

**City of Jacksonville Beach
Minutes of City Council
FY2015 - Budget Workshop
Tuesday, August 12, 2014**

Mayor Latham called the Budget Workshop to order at 6:00pm.

City Council members in attendance:

Keith Doherty (absent)
Tom Taylor

Steve Hartkemeyer
Phil Vogelsang

Christine Hoffman (absent)
Jeanell Wilson

Also present were City Manager George Forbes, Finance Officer Harry Royal, Budget Officer Trish Roberts, Human Resources Director Karen Nelson, Director of Parks and Recreation Gary Meadors, Electric Engineering Supervisor, Don Cuevas, of Beaches Energy Services (BES), and Nancy Pyatte, City Clerk's Office.

Parks & Recreation

The City Manager reviewed the divisions' organization and their mission to provide safe and enjoyable leisure opportunities for all citizens. Parks & Recreation is responsible for the City's recreation functions, the year-round 18-hole Golf Course, and maintenance of the parks, golf course, grounds, and cemeteries. Mr. Forbes stated the department has reduced two positions - one full-time in golf course and one part-time in grounds.

Mr. Forbes stated that there is an increase in the department's budget, as noted in the Financial Summary of the report, which is for additional lifeguard hours and replacement of two trucks and a mower.

Recreation Administration

The City Manager reviewed this division's responsibilities, accomplishments, goals, and performance measures as detailed in the report. These are tracked monthly and annually by the customer service satisfaction surveys from the various sports programs. He stated these operations are funded by the General Fund, the Community Development Block Grant (CDBG), and bed tax. Mr. Forbes stated there is a staff of five people, mostly part-time, that do a fantastic job.

There was a brief discussion about the number of non-residents that participate in the sports programs. Mr. Meadors stated approximately 40% are non-resident participants.

As shown in the financial summary, there is a decrease in payroll and an increase in operating costs for grounds maintenance. The Carver Center and the Community Assisted Policing Effort (CAPE) will continue to be funded by the CDBG, an Inter-local Agreement with Jacksonville and subject to budget approval by Congress.

Mr. Meadors addressed the Council about proposed security improvements for the Carver Center, which will be on the next council agenda. These items will improve visibility at the front door and improve office access safety for staff.

Ocean Rescue

Mr. Forbes reviewed the division's responsibility to the public for ocean rescue, beach safety and services. The department's number one goal is zero drownings while on duty. The City Manager reported that a tremendous amount of first aid is provided to beach goers by the lifeguard and rescue personnel throughout the year. The professionalism of the lifesaving personnel is outstanding.

Mr. Meadors reported a new wrist band program was started to help with lost children on the beach and assist the police to find and return them to parents. He provided a sample to the Council, stating it has proven successful, and will include with their safety brochure program. Mr. Meadors added that there have been some off-duty Corp responses for ocean rescue, also resulting in zero drownings.

Mr. Forbes reviewed the financial summary as detailed in the report, explaining the increase is due to additional hours for tower guards and replacement of a pickup truck. Also budgeted for in this division is the purchase of a jet ski with sled.

Mr. Meadors addressed the budget issues and expressed the need to have trained ocean rescue personnel to manage the increasing number of beachgoers. The City is responsible for the additional hours if the Red Cross cannot provide coverage on Sundays and holidays. Mr. Meadors stated there will be an item on the next council agenda requesting additional funding to staff the remaining summer months of this fiscal year.

Tennis Center

The Tennis Center has seven lighted tennis courts. The recent accomplishments, goals, financial summary, and budget issues were presented by Mr. Forbes. Mr. Meadors discussed the performance of the Tennis Center stating that Mr. Watford provides excellent programs and camps for all age groups, as reflected in the surveys. Mr. Meadors said 40 surveys were sent out, with 23 responses.

Oceanfront Restrooms

Mr. Forbes reviewed the objectives and financial summary for this division. There are public restroom facilities located at 5th Avenue North and 2nd Avenue North, both with outdoor showers. There is also a shower facility at 7th Avenue South. The cleaning schedule is contracted to a commercial cleaning company. It was explained that we plan on replacing the porta-potties at the Oceanfront park with permanent restrooms, using redevelopment funds. This project is still several years away from starting.

