



City of Largo Agenda Item 2

Meeting Date
05/08/18

Presenter: Meridy Semones, OMB Manager

Department: AD – Administration

TITLE:

PROPOSED FY 2019 - FY 2023 CAPITAL IMPROVEMENTS PROGRAM (CIP)

The proposed 5-Year CIP for FY 2019 - FY 2023 includes projects totaling \$137,917,300. The CIP neither appropriates funds nor authorizes projects; it is a five-year planning document for significant capital projects, defined as those costing \$100,000 or more. The CIP also includes maintenance projects and computer software purchases costing \$100,000 or more, which are included in recognition of their operational and financial significance, even though from an accounting perspective they are not capital expenditures.

Changes From Prior Year

There are minimal changes to the CIP document this year; however, one notable change has been made to the CIP project pages, based on a requests from the Finance Advisory Board during the last CIP process. The CIP project pages now subtotal costs by expenditure type (personnel, operating, capital), in addition to including a total by funding source.

There are very few changes to capital projects over the five-year period. The Engineering Department is making progress toward breaking-out the major road and sidewalk projects that were included as lump sum projects in the Penny For Pinellas renewal campaign. As FY 2020 gets closer, more detailed project descriptions and cost estimates will enter the CIP. This year the initial planning has started by breaking-out road and stormwater projects as unfunded while detailed planning efforts are underway.

Initial planning for the replacement of three fire stations is included in this CIP within the Penny for Pinellas Fund. A great amount of planning regarding the City's facilities took place during this CIP cycle. Details can be found in the City Manager's Budget Message in the CIP document; however, there is funding allocated to maintenance, engineering studies, and facility replacement, all based on factors like available funding and facility condition.

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Budgeted Amount: \$0.00 Budget Page No(s): NA Available Amount: \$0.00 Expenditure Amount: \$0.00

Additional Budgetary Information: Not applicable

Funding Source(s): NA Sufficient Funds Available: Yes No Budget Amendment Required: Yes No Source: N/A

City Attorney Reviewed: Yes No N/A Advisory Board Recommendation: For Against N/A Consistent With: Yes No N/A Not Applicable

Potential Motion/ Direction Requested: Does the City Commission have any changes to the Proposed FY 2019 - FY 2023 CIP?

Staff Contact: Meridy Semones, OMB Manager x7769 msemones@largo.com

Attachments: Pages 2-3; Finance Advisory Board Meeting Minutes

CIP Work Session – Page 2

Long Range Financial Plan Projection Highlights:

The CIP is more than just a list of capital projects. It is a comprehensive financial projection exercise that includes personnel and operating costs, revenues, and fund balances. The Office of Management and Budget, in partnership with the Finance Department, has generated financial projections for the five-year period beginning with FY 2019. These multi-year financial projections enable the City Commission and City Administration to maintain a long-term perspective when making decisions regarding both expenditures and revenues.

Revenues – Revenue projections across all of the City’s funds have revealed that there are a few notable changes from the time the FY 2018 Budget was adopted. First, within the General Fund, the City had projected \$900,000 in revenue from the settlement of a legal dispute with a property, known as Brittany Bay, for failing to make required Payments In Lieu of Taxes (PILOT) for multiple years. The City won this case at the State Supreme Court and projected that the back-payments would be made during FY 2018. The payment was made at the end of FY 2017, with a final judgment in the amount of \$1.1 million. This increased the FY 2017 ending fund balance in the General Fund by approximately 2%. There will be less receipts in FY 2018 as a result of this timing change, but the impact on fund balance from this revenue is notable. Second, the Solid Waste Fund rate increase projected for FY 2020 has been moved to FY 2019, due to higher than projected actual expenditures for FY 2017 from Hurricane Irma, a projected revenue decline from the sale of recyclables, and a corresponding recycling expenditure increase. Finally, in the City’s Golf Course Fund, revenue estimates have been reduced by approximately 10% each year. The projections included in the FY 2018 Adopted Budget were based on what turned out to be abnormally high FY 2017 receipts that were not repeated in FY 2018.

