



MINUTES

SPECIAL CITY COMMISSION MEETING MONDAY, JUNE 17, 2019, AT 5:30 P.M.

CITY OF ST. AUGUSTINE BEACH, 2200 A1A South, St. Augustine Beach, FL 32080

I. CALL TO ORDER

Mayor George called the meeting to order at 5:30 p.m.

II. PLEDGE OF ALLEGIANCE

Mayor George asked Commissioner Samora to lead the Pledge of Allegiance.

III. ROLL CALL

Present: Mayor George, Vice Mayor England, Commissioner Kostka, Commissioner Rumrell, and Commissioner Samora.

Also present: City Manager Royle, City Attorney Wilson, Police Commander Ashlock, Chief Financial Officer Burns, Building Official Law, Public Works Director Tredik, and City Clerk Raddatz.

IV. AGENDA ITEMS

Mayor George advised that she has been requested to add an item to the agenda for Pride Month and asked the Commission if they would like to add the item.

Motion: to amend the agenda to add the Proclamation for Commission discussion as the first item of business. **Moved by** Mayor George, **Seconded by** Commissioner Rumrell. Motion passed unanimously.

Pride Month Proclamation (ADDED ITEM TO AGENDA)

Mayor George introduced Item 1 and asked for representative Mary Cobb of Women's March Alliance of North Florida to come to the podium.

Mary Cobb, 258 Wisteria Road, St. Augustine, FL, read the proclamation for Pride Month (Exhibit 1).

Mayor George opened the Public Comments section. Being none, Mayor George made a motion.

Motion: to approve the Proclamation. **Moved by** Mayor George, **Seconded by** Vice Mayor England. Motion passed unanimously.

1. Presentation of Audit Report for Fiscal Year 2018: (Presenters: Representatives from James Moore, Inc. City's Auditing Firm)

Mayor George introduced Item 1 and asked Mr. Halleran to the podium.

James Halleran, CPA James Moore, 121 Executive Circle, Daytona Beach, FL, showed his PowerPoint presentation (Exhibit 2). He commented that the audit went very well and explained that the City is responsible for the financial statements and the auditors are responsible to provide an opinion of the financial statements as well as auditing rules. He explained that there are five reports from the James Moore, Inc. auditing firm. He remarked that Chief Financial Officer Burns is now on the Board for the Florida Governmental Finance Officers Association, which is a great honor. He explained that James Moore, Inc. found that the City's financial statement was an unmodified opinion, which is the best opinion to have. He advised that there were no findings to change any internal controls, financial reporting, and compliance reporting regarding government auditing standards. He explained that the Auditor General requires the firm to give a management letter and go through several topics. One topic was a financial condition assessment, which compares the City over the past five years as well as other comparable size cities. He stated that the firm had no issues with the financial condition assessment. He recommended to transfer some of the General Fund balance to the Road and Bridge Fund and Capital Projects Fund, which have deficits. He explained that there were no findings with compliance to the Florida Investment Statutes. He advised that the purchase of Ocean Hammock Park grant funding from Florida Communities Trust required the firm to audit the monies and send a report to the federal and state governments, which they advised the firm had no findings. He explained the different City's funds and their restrictions and explained assigned and unassigned balances. He commented that the unassigned balances could be used to make the Road and Bridge and Capital Projects funds whole again. He stated that best practices are to have a minimum of two months of the City's recurring expenditures set aside in the Fund Balance. He explained that the City has 28%, which is a little more than the 17% that is required; however, he said most smaller communities tend to have a little more in their fund balance. He explained that the City has the Florida Retirement System (FRS) which is the City's pension for the employees and the state could decide to raise or lower the amount of contributions from the employer. He explained the costs of the FRS for the City and that it covers pensions and health insurance subsidies. He also advised that there is a new accounting standard that lets the retired employee have the option to continue with the City's health insurance benefits, but the employee would have to pay the total amount of the premiums.

Mayor George asked to go over the firm's recommendation again regarding the deficits.