Carver Center

Mr. Forbes reviewed the report of the objectives, recent accomplishments, goals and financial summary for the Carver Center. Mr. Meadors stated the focus is on the kids – getting them from school to the center, homework and reading assistance, and making sure they all pass to their next

grade level. He said that Latoya Thomas does an excellent job working with the children to improve and maintain grades, building their self-esteem, encouraging the children to head down a better life-path. There was a brief discussion about the summer programs, volunteers, and donations.

Community Center & Exhibition Hall

The City Manager reviewed the goals and financial summary as detailed in the report. The facility is marketed on the internet and locally. Mr. Forbes stated the floor needs replacing in the community center room which is the reason for the increase in operating.

Mr. Meadors explained the Conference Room is used by Weekly Business Networking groups, Home Owners Associations, for school graduations, for wedding receptions and for Christmas parties, and other organizations on a regular basis. The customer satisfaction is measured by surveys and 15 surveys were sent out, and 5 very positive responses were received.

Special Events

Mr. Forbes reviewed the objectives and funding sources as detailed in the report. This includes the Springing the Blues contribution, and the City managed events - two Summer Jazz Concerts and three Moonlight Movies.

The City Manager stated he was asked by Council member Chris Hoffman about having more moonlight movies. Discussion ensued about adding movies, obtaining more sponsorships/contributions to help offset City expenses, and the number of annual fundraising events. The Parks & Recreation Department provides the logistical support for all these events, with limited staff.

Mr. Forbes addressed the budget issues. The Sea & Sky Spectacular air show will be at the beach in 2015 and the City will ask for a year end budget modification to cover this expense. Mr. Forbes stated the City sponsored surf camp will be discontinued in 2015 because there are several private surf camp operators every year. Based on the discussion, Mr. Forbes stated the City will not add a moonlight movie in next year's budget, but will continue to look at this issue in future years.

Golf Course Division

The City Manager reviewed the goals for FY2015. Mr. Forbes reviewed the performance measures and the survey results for the pro shop, overall customer service, golf course conditions, restaurant operation and menu selection.

The revenues from Greens Fees and Memberships, Players, and Walkers and Riders were reviewed, as detailed in the report. Mr. Forbes noted the advantage of having a course where you are allowed to walk. Discussion ensued about the different membership fee options, increasing advertising to promote new play and membership, and the rates being low.

The Golf Course Revenues details the various income sources from greens fees, cart rentals, memberships/passes, lessons, retail merchandise and restaurant lease.

Mr. Forbes addressed the budget issues noting the operation is an enterprise fund; the revenue should cover the operating costs. The FY2015 budgeted revenue is expected to slightly exceed expenses. Under maintenance and equipment, Mr. Forbes said the irrigation main line needs rusted fittings replaced. Also there will be replacement of a Triplex Greens Mower and the purchase of a walking greens mower.

Mr. Meadors addressed the Council about a rotary mower replacement which will be on the next council agenda. This item is for the Grounds Maintenance division budget.

Grounds Maintenance Division

Mr. Meadors stated that, over the last five years, the City has used outside contractors for much of our grounds maintenance services and the Lee Kirkland Cemetery was added this year. This division also assists with construction projects and special events as needed.

The City Manager reviewed the financial summary, as detailed in the report, showing a slight increase in capital. The Tree Protection funds are used to add or replace trees throughout the City.

Mr. Forbes stated the budget address a truck replacement and an equipment storage structure. Mr. Meadors described the structure as a 3-sided, metal building that will be used to store and protect equipment from the weather and elements.

Mr. Meadors addressed the Council about an item on the next agenda for the dog park. A local family raised approximately \$40,000 to donate to the dog park for additional improvements, in memory of their son, Josh Heinz. Mr. Meadors gave a detailed list of the improvements and the estimated cost, which will be completely covered from the balance in the donation account. Mr. Forbes commented that the dog park membership has increased to 350.

Skate Park

Mr. Forbes and Mr. Meadors and addressed the Council about the proposed skate park. Funds have been allocated in the budget for \$250,000 as a starting point for this project. It was explained that the first step will be to confirm the land/location and the cost, then decide the type of design for the skate park, and lastly, prepare a preliminary site plan with proposed costs.

