asked Mr. Edwards to elaborate on the Budget Issues and Uncertainties. Mr. Edwards said because of the financial burden of federal/state environmental mandates, the need to repair and upgrade aging & deteriorating facilities, would necessitate an increase in utility rates.

The Organization, Mission, Objectives, of the Administrative Divisions were outlined by Mr. Forbes. He noted that the Capital Outlay increased for the Lift Station #3 Improvements Project, which is being funded by ½ cent infrastructure surtax bond proceeds and a federal grant.

Mr. Edwards was asked to explain the Distribution, Collection, and Division Funding Sources and Budget, where he discussed the Capital Outlay. During his explanation, Mr. Edwards introduced Chuck Hernden who presented a chart showing the replacement of sewer pipes and a chart showing 30,000 feet of completed sewer line cleaning. He also presented a chart displaying the re-lining of manholes and explained there are 10 to 15 completed a year, with a 10-year warranty.

Mr. Forbes discussed the Distribution & Collection Division and remarked that the Capital Outlay increased with the addition of water main replacement at 2nd Avenue North and 4th Avenue North (4th Street to Penman Road). Mr. Edwards detailed the funding to design and construct 2nd Street North Sewer Replacement and Related Improvement Projects. Sources of funds for these projects are the ½ Cent Infrastructure Surtax Bond Proceeds and a federal grant. Mr. Forbes complemented Mr. Edwards on his

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dedication and persistence in obtaining 11 Million dollars for the re-building of the wastewater treatment plant.

Mr. Forbes presented the Pollution Control Divisions' operations and programs that are funded by the Water & Sewer Enterprise Utility. Mr. Edwards stated that operating costs rose with the expected increase in electric costs to operate the new wastewater treatment plant. He expressed concerns of his uncertainty about increasing federal/state environmental oversight, monitoring, and regulation on effluent concentrations that will impact effluent discharge permit limits, which may significantly increase future capital and operational costs, in both wastewater and stormwater.

The Water Plant Division's operations were described by Mr. Forbes. The St. Johns River Water Management District is developing its Water Supply Assessment 2008. Mr. Edwards was asked to explain the draft assessment. He said that Northeast Florida is shown as a Priority Water Resource Caution Area. This plan will impact the City's next Water Consumptive Use Permit and may require participation with other utilities in costly new alternative water supply capital projects.

Mr. Forbes talked about the Streets Division and Objectives. Mr. Edwards noted that the 2011 Proposed Budget includes a \$10,000 reduction (14%) in overtime, and that the decrease in overtime will have a negative impact. Employees will begin to work a 7-day work week, covering weekends. He said that the Better Jax Beach Half Cent Sales Tax would fund the school and safety sidewalk program. Mr. Edwards introduced Pat Dieghan and asked him to present the rejuvenation, micro-surfacing and new pavement project maps. Mr. Forbes stated he would be requesting a budget mod at year-end to complete the sidewalk improvements on 4th Avenue North.

Mr. Forbes discussed the Stormwater Utilities. He asked Mr. Edwards to explain the program budget. Mr. Forbes and Mr. Edwards both stated they were concerned about the stormwater pipes and drainage in the City. The Ocean Forest and Constitution Cove Stormwater Studies were discussed specifically. Mr. Edwards showed photographs of the 8-inch storm in 2007 and of the flooding. Mayor Sharp discussed the history of stormwater and drainage issues the City has faced and improved on over several years. The BMAP2 sampling of Hopkins Creek was discussed. Mr. Edwards said the stormwater utility rate was set 20 years ago and projects are delayed due to funding; although they try to accomplish as much as possible each year. The state is dramatically increasing federal and state environmental regulation. Mr. Forbes said not now, but in the future the City might need to consider an increase in fees for stormwater, and wastewater, when the economy is more stable.

Mr. Forbes presented the Sanitation Utility Program and Sanitation Enterprise Utility funds program. He asked Mr. Edwards to explain the increases in the garbage budget as it reflects a slight increase. He stated the increase is necessary due to the CPI contract increase to be considered in December and rising fuel, service, and landfill costs. He pointed out that the utility rate was last set 17 years ago.

The workshop was adjourned at 4:56 p.m.

Submitted by: Cathy M. Martinich
Senior Secretary

Approved:

/s/Fland O. Sharp

Fland O. Sharp, Mayor

Date: August 3, 2010