Mr. Halleran advised that the Road and Bridge Fund and the Capital Projects Fund have a deficit and the firm is recommending taking unassigned balances out of the General Fund and transfer monies into the Road and Bridge Fund and the Capital Projects Fund.

Mayor George asked if that was the proposed resolution on the agenda.

Chief Financial Officer Burns advised yes.

Vice Mayor England asked City Manager Royle how much money the City had during the good times historically and would 28% fund balance be enough.

City Manager Royle advised that during the best times there was a fund balance of six months or more, but when Ocean Hammock Park was purchased the City's fund balance was reduced. He explained that the City thought we could get more grant funding from the state than the City received, but there was only one shot to get Ocean Hammock Park. He commented that purchasing Ocean Hammock Park took a lot of the City's savings. He advised that his comfort level would be to have a reserve for six months because if there is a hurricane and the City is devastated, there would be no revenues from the electric franchise fees, utility taxes, and there would be a possibility of property taxes going down because of damage to properties, etc. He advised that

the insurance would pay eventually and there would be federal aid, but there must be reserves to pay the Police Department and the Public Works Department for cleanup.

Mayor George asked Mr. Halleran what the harm would be in leaving the money in the unassigned fund balance.

Mr. Halleran advised that because there is a deficit in those accounts, the money is not available to be spent and the firm is suggesting that be done. He commented that the deficits have been with the City for at least a couple of years and usually is only allowed to have temporary deficits allowed for only one year.

Mayor George asked if it would be prudent to only transfer half of the amount.

Mr. Halleran explained that that would be up to the Commission.

Mayor George asked once the monies are transferred would the use be restricted.

Mr. Halleran advised no. He advised that there would be a zero balance in the Capital Projects and Road and Bridge Funds, but Road and Bridge Fund would get impact fee money.

Mayor George asked if the City would have the same amount of cash whether the money was transferred or not.

Mr. Halleran advised correct.

City Manager Royle advised that if the money is still available, then the City would have a cushion, but he would like to get rid of the deficits to make the budget totally healthy from this point forward. He advised that in the 2020 budget having a healthy budget would help in making decisions and would be a cleaner picture of the City's financial stability. He commented in an emergency, the City could get a short-term loan if needed but that would be an extreme step.

Vice Mayor England advised that the City is still waiting on funds from the Federal Emergency Management Agency (FEMA). She asked how much outstanding balance the City has regarding FEMA.

Chief Financial Officer Burns advised she would have to look it up. She explained that some of the money is coming in now, but the permanent repair of the weir has already been obligated so the City will not receive funding until it is fixed.

Vice Mayor England commented that the City has approval for reimbursement of the weir, but do we have approval for all the City's requests for the weir from FEMA.

Chief Financial Officer Burns advised yes, and it is coming in currently.

Mr. Halleran advised that government processing is slow, and the new processes is slower than before.

Chief Financial Officer Burns advised that the temporary weir was supposed to be \$250,000 but received less funding, but the City had already been reimbursed three months ago. She explained that the permanent weir repair would be more because of the hazardous mitigation grant. She commented that for this fiscal year staff has budgeted for the design and contract documents because it is a phased project.

Mayor George opened the Public Comments section. The following addressed the Commission:

Ed Slavin, P.O. Box 3084, St. Augustine, FL, asked the Commission to have Ms. Burns get the FEMA reimbursement amount before the end of the meeting; asked the auditing firm about the internal controls for Beach Blast Off scandal and whether they have reviewed the files and gone over Police Chief Hardwick's investigation; asked what internal controls suggestions the firm would

have for Beach Blast Off; whether other cities have events like Beach Blast Off; and thanked the Commission for their vote on Gay Pride.

Mayor George closed the Public Comments section and then asked Mr. Holleran what the scope of the review and how in depth does the firm do on internal controls for events.

Mr. Halloran advised that as part of the audit his staff accesses there is an internal control structure, they do fraud interviews with employees at all different levels, and then develop what the risk assessment is for areas inside the City and then develop audit procedures from that. He would have evaluated the process and test controls by testing the walk-through transactions and samples of transactions. He advised that nothing came to the firm's attention that was not being followed correctly.