Below is a list of tax and utility rate/revenue changes projected in the current five-year planning period. The timing of these increases will continue to be evaluated and every effort will be made to spread out utility rate increases so they occur in alternating years. Note: there have been no changes to projected property tax revenue increases since the FY 2018 budget was adopted.

Property Taxes/Utility Rates/User Fees

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Property Tax Revenue	6%	-.53%	6%	6%	6%
Golf Course	3%	-	-	3%	-
Solid Waste	20%	-	-	10%	-
Stormwater	-	-	20%	-	15%
Wastewater	-	-	25%	-	-

Expenditures:

The CIP process focuses mainly on projecting the City’s capital needs for the five-year planning period, with the exception of any major known operating budget increases that are expected for the upcoming year. The FY 2019 – FY 2023 CIP reflects an expenditure increase in the Solid Waste Fund for the estimated cost increase to dispose of recyclable materials. It is anticipated that the global recycling market will experience significant decline due to regulatory changes enacted by China, the world’s leading consumer of recyclable materials. It is expected there will be a reduction in the types of materials that can be recycled, while increasing the cost for the materials that remain recyclable. These changes are expected to take effect during FY 2019, and a \$350,000 cost increase has been built into the Solid Waste Fund operating budget beginning in FY 2019 to account for the increased cost of recyclable tipping fees. These changes are in addition to the aforementioned revenue reduction expected from no longer being able to sell recycled materials. Finally, the Solid Waste Fund also reflects the set aside of reserves for hurricane debris removal, in the total amount of \$2 million. During Hurricane Irma, debris removal was the largest cost to the City and had to be borne by the General Fund due to insufficient reserves in the Solid Waste Fund.

Expenditures in the General Fund are the most unpredictable at this time for several reasons. Most notably, due to the aforementioned additional Homestead Property Tax exemptions, there are \$650,000 of recurring reductions programmed into the five-year planning period. These reductions will keep the City in compliance with the legislative fund balance policy adopted by the City Commission several years ago and also preserve some of the City’s reserves in preparation for the next recession. Staff is working to minimize impacts of potential reductions and find budget savings through operational efficiencies in an effort to lessen the impact of these projected reductions.

CIP work Session – Page 3

Finance Advisory Board (FAB) Review

The FAB reviewed the CIP during two meetings in April. The Board looked specifically at new projects and unfunded projects to determine if the funding status of these projects are in-line with strategic initiatives. The Board considered two recommendations, only one of which passed:

1. Motion to remove the Downtown Plaza Enhancement Project from the CIP (Page 66). Approved (4-0)
2. Motion to remove the Medical Arts District Regional Stormwater Pond Project (Page 139). Failed (2-2)

The minutes from each board meeting are attached to this memo for the City Commission to reference the basis of these recommendations. The Finance Advisory Board Chair Person will be present at the meeting to present the Board's recommendations and summarize the discussion.



201 Highland Ave NE
PO Box 296
Largo, FL 33779
LARGO.COM

FINANCE DEPARTMENT

Kimball R. Adams, CPA, Director
Director
E-mail: kadams@largo.com
Phone: (727) 587-6747
Fax: (727) 586-7421

Rebecca Spuhler, Assistant
E-mail: rspuhler@largo.com
Phone: (727) 586-7443
Fax: (727) 586-7421

Finance Advisory Board April 2, 2018, City Hall, Community Room Meeting Minutes - DRAFT -

Meeting Called to Order: 6:00 pm

Members Present: Bronson Oudshoff, Chairperson, Fred Green, Vice Chair Person, Gay Gentry, Christopher Johnson, Katherine McGuire, Robert Murray, City Commission Liaison James Robinson

Members Absent:

Staff Present: Matt DiFiore, Jared Meyer, Henry Schubert, Meridy Semones

1. Approve / Amend Proposed Agenda

Motion was made and seconded to approve agenda (Johnson/McGuire). Motion passed unanimously.

2. Public Comment

Mr. Geoff Mokley asked what is the purpose of the Finance Advisory Board (FAB) and what has it accomplished in the past 5, 10, 15 years. He said there is no continuity and not sure the FAB makes any recommendations to the City Commission. Mr. Mokley said the City Manager informed there would be no millage rate increase and, at the end of August, there was a millage increase. The only thing the FAB has done over the last 10 to 15 years is lower the water usage rate. Mr. Mokley feels the City Commission only takes action when 30–40 citizens jam the Commission Chambers in protest.