Mr. Meadors said that other local skate parks have been looked at to see how they are designed. Discussion ensued about the level of difficulty, different types of skate options, and age group appeal. The consensus was to make this a fun park, low-key and with a basic level of difficulty, and gear towards a younger age group.

Mr. Meadors stated there are a limited number of companies available that do this type of design work. He said they will consult with Martin Raymos, owner of KONA Skate Park in Jacksonville, for advice and direction.

The City Manager and Mayor Latham thanked the Recreation Department and staff for the enormous amount of work they do for the City and the citizens, and their excellent customer service.

Beaches Energy Services

Mr. Forbes introduced staff supervisors in attendance, which included BES Relay Supervisor Matt Campbell, BES Meter Service Supervisor Mike Downing, BES Accountant Kara Mathe, BES Property Management Superintendent Diana Pratt, and BES Purchasing Administrator Jason Phitides,

The City Manager stated Beaches Energy Services provides electric service from Neptune Beach to Guana State Park. Their Mission is to provide reliable energy services at a competitive price with superior customer service, "Above and Beyond the Expected." They are responsible for maintaining electric service and managing natural gas service in Jacksonville Beach, Neptune Beach, Ponte Vedra Beach, and Palm Valley. The Department also is responsible for the Property Management Division. As listed in the report, there are ten divisions that comprise Beaches Energy Services, and Mr. Forbes reviewed their responsibilities.

Mr. Forbes reported that the department is rated one of the most reliable in the state, and he is very proud of that accomplishment. BES has replaced wood poles with concrete poles, and installed overhead to underground conversions, which is a key part in the storm-hardening program.

Don Cuevas, Electric Engineering Supervisor, addressed the Council regarding the department's accomplishments. As detailed in the report, Mr. Cuevas displayed a map showing the design and installation of the new 26kV underground systems, Circuit #528 and Odom's Mill Feeder Upgrade. On the next map displayed, he reviewed the design and installation of overhead line projects for Palm Valley Road Phase 3 and A1A Phase 3, both in St. Johns County.

Mr. Forbes reviewed the System Reliability chart, noting the high standard performance level of BES. As reported by the Florida Municipal Power Agency (FMPA), 25 cities reported an average interruptible duration time of approximately 75 minutes in a 12 month period. BES, in that same time period, maintained approximately 39 minutes average of interruptible duration time.

Customer service surveys results were reviewed for the Utility Billing and Energy Audit department employees, reflecting a high level of customer satisfaction. Mr. Forbes discussed the cost of services and said that our residential rates are very competitive and below the State average. Customer growth has increased 7% over the past 10 years, as noted on the chart in the report.

The Energy Efficiency and Conservation programs are performing very well in our community and we continue to provide conservation information and services. Mr. Forbes reviewed several of the conservation resources and initiatives offered to our customers.

The department goals for FY2015 were reviewed, as listed in the report. Mr. Forbes stated we continue to ensure the highest level of system reliability with infrastructure improvements and enhance customer convenience and service.

The City Manager discussed the Performance Measures based on cost, service, and reliability. Our residential rates are below the State average, as well as the outage times per customer. The Funding Sources for FY2015 were reviewed, the highest being from residential services.

The Financial Summary for electric and natural gas was reviewed. Mr. Forbes stated the budget for FY2015 reflects an overall decrease based on lower fuel costs. Purchase power is directly related to the fuel costs.

Mr. Forbes reviewed the chart showing the megawatt hours purchased from FMPA, which varies year to year based on weather conditions and the economy. Our City is one of 14 All Requirements Members in FMPA. The long-range projection studies indicate that FMPA has adequate generation resources for the next 10 years. Conservation, energy efficiency, and demand response programs have been very successful and benefit customers.

Regulatory issues continue with NERC (North American Electric Reliability Corporation) and FRCC (Florida Reliability Coordinating Council), regarding compliance standards. Mr. Forbes reviewed the increased measures and standards with rules for compliance. Mr. Forbes talked about modernizing the grid to continue strengthening the infrastructure and improve service reliability. BES rates are competitive statewide and we do not have franchise fees or charge utility taxes.