Mayor George asked if the firm come across any mismanagement within the City.

Mr. Halloran advised no.

Mayor George advised that the Commission needs to make a motion to accept the audit report.

Motion: to accept the Audit Report. **Moved by** Commissioner Samora, **Seconded by** Vice Mayor England. Motion passed unanimously.

Mayor George moved on to Item 2.

2. Review of Applications for City Attorney (Presenter: Jim Wilson, City Attorney)

Mayor George introduced Item 2 and asked City Attorney Wilson for his report.

City Attorney Wilson explained that the City received two responses from the Request for Proposals for legal services since he was retiring. He commented that the Commission's options are to decide whether to interview one or both candidates or to do another Request for Proposal to see if the City gets more candidates. He advised that he is willing to stay with the City for as long as the Commission needs him until they hire someone else. He explained that his firm, which was not interested in this work at first because of the current retainer, is interested in the position. He commented that he would work with Jeremiah Mulligan at this firm to bring him up to speed and would be there as counsel if any questions come up. He explained that the present contract has a 30-days written notice clause. He commented that he is offering his services and would like to renegotiate the retainer for the time he would stay on. He remarked that he does not know the two candidates well but has heard of them.

Mayor George advised that staff sent the advertisements, but there was no proof that they went to any attorneys' email addresses through the organizations. She recommended not acting upon either candidate because there are only two candidates. She commented that historically the City has received more applicants. She remarked that the City could renegotiate with the Coquina Law Group while the City does another advertising. She suggested maybe the time of year was bad or perhaps the organizations did not have enough time to post them. She talked to several attorneys and they did not see the advertisement come into their emails.

Commissioner Samora agreed.

Commissioner Rumrell advised that it would be hard to pick from two candidates and the attorneys that applied were not from this area. He commented that based on the two candidates that applied, the City's current attorney is being grossly under paid. He recommended the Commission allow City Attorney Wilson to stay on for four to six months while the City goes out for proposals again. He suggested that Jeremiah Mulligan could also apply during the Request for Proposals and suggested paying more to the current attorney based on what was received.

Mayor George advised that this was a special meeting and technically the Commission can only discuss the candidates who applied.

Commissioner Kostka advised that she was very disappointed that there were only two applicants. She supported the idea of doing another Request for Proposal (RFP).

Commissioner Samora asked how long the RFP was out.

City Manager Royle advised about 30 days.

Commissioner Samora advised that it needs to be longer response time.

Vice Mayor England explained that the advertisements need to be confirmed that they are being processed.

Mayor George asked if the City incurred any costs for advertising.

City Manager Royle advised no.

Mayor George advised that that would be an indicator that there might have been a miscommunication with some of the agencies.

Vice Mayor England suggested to confirm that advertisements would go out and to give a realistic definition of the work and the nature of the work.

Mayor George asked whether to put on the agenda in July or August to renegotiate with the Coquina Law Group.

City Attorney Wilson advised that he would be able to get a written proposal to the Commission on the July 1st agenda.

Mayor George suggested discussion whether to do another RFP.

Commissioner Rumrell asked Mayor George to help with her expertise regarding the advertisements.

Mayor George advised that she would be happy to take that role. She then opened the Public Comments section. The following addressed the Commission:

Ed Slavin, P.O. Box 3084, St. Augustine, FL, advised that staff was supposed to advertise, and they didn't, which is very sad; he recommended Attorney Ralf Brooks; and advised that hiring attorneys that are in with developers was not a good practice, such as Doug Burnett.

Mayor George closed the Public Comments section and advised that no further action needs to be done on this item, so she moved on to Item 3.

3. Review of Long-Range Financial Plan (Presenter: Melissa Burns, Chief Financial Officer)

Mayor George introduced Item 3 and asked Chief Financial Officer Burns for a report.

Chief Financial Officer Burns showed a PowerPoint presentation, which was in the Commission booklets and explained the long-range financial plan for the City and best practices. She explained that the Police Department and Building Department costs are increasing.