3. FY 2019 – FY 2023 CIP Financial Overview

- Management Analyst DiFiore provided an overview for the CIP. Based on the Advisory Board's recommendations from last year, the personnel operating costs on the project pages were added. Additionally, there are a number of new road and stormwater projects, which is related to the Penny for Pinellas. Those projects are currently unfunded, but as we get further into the new Penny, they will be programmed in and slotted for specific years. Overall, the current five-year plan has the biggest categories of investments that include vehicles, wastewater, and mobility.
- City Manager Schubert said this year's main focus is the maintenance of capital assets. There has been a lot of money spent building things in the community but as things age, those assets either need to be replaced over the next few years or make some significant investments in maintenance to continue their useful lives. The City's projected proceeds from the Penny for

Pinellas extension have already been earmarked for specific projects. Some of the projects include 1) the replacement of three fire stations; 2) performing extensive roadway reconstruction and resurfacing; and 3) major stormwater improvements. As the City moves through that 10-year period, there will be specific roadway projects and stormwater improvement projects that will be identified from the Sales Tax and Stormwater Funds.

City staff have discussed what needs to be done over the next few years to maintain the current assets. Some of the facilities that will be impacted include:

Bayhead Complex – The complex is primarily focused on teens and heavily used. This project is under consideration for being moved up on the priority list if there are funds remaining at the end of the current Penny. As a side note, depending what happens with the City Hall project, as we run out of space in the building, it may be desirable to relocate some of the functions that are currently located in City Hall to alternative sites. One idea would include if Bayhead is rebuilt, to build a 2-story building and relocate Recreation Administration to the second floor. It would put more of a presence on that site and provide security by having staff located there.

Fire Station Replacements – Fire Stations 38, 39, and 42 are all projects included in the Penny extension. The replacements have been spread out over the course of several years so there would not be more than one fire station under construction at any one time. Each station would have the same basic design.

Fire Station 40 is not on the schedule for replacement. It is located in the Highpoint area and was originally funded by Pinellas County. Due to the annexation into the Highpoint area, the City shares more of the costs of operating and staffing that station. There has been discussion at the County that that station should be relocated. One possible location is the St. Pete/Clearwater Airport, with the possibility of consolidating that station, the crash rescue station at the airport, and the other Highpoint station located on Moog Road towards Feather Sound which is currently operated by the City of St. Petersburg. That continues to be discussed with Pinellas County and they would probably be the major funder of a station at that location. A lot will depend upon the ultimate construction with the road projects going on as to the feasibility of relocating those functions into one building.

Largo Golf Course – The Golf Course has done reasonably well over the last couple of years, but continues to be a challenge. Golf as a sport has declined in popularity and the City is not convinced that in the long term the City's golf course is viable. The revenue projections show a negative cash position for the Golf Course in a few years. At some point there needs to be a discussion as to whether to subsidize the course with General Fund monies, whether the operation of the course is contracted out, turn it into some other type of recreation facility, or sell it. This will require an analysis to see what the City's viable options are and what the potential market value would be for the course.

Southwest Rec Complex & Pool – The Southwest Rec Complex will need to be replaced at some time in the future and the Aquatics Center will need to be refurbished. The current Aquatics Center is focused primarily on competitive swimming not recreational swimming; therefore, it does not serve a large number of people and is not open to the public that much for just recreational swimming. The building itself was built in the mid-1980's and one item of discussion is that maybe the complex needs to be reconstructed with the 2030 Penny. Then the question is, would it be constructed at its current location or at the existing Golf Course. If it is the latter, the Southwest Rec Complex site could be sold. That may also coincide when the Golf Course will need a major rehabilitation, which is extremely costly. The question is what is the future viability of the Golf

Course and do you do something in conjunction with the possibility of a future reconstruction of the Southwest Rec Complex, or it can be looked at as a potential sale of the property for private development. If the Golf Course was sold, the proceeds could be placed into a separate fund and earmark as purchase of future parkland.