Don Cuevas reviewed the Capital Projects for 2015 as listed in the report, and provided additional information and photos for two major projects. One is the Overhead Line Rebuild, replacing wood poles with concrete poles, including conversion of an overhead wood pole line to underground cable. The other project is the Back/Loop Feed for A1A South of Mickler Road, installation of underground conduits and cable for the underground system on A1A from Mickler Road to the south end of the BES system.

Mr. Forbes stated the Infrastructure to Support System Growth and Maintenance is budgeted for \$1.2 million.

The BES Natural Gas Service area was reviewed by Mr. Forbes noting the potential future extensions along with the current gas line customers. Mr. Forbes explained the chart showing 2013 Data for Florida Public Gas Systems and explained the map shows the natural gas lines in our service area.

Property Management

Mr. Forbes reviewed the responsibilities of the Property Management division of Beaches Energy. Property Management Superintendent, Diana Pratt, manages the bi-annual inspections of all City facilities and maintains their condition from floors to roofs, and schedules the cleaning services for all facilities. Property Management is also responsible for the City's leased facilities and the contracted services for fleet maintenance.

Mr. Forbes advised the Council about an item that will be on the next agenda to replace/purchase two natural gas emergency generators. One is for the Police department - generator is currently inoperable and we are leasing one for \$2,100 per month. The second is for City Hall - currently operates at 80% capacity and the exterior enclosures are deteriorated due to salt air corrosion.

The City Manager completed the review of the accomplishments, goals, and budget issues as detailed in the report. He emphasized customer service towards employees is just as important as for citizens, as shown from the results of their internal customer service surveys. Mr. Forbes complimented the team stating the property maintenance employees keep the buildings in very good condition.

Mr. Forbes reviewed the funding sources and budget for 2015, noting a slight increase as shown in the financial summary in operating. Under leased properties, the City was just advised prior to the start of this meeting, that the school bus company Student Transportation terminated their lease effective July 31, 2014. This will change the estimated revenue figures, unless we can find a new tenant.

The building condition assessment results were reviewed and Mr. Forbes stated all the facilities are in 'like new' and 'very good' condition. We are at that stage where we are planning for upgrades and replacements in our maintenance programs.

The City Manager stated that BES personnel strive to achieve and maintain compliance to federal (NERC) and state (FRCC) standards. BES continually monitors industry developments and implements cost effective measures to meet regulatory mandates. Mr. Forbes and the Mayor expressed their appreciation and thanked everyone for all their efforts.

Budget True-Up

Mr. Forbes discussed the true up numbers. Trish Roberts provided a true-up worksheet (attached and made part of minutes) and addressed Council on 3 changes to the budget line items in the General Fund, as follows:

1. Leave pay-out to the Planning & Development Director at his retirement
2. Fire Department Overtime
3. Reduce unanticipated to pay for 1 and 2

Mr. Forbes thanked the Mayor and Council for attending all the meetings and said the true up numbers will be included in the September budget for final approval.

The Mayor and Council thanked Mr. Forbes and all the departments for providing the necessary information to handle their fiduciary duties.

The Workshop adjourned at 8:00 pm.

Submitted by: Nancy Pyatte
Assistant City Clerk

Approved:

/s/William C. Latham
William C. Latham, Mayor

Date: September 2, 2014

City of Jacksonville Beach
 Reconciliation of budget presented to final Proposed Budget
 FY2015 Budget

REVENUES as shown in proposed budget	All Funds Total	General Fund ONLY	Explanation
	\$158,631,529	\$19,460,731	
	\$158,631,529	\$19,460,731	Revised Revenues

EXPENSES as shown in proposed budget	All Funds Total	General Fund ONLY	Explanation
	\$153,900,833	\$19,460,731	
General Fund, Redevelopment Fund	70,361	23,221	Leave Payout
General Fund	27,916	27,916	Fire Department Overtime
General Fund	(51,138)	(51,138)	Reduce Unanticipated for above
Adjust Gen. Fund unallocated			
	\$153,947,972	\$19,460,730	Revised Expenses

**Budget adoption: Wednesday, September 3 at 6:00
 Monday, September 8 at 6:00**