Discussion ensued regarding the need to upgrade the City's network infrastructure and technology; the increase of reoccurring costs for technology throughout the departments; expenditures being more in 2016 due to Ocean Hammock Park purchase; 2017 payoff of Florida Community Trust for Public Land costs for Ocean Hammock Park; 2019 would show a deficit of \$3 million between revenues and expenses if the City continues on the same path by keeping the millage rate the same, capital projects like the weir keep increasing, and technology costs increase; researching for alternative revenue sources by adding solid waste collection as non-ad

valorem in an Enterprise Fund; increase of \$1 million in Road and Bridge Fund due to the weir and roads and streets; previous budget projections did not include the one time increases per year; however, they keep happening so they have been included; increase of \$250,000 to build restrooms and other park improvements at Ocean Hammock Park because of the grant restrictions and covenants required them to be developed by 2020; requesting more detailed information on actual numbers to support the bar graphs; the Police Department and Building Department increasing expenditures by \$390,000 in 2020; Police Department technology costs are increasing; telecommunications taxes are decreasing, which on the graphs show the projected revenues decreasing \$400,000 in taxes for 2020; increasing projected revenues of \$450,000 for services from the commercial solid waste services and Building Department's plan review and plat fees because of Ocean Ridge; parking revenues were not calculated in the projection; increasing the revenues for non-ad valorem assessment; Mickler Ditch Project caused a \$400,000 increase in expenditures and other drainage projects are expected due to the age of the infrastructure; 2018 and 2019 revenues all went up \$300,000, which is unusual historically; and not having the Sunshine Bus expenditures in the 2020 budget at this time.

Mayor George advised that this is informational only at this time and the Commission would like more detailed information on how the numbers were projected in the budget. She asked if the Commission has been knowingly deferring projects in each category over the prior five years or is this a conservative projection.

Chief Financial Officer Burns said that it is a conservative projection. She advised that she would analyze the numbers and bring back more detailed information.

Mayor George explained that the Commission is conservative, but the Commission wants to be realistic so that the citizens taxes don't increase just because staff thinks something might happen. She remarked that the City has a great history of being solid and looks forward to more detail.

Chief Financial Officer Burns advised that she would supply the Commission with a more robust report.

Mayor George opened the Public Comments section. The following addressed the Commission:

Craig Thompson, 6 D Street, St. Augustine Beach, FL, thanked the Commission for the questions they raised at this meeting and thanked them for approving the resolution regarding the Beautification Advisory Committee /Tree Board name change. He suggested a rainy-day fund for cleanup after hurricanes because they are going to be more in the future and advised that he would like to look at creative ways to balancing the budget.

Ed Slavin, P.O. Box 3084, St. Augustine, FL, suggested Commissioner Samora to chair an Audit Committee; advised that staff believes hurricanes aren't going to happen which is unrealistic planning; assumption was made on paid parking revenues which put a \$400,000 hole in the budget; not to allow the Building Department and the Finance / Administration Departments to have raises this year; and requested to know what FEMA is reimbursing the City.

Mayor George closed the Public Comments section and asked for any Commission discussion.

Commissioner Samora requested a more detailed report to come to the Commission before the middle of July.

Vice Mayor England asked for Chief Financial Officer Burns to give her expert comments in the detailed report, so the Commission understands where she is getting her projections and to explain why the categories are going up and down.

Mayor George suggested a bullet point format for each category in the report if that would be easier than a full formal narrative.

Commissioner Kostka asked for the numbers for the revenues and expenditures that support the graphs. She also requested the percent changes in the historical data.

Mayor George asked if staff could give the priorities and non-priorities or what could be paid over time to the Commission as well.

Mayor George moved on to Item 4.

4. Discussion of Revenue Sources: Franchise Fee for Solid Waste Haulers; Non-Ad Valorem Assessment to Pay Costs to Collect Household Waste, Recyclables, Yard Trash and Special Waste; Update on Paid Parking (Presenters: Max Royle, City Manager; Melissa Burns, Chief Financial Officer)

Mayor George introduced Item 5 and asked City Manager Royle for a report.