Largo Municipal Complex – The building was built in the mid-1970's, renovated and City Hall moved into it in 2000. There are numerous issues with the complex ranging from air conditioning to plumbing to electrical to hurricane survivability. It is a sizable expense to replace City Hall and there is not room in the next Penny to accommodate that. At the same time, there are needs to keep the building functioning. The generators are being replaced, which entails a lot of electrical work. The roof has been replaced and there continues to be issues with the air conditioning system. The CIP includes the replacement of the chiller units on the complex. One thing that has been explored is a public/private partnership opportunity downtown. If a developer were to look at redeveloping part of the downtown, would there may be some type of a partnership opportunity with the developer to also include as part of the redevelopment a new City Hall. There have been some informal discussions with developers regarding the downtown area. The City is currently not in a position to issue an RFP to see if someone is interested, but there is something called an unsolicited proposal that is provided for in State Statutes. Informal conversations continue with the development community regarding that proposal.

Parks Administration – Parks Administration is located at the south end of Largo Central Park and the building is in terrible condition. The primary building is the last remaining building from the old County Fair. The buildings are currently used for storage. There was a master plan conducted to redevelop the Parks Division when the Data Center was built, which is adjacent to the Parks Division and behind the Feed Store. Alternatives are being considered including if Parks Administration is rebuilt in the current location, would it make sense to move Recreation Administration to that facility. Even though Bayhead is considered, it may be best to relocate to Parks.

Public Works Complex – The Public Works facility is not hurricane survivable, except for the Streets and Stormwater building. That site is also an old landfill site, but a lot of settling is occurring. The existing Public Works building is settling and cracking.

City Manager Schubert said that some monies have been allocated in the CIP to look at some of these facilities for some long-term planning.

Miscellaneous Discussion

- The Board asked how many employees worked in Parks Administration. City Manager Schubert said there are approximately 12 individuals that actually work in the building with crews coming in and out of the building. The biggest part of the Parks Division reconstruction is the storage and maintenance facilities for their equipment.

There is the idea that the miniature train folks in Largo Central Park want a permanent facility. A study is being conducted to see what development rights are on the Park and would it make sense to include them as part of a parks reconstruction project. That would permit them to share restrooms and if they would need a conference room to have meetings, they would be able to share ours.

a) Major Revenue Changes since FY 2018 Budget Adoption

OMB Manager Semones reported two new funds were added to the CIP for FY 2019; the Parkland Impact Fee Fund and the Tree Impact Fee Fund.

OMB Manager Semones discussed the following funds: General Fund, Golf Course and Solid Waste and highlighted the changes to each fund.

Pertaining to the Solid Waste Fund, the Board said with the increase in tipping fees and eliminating recycling, if the City were to go back to the old way trash collection, what would the cost savings be for the City in personnel and equipment. OMB Manager Semones said that is being looked at. There would be more garbage to pick up and did not know if the program would be completely eliminated. City Manager Schubert said there is significant public support for recycling.

b) Major Expenditure Changes since FY 2018 Budget Adoption

OMB Manager Semones discussed Stormwater and Wastewater utility rates.

c) Overview of FY 2019 Budget Prep

OMB Manager Semones reported that many of the union contracts are back on a 3-year schedule. The only union up for negotiation in FY 2019 is IAFF. The City is projecting non-representative employees to receive a 3% increase with a 12% health insurance increase.

Miscellaneous Discussion

- Ms. Gentry said the CIP letter sent was very well written; clear and precise.

Ms. Gentry said when the Bayhead Complex was being reconfigured the last time, the reason for the sand lots was due to not knowing what was underneath. City Manager Schubert said we did know what was underneath, that was the reason for the sand. There were tennis courts in that area which were cracking and settling and thought sand would be more pliable.

Ms. Gentry mentioned the fire station being shared with the City of St. Petersburg and asked where is the Pinellas Park's Fire Station located. City Manger Schubert said the St. Petersburg station used to be the Pinellas Park Station. A few years ago, the County bid out the operation of the two fire stations. The City of Largo was the only bidder of the station and we still operate it. St. Pete came in low on the other one and outbid Pinellas Park.

Ms. Gentry said the City has given the Golf Course every possible opportunity to be successful.

Ms. Gentry would support the train folks joining in with the cooperation of the Parks building. City Manager said they are good partners and are known all over the Tampa Bay area.

Ms. Gentry said the Strategic Plan consisted of a group of 20–25 individuals that developed the bases of the Plan. Since then it has gone through some changes, which have all been forward moving. She felt the Strategic Plan was a step in the right direction.

Ms. Gentry liked having an assignment for the CIP review. Knowing what to concentrate on narrows down time spent on research.

4. Capital Planning Philosophy from City Manager

City Manager Schubert said the City's philosophy has been to avoid General Fund debt. In recent years the only two areas that have incurred debt is the Wastewater Fund and the Sales Tax Fund (Penny for Pinellas). In the Wastewater Fund, there has been some 20 years debt, particularly in some of the major projects which is very acceptable in the utility field. In the Sales Tax Fund, if the City has incurred any debt, the City made sure it was paid off prior to the expiration of the Penny in which it was incurred. The longest of any borrowing has been 10 years in the Sales Tax Funds; sometimes only 7 or 8 years. Going forward that philosophy will be thought through more, while one needs to be careful with debt, at the same time, responsible debt is an acceptable financing mechanism when you have high priority needs that can not be funded with current resources. For example, it is time to acquire a new ERP (Enterprise Resource Planning) software, which is a financial management / HR software. Looking at the City's technology needs, which is one of the sustainability priorities within the City's Strategic Plan, some areas have been identified where the software capabilities need to be upgraded. This project will be funded through several different funds, ie, Wastewater, Solid Waste would contribute as Enterprise funds, but the General Fund's share is where the City will need to borrow funds towards the acquisition of the software package and pay it off over a 5-year period.

Board questioned if it is a program that other communities are using. City Manager Schubert said the City of Clearwater is currently going through a process where they have selected a new software provider and will be embarking on implementation soon. OMB Manager Semones said Dunedin is also in the process of implementation.

Board asked if it was the same software and OMB Manager Semones explained that ERP software could be any vendor. There are a variety of brands of ERP software, but Dunedin and Clearwater are implementing the same brand. City Manager Schubert said the City's current software was acquired 20 years ago and has since outgrown it. We have more sophisticated needs and a much larger organization and see a need to automate a lot of functions that are not available.

5. Direction for CIP Project Review

City Manager Schubert said discussions have been held with the City Commission regarding the viability of Advisory Boards on how to make them more relevant and more impactful. This year the FAB's CIP review will:

- a) Focus on New Projects
- b) Review Unfunded Projects

City Manager Schubert explained the Budget review process for the FAB will be a joint meeting with the City Commission.

The Board said there seems to be some upcoming changes to property tax revenue and asked how is the fact addressed. City Manager Schubert said one of the challenges is that the assumption that the increase in Homestead Exemption will probably pass. The City will be partnering with the County to conduct some public information campaigns to inform individuals what the increase in Homestead Exemption is all about. They will be able to see how much they actually would or would not benefit by that reduction. The document does project that in FY 2020 the City would have to reduce the General Fund expenditures.

Mr. Johnson mentioned being unclear about the Public Safety staffing of whether the implementation was being extended or not. OMB Manager Semones said it was extended last year and has not been extended any further. There is discussion from the recruitment standpoint with the SRO situation. Logically the City may have to back off on the hiring process of the Police Officers for next year until

later in the year due to lack of individuals available. There are only so many individuals who can get through the system in a certain amount of time. That being said, there have been no changes to the Public Safety Staffing Plan from last year.

Mr. Johnson asked what is the revenue guarantee from the State on these SRO officers. City Manager said there are no guarantees.

6. Schedule Second April Meeting to Conclude CIP Review

The consensus was to hold the next meeting to discuss the CIP is April 16, 2018.

The Chairperson for the FAB will make recommendations on the CIP to the City Commission on May 8, 2018 at 4:30 pm.

The joint Work Session with the City Commission on the FY 2019 Operating Budget is scheduled for July 13, 2018 at 1:00 pm. A follow-up meeting will be held on July 23, 2018 at 6:00 pm.

The follow-up City Commission Budget Work Session where the FAB will deliver their direction to the City Commission and the City Commission will, in turn, deliver their direction to the Board is scheduled for August 14, 2018 at 4:00 pm.