City Manager Royle advised that he would like Chief Financial Officer Burns to explain the franchise fee for solid waste.

Chief Financial Officer Burns asked if the Commission has any questions regarding the ordinance.

City Attorney Wilson read the title of Ordinance 19-10 at Mayor George's request.

Vice Mayor England advised that the St. Johns County was increasing their solid waste collection fees.

Chief Financial Officer Burns advised that St. Johns County and the City of St. Augustine charge a franchise fee for construction debris and commercial waste disposal, which is non-exclusive. She advised that the Commission came to a consensus of the application fee to be \$300 whereas the County and St. Augustine charge \$500. She explained that the County and St. Augustine ask for a ten percent portion of their revenues collected, but the City would only be asking for five percent of commercial waste and ten percent of construction debris, which goes towards the General Fund. She explained that the revenues per year are approximately \$40,000.

Vice Mayor England asked whether the fees should be in a resolution format.

City Attorney Wilson advised that this type of fees do not change often, and he went by what other jurisdictions do.

Mayor George pointed out that on page 10, subsection (2), b., reflects \$100 fee instead of \$300.

Chief Financial Officer Burns advised that on subsection (2), c., there shows an inspection fee, which the Commission was not going to do. She advised that the Public Works Department employees would provide a list of hauler trucks that are within the City and would notify the Finance Department who would advise them of the franchise fee.

It was the consensus of the Commission to have ten percent portion of revenues collected for commercial waste and construction debris pickups.

Mayor George opened the Public Comments section. Being none, Mayor George asked for a motion.

Motion: to approve Ordinance 19-10 with the following amendments: on Paragraph D, (2), c. shall be eliminated in its entirety, Paragraph D, (2), b. be amended to modify the reference of \$100 to \$300. **Moved by** Mayor George, **Seconded by** Commissioner Rumrell. Motion passed unanimously.

Mayor George moved on to non-ad valorem collection of household waste.

City Manager Royle advised that the staff feels it is important to adopt a non-ad valorem assessment for household and special waste collection and explained that it would not go into effect until 2021. He remarked that this is to set in motion the procedure to accomplish the non-ad valorem fee with the Tax Collector. He explained that the estimated fee would be \$222 a year minus \$74 that the citizens are already paying for a total increase of \$148. He explained that it would not affect businesses, only residential.

Discussion ensued regarding condominiums would not be affected because they are commercial; this non-ad valorem tax would not be tax deductible; telecommunications tax has decreased, and this would help with the shortfall; property taxes are the most significant source of revenues; the need for new revenue sources to keep ahead of expenditures; having public hearings for the public to comment on it; duplexes would pay for each residence; non-ad valorem tax would be the same amount; undertaking full cost accounting on the amount charged; transient rentals are charged as business customers; and the Charter stating that the City would provide the solid waste collection by paying property taxes.

Commissioner Samora advised that the Commission has asked to identify revenue sources, which staff has done a great job doing. He explained that he views this as realigning the services with where they actually belong. He remarked that everyone pays their ad valorem taxes which pay for the garbage pickup and recycling for the residences and the commercial properties don't receive the service but pay the ad valorem taxes. He explained that the millage will be addressed later this budget year and it could go up or down, but this would realign the service that is being provided. He explained that this would be \$620,000 a year and it could be removed from the millage if the Commission agrees.

Mayor George advised that she does not expect the millage to go down and does not want the door opened to future Commissions by having the non-ad valorem tax. She explained that this Commission adjusted the millage to account for the \$74 solid waste disposal.

Commissioner Samora advised that was a missed opportunity. He explained that staff is not even trying to cover the entire cost of collection. He remarked that the Commission has not raised the disposal fee in nine years, which was a mistake. It is time to realign and restructure where the costs are being used and not even covering the full costs.

Discussion ensued regarding how many transient rentals there were there in the City; need to fairly distribute the cost throughout the City; moving forward but getting more information; every address would receive a letter regarding this fee; whether it is cheaper to have a dumpster pickup than the City; transient rentals would not need dumpsters and would usually be picked up by the City.

Mayor George opened the Public Comments section. The following addressed the Commission:

Craig Thompson, 6 D Street, St. Augustine Beach, FL, explained that he is on a fixed income and the fee is more than doubled; asked for more creative options; stated this is not a fair tax because not everyone is using the same amount; and he would like to see if the fee would be by the quantity of waste.

Ed Slavin, P.O. Box 3084, St. Augustine, FL, requested the Commission to table this item and restructure this to use more conservation.

Mayor George closed the Public Comments section and advised that it was the consensus of the Commission to get more information, but to move forward with discussion. She asked staff to provide the relative costs and suggestions on how this could be rated on the user-based system.

City Manager Royle advised that a non-ad valorem assessment would not allow for different amounts to be paid according to usage.

Mayor George advised that different cities do have options on how the fee is charged. She requested to know what other cities do and if staff says they don't have the resources, then she wants to know why.

Vice Mayor England requested City Manager Royle to speak with the Tax Assessor's Office on their limitations for refunded or differential on non-ad valorem fees.

Mayor George advised that the Tax Assessor's Office may be able to base the fee on the square footage of the home or the number of bedrooms. She advised that she may not support this and requested that staff get more feedback by having Communications / Events Coordinator to do a survey on how residences feel about this fee.

City Manager Royle advised that this item will be brought back to the Commission in August.

Mayor George moved on to the parking update.

City Manager Royle advised that he found out today that St. Johns County is still negotiating with Republic. He remarked that the County does not anticipate having a paid parking system in place until March 2020 and explained that the County Administrator Wanchick and the Director of Management and Budget Jessie Dune advised him that he would allow the City to be able to go to the negotiating meetings. He commented that he would be speaking with County Administrator Wanchick about this. He explained that the County envisions that they work with Republic on the negotiating and then the City would have their own contract with Republic, but it would be the same plan and systems.

Commissioner Samora asked if the City has reached out to Republic.

City Manager Royle advised that he doesn't want to have the County thinking the City is trying to make their own deal because the City wants to follow the County's plan.

Vice Mayor England advised that she was very disappointed and recommended that a letter be sent to St. Johns County Board of Commissioners that states the City has not been able to attend the negotiation meetings with Republic.

City Manager Royle commented that he would speak with County Administrator Wanchick to see if there is a reason for this.

Mayor George advised that the federal funding for beach renourishment might impacted with different fee rates for parking and would like to know how many parking spaces are needed to project to get the highest rate of funding and compare that to what parking spaces are on the beach, plazas, Pier Park, and City streets. She requested the threshold information from staff. She requested staff to find out what the beach renourishment funding's perspective is (i.e. is it with any given parking lot or can it be on City streets).

Commissioner Kostka pointed out that the County's parking fee would cost residents more than what was proposed by the City.

Commissioner Samora advised that the City was doing their own projections, whereas the County is having Republic do its projections. He explained that the City's plan would have to be voided

because all the dynamics changed. He advised that he was discouraged that the City has not gotten any information back from the County.

City Manager Royle explained that if he approaches Republic and negotiates a fee amount, it would not be a seamless plan with the County.

Commissioner Samora advised that his concern was the County pass and whether the City would receive any benefit from the parking at Pier Park.

City Manager Royle advised that he will update the Commission in August. He advised that the County's staff is going to their Commission in July with the proposal.

Mayor George asked City Manager Royle to give a brief update on what the results were with the County's proposal in his comments section.

Mayor George moved on to Item 5.

5. Fiscal Year 2020 Budget: Review of Salary and Benefits Survey. Request for Guidelines for Budget, Other Matters Concerning It (Presenters: Max Royle, City Manager; Robert Hardwick, Chief of Police; Melissa Burns, Chief Financial Officer)

Mayor George introduced Item 5 and asked City Manager Royle for a report.