OMB Manager Semones reported working on part of the changes for the FAB, but the City Commission still has to approve the proposed changes. A formal calendar of scheduled meeting dates, some of which are the first Monday of the month, reflect the schedule as well with joint Work Sessions so planning can be made in advance. The schedule is for the whole year.

7. Other Business (if any)

- Board questioned the status of obtaining another board member. OMB Manager Semones said currently there are no applications. The FAB is Commissioner Smith's appointment and he is actively trying to recruit someone. She said if the Board knows someone who may be interested, they should be directed to Commissioner Smith and to the Mayor's Office Administrator.

8. Adjourn – Meeting adjourned at 7:24 pm.

Respectfully submitted,

Kim Adams

Kimball R. Adams, Finance Director



201 Highland Ave NE
PO Box 296
Largo, FL 33779
LARGO.COM

FINANCE DEPARTMENT

Kimball R. Adams, CPA, Director
Director
E-mail: kadams@largo.com
Phone: (727) 587-6747
Fax: (727) 586-7421

Rebecca Spuhler, Assistant
E-mail: rspuhler@largo.com
Phone: (727) 586-7443
Fax: (727) 586-7421

**Finance Advisory Board
April 16, 2018, City Hall, Community Room
Meeting Minutes - DRAFT -**

Meeting Called to Order: 6:00 pm

Members Present: Bronson Oudshoff, Chairperson, Gay Gentry, Christopher Johnson, Robert Murray, City Commission Liaison James Robinson

Members Absent: Fred Green, Vice Chair Person, Katherine McGuire

Staff Present: Matt DiFiore, Scott Johnson, Lara Khoury, Jared Meyer, Will Payne, Tyler Thompson, Meridy Semones, Brian Usher, Jerry Woloszynski, Kim Adams, Mike Staffopoulos, Henry Schubert

1. Approve / Amend Proposed Agenda

Motion was made and seconded to approve agenda (Murray/Johnson). Motion passed unanimously.

2. Public Comment

Mr. Geoff Mokley noted the fund balance reached 15% in the General Fund, which was up from 10% and feels the City does not need a higher fund balance. He also said there was no need for the City to pay for "Social Service" Police Officers in the schools; let the Sheriff's Office fund this. The City's responsibility is not to police the public schools. He asked why the City built a 30-year fire station instead of a 100-year one? He said the Downtown Triangle project should be removed from the CRA and the area should be left alone. The City needs more green space, not more signs to maintain. He pointed out that the Golf Course is under water, even excluding the waived City overhead charges that hasn't been paid in year; it needs to be watched closely. He said the only thing the Bayhead Complex needs is a water fountain. There is no need to add more facilities to maintain.

3. Approve Prior Meeting Minutes

Motion was made and seconded to approve the minutes of April 2, 2018 (Johnson/Murray). Motion passed unanimously.

4. FY 2019 – FY 2023 CIP Review

Board discussed the proposed CIP projects for FY 2019 – FY 2023.

General Discussion

Mr. Green submitted several written questions in his absence, due to illness.

- Are the new SRO's in the new Long Range Plan?

Staff said no; cost calculations are still being worked on. A budget amendment will be proposed in May for the current year. It is still uncertain who will pay for the officers, but the City will try to re-hire retired officers at .75 FTE, not full-time. They will only work during the school year. The school board has not offered to pay the costs yet.

Mr. Murray asked why the City doesn't let the Sheriff's Office provide the officers at the schools?

Staff said the City Commission could decide to do that, because it is not the City's responsibility. There are benefits to having Largo officers in the middle and high schools from a community policing standpoint. There isn't as much benefit of having officers in the elementary schools. The City may not be legally responsible to provide SRO's in every school, but it would be good to provide officers, if possible, in at least the middle and high schools.

Ms. Gentry asked why the Sheriff's Office or the School Board does not provide the officers? She said not every city has schools, but all cities should share the cost. The Sheriff's Office has a bigger budget to draw from and all county residents will pay part of the costs if the Sheriff or School Board provides the officers.

Mr. Green: Could the CIP scoring system be weighted?

Staff said yes; however, this is only the third year of the new scoring system and it has been working well. Staff discussed adding a weighting criteria, but weighted scores would complicate the system. Scores are a guideline and not totally objective. Weighting would also be somewhat subjective.

Ms. Gentry asked how many people are involved in the scoring of projects?

Staff said each department scores their own projects first then an Operational Management work group scores the projects again. The Administrative group scores the projects last. Most scores are very close, so the system seems to work well.

Mr. Johnson commented that the scoring system seems to under-score maintenance projects vs. replacements of the same type of building. For example, the new fire station project has a 10 point higher score than the maintenance for a roof of an existing fire station. Maybe the scoring system should have a separate classification that increases scores of maintenance projects vs. new facilities? Otherwise, the new scoring format works well.

Mr. Green: Could the public's input be considered in the scoring?

Staff said yes, but then ranking could become more of a popularity contest. The City's basic needs may not be met in favor of approving more high-profile and citizen-facing projects.

Mr. Green: Please provide a status report for recycling.

Staff is evaluating alternatives based on changing market conditions. The vendor informed the City that they will begin to charge for taking recycling materials next year, because China is not accepting as much recycled material as in the past. This is a nation-wide problem. Recycling charges could be significantly higher than charges at the County's facility, so it may cost much less to take recycled materials to the County. The City Commission will discuss options during the FY19 budget process.

Facilities Projects

Ms. Gentry mentioned the unfunded Parks Building and asked what is the benefit to moving it to the Public Works site?

Staff said if Parks is sited with the Public Works complex, it would free-up the Central Park land for public use. It would also be easier to service Parks vehicles and they would be closer to the fuel station. Security would also be easier to provide.

Ms. Gentry said the Performing Arts Center unfunded project could affect revenue if the seating system breaks. She said the project's scoring seems low compared to the potential revenue impact.

Staff said the seating system is in need of replacement, but other needs are still greater and resources are limited. Routine maintenance will be performed to ensure it can operate as long as possible. Staff will look for an Arts Grant.

Mr. Johnson said it is hard for him to re-prioritize any projects. The current priorities seem to be appropriate given the needs and available resources.

Mr. Murray agreed. He had no changes in priorities.

Mr. Oudshoff agreed. The downtown parking garage would be nice to fund, but resources are not available and he could not identify any projects to trade places.

Mobility Projects

Mr. Murray asked about the design costs for the Downtown Plaza (page 66).

Staff said design costs of \$65,000 are in the FY18 Budget. No design plans have been received yet.

Mr. Murray doubted that more signs are needed and he would prefer having more green space.

Motion: A motion was made and seconded to not support this project. (Murray/Gentry). Motion passed unanimously.

Discussion: The Board agreed there needs to be more green space and less signage. Largo Central Park already has signage that identifies the area across the street. Signs also need to be maintained at an extra cost. The capital and operating funds from this project could be used for other unfunded infrastructure projects in the CRA, instead of signage.

Motion Passed (unanimous)

Mr. Johnson asked if the current CIP would improve the PCI score?

Staff said it should help improve PCI from the mid-50's to 60's over the next five years. The projects are scheduled to revamp roads before they need reconstruction. The CIP will hit light and middle maintenance more. Working from both directions, front and back.

Mr. Johnson asked how long it would take to get to a PCI of 75?

Staff said it could take 20-30 years to reach the mid-70's. Gradual progress will be shown every year.

Ms. Gentry said most project scoring seems to be clustered around #19 and asked if there is a way to push the scores more one way or the other to make clearer distinctions on need?

Staff said the scores indicate that many projects are similar in need. Also, several large projects were divided in smaller ones, so the large project scores were transferred to the smaller ones.

Mr. Johnson asked if all underground utilities are considered for replacement on road projects?

Said said, in a perfect world all utilities should be replaced when a road is reconstructed, but sometimes it is not necessary or cost effective. All utilities are evaluated as part of a road project.

Mr. Oudshoff said the number of radio units being replaced does not add up.

Staff said the text is wrong. It should say four years and not five years. FY 2018 was the first year.

Recreation Projects

Mr. Murray questioned the Bayhead Reconstruction Study for \$70,000 and asked will the study determine what can be built on the Bayhead site?

Staff said the study will determine what can be built, based on soil conditions. Some of the ground is unstable, due to an old landfill.

Mr. Murray asked if the \$150,000 for the mid-section of Largo Central Park is realistic? It seems low.

Staff said the \$150,000 is to conduct a study of the site. No work will be done with this amount. The ultimate cost to clean-up the site could be expensive, depending on the intended usage. Options will be provided based on the results of the study.

Ms. Gentry said consideration should be given to building a smaller pool at the Southwest Complex to lower the cost and be able to provide more water exercise opportunities. The current pool size and depth are probably not what most of the general public want today.

Stormwater Projects

Ms. Gentry said all of the unfunded projects scores were #24's and asked if all of the projects are really the same priority? She said some projects should rise or fall to make more clearer distinction of priorities.

Staff said most of the projects were broken-out of large projects this to show more detail similar to the road projects discussed previously. The old scores were assigned to the new smaller projects.

Mr. Murray asked what the advantage is of the Medical Arts Stormwater Pond project to the City and why the City doesn't let the developer provide their own stormwater retention?

Staff said the project creates more flexibility for developers, which may encourage projects that would not be constructed otherwise. Some projects may not be feasible if on-site drainage is required. Also, off-site retention allows for more development on-site, which should increase the tax base.

Motion: Motion was made and seconded to delete project from the CIP (Murray/Johnson).

Discussion: Mr. Murray said the money should go to helping people with stormwater problems now. New development should pay for its own stormwater costs. He said there are serious problems in other areas that are not currently funded. This study is costly and future construction costs will be expensive. Funds should be reallocated to correct current unfunded problems, which are numerous.

Mr. Johnson said it is good to do both type of projects. He said the City needs to plan for the future and handle problems today. It should be a balance of funding.

Mr. Oudshoff said it is a lot of money for a study and asked where will the money will come from for the actual construction with so many other unfunded projects? He questioned if it will become another unfunded project and why the City should spend \$200,000 if construction cannot be funded?

Vote – 2 to 2 (Murray/Oudshoff). Motion failed.

Technology Projects

Mr. Murray said he is not in favor of borrowing funds for the Enterprise Resource Planning (ERP) software. Software is outdated as soon as it is purchased.

Mr. Oudshoff questioned if the cost includes interest and asked what the rate is?

Staff said yes, interest is included for the General Fund portion. It is difficult to determine the exact rate so far out, so the cost may change. Additional operating costs will also be incurred each year.

Staff said the software will be kept at least as long as the borrowing period and will be upgraded each year, so it will not stay the same software, just like the current ERP system. Borrowing was needed to smooth costs in the General Fund, but it may be purchased outright if funds are available later.

Mr. Oudshoff asked if the product would be financed through the vendor?

Staff said it may be financed through the vendor or through a bank, depending on the interest rates. Rates will be obtained through an RFP process and the lowest cost financing will be obtained.

Vehicle Projects

Ms. Gentry questioned whether the same evaluation system was used for vehicle replacements?

Staff said yes, the same system is in place and has been working well.

Wastewater Projects

Ms. Gentry questioned the "In Progress" for the WWRF Master Plan Improvements for the Biosolids Drying Facility and said it shows \$4M in FY 2021, but nothing in FY 2019 or FY 2020.

Staff said the design is scheduled in FY 2018. The design will help plan for the project and spread projects over several years to avoid too many projects happening at the same time.

5. Board Recommendations to the City Commission Regarding FY 2019 – FY 2023 CIP

Motion was made and seconded to support the City Commission recommendations with one exception (Johnson/Murray). Motion passed unanimously.

Board recommends deleting the Downtown Plaza project – unanimous (page 66)

6. Confirm FY 2019 Proposed Meeting Schedule

Staff noted the FY19 Budget Review is scheduled for July 13 at 1:00 pm with the City Commission.

A meeting is scheduled for July 23 at 6:00 pm to develop recommendations for the City Commission.

7. Other Business (if any) - None

8. Adjourn – Meeting adjourned at 8:01 pm.

Respectfully submitted,

Kim Adams

Kimball R. Adams, Finance Director