City Manager Royle explained that the chief expenses that the City has besides capital outlay is salaries and benefits. He commented that staff will not know what the insurance costs will be until early or mid-July. He explained that Chief Financial Officer Burns and Police Chief Hardwick worked on the salary ranges for this budget year and have updated the employee salary ranges.

Chief Financial Officer Burns advised that she has updated the salary ranges and listed the municipalities and counties in the surrounding areas that she contacted that was available. She explained that not all employee's salary ranges were adjusted and advised that the Commission books show the current ranges and the update proposed.

Commissioner Samora asked when the last time the salary ranges were done.

Chief Financial Officer Burns explained that the first-time staff did the salary ranges was in 2013 and the last time it was done in 2016.

Vice Mayor England advised that salary ranges are usually updated every three to four years. She asked if staff updated the medium salary or just adjusted the maximum salary.

Chief Financial Officer Burns advised that she calculated the data and got the minimum and maximum ranges.

Commissioner Samora asked staff for a cost analysis on the affect that the minimum salary range for the employees in the City.

Chief Financial Officer Burns advised that she just got the data but will do it.

Vice Mayor England advised that the minimums have not changed much, but the maximums have. She advised that the Public Works Department and the Finance / Administration Department had the biggest changes in the salary ranges.

Mayor George asked staff to submit the supporting details for the salary ranges and what counties and cities were contacted. She explained that none of the lower paid positions were impacted at all, except for the Communications / Events Coordinator position. She commented that that was a new position and doesn't feel comfortable making a substantial increase in that position because it still is being reviewed on how to use that position.

Commissioner Kostka asked for the raw data and the background information because the Commission has no idea where they came from. She agreed with Mayor George and wants to know the cities and municipalities that were used, the population is, what the tax base is, the total revenues, and what is the costs percentage wise of the salaries compared to the revenues. She explained that she controls her costs for her business by calculating the percentage of her labor and other costs associated with the business. She commented that she doesn't believe in automatic pay increases and believes in giving the pay increases to the lower paid employees instead of the upper paid employees.

Chief Financial Officer Burns advised that the Commission asked her to use the surrounding areas, so she didn't get the other information that Commissioner Kostka is now requesting.

Commissioner Kostka advised that Chief Financial Officer Burns did an excellent job in collecting the information, but she needs more.

Mayor George asked why ever time this is done the Commission is left out of the survey.

Chief Financial Officer Burns advised that she didn't do the survey on the Commission because staff did a survey on the Commission last year. She commented that she would be happy to include a Commission survey in the next meeting regarding the budget.

Commissioner Samora asked for a budget analysis on what the affect would be on the City by raising the minimums to these levels.

Chief Financial Officer Burns advised that she would do that.

Vice Mayor England advised that previous Mayor Snodgrass explained that the overall increase for the City historically has been three percent and commented that if the Department Heads want to give more money to some employees and less to others, then they would have to stay within the three percent range overall. She advised the previous Mayor Snodgrass showed her that if employees receive a three percent increase, they are making an advancement against inflation and that would be reasonable.

Mayor George opened the Public Comments section. The following addressed the Commission:

Ed Slavin, P.O. Box 3084, St. Augustine, FL, advised that City Manager Royle and Chief Financial Officer Burns do not deserve a raise because they put the City in a \$400,000 budget deficit. He advised that he doesn't believe the salary survey or the ADA compliance issue. He advised that no one in the Building Department or Finance / Administration deserve a raise. He disagreed with the CPI to be used as an increase. He commented that he believes that every employee should make at least \$15 an hour.

Mayor George closed the Public Comments section.

City Manager Royle stated that the auditor advised that Ms. Burns is following all the regulations for public accounting, is on the board of the Florida Government Finance Officers Association, and she has a master's degree and a bachelor's degree that she got when she came to the City. He said that anyone who says she doesn't deserve a raise is incorrect. He advised that Ms. Raddatz, the staff who record City meeting, and the Deputy City Clerk deserve raises.

Mayor George thanked City Manager Royle and thanked Chief Financial Officer Burns for all her hard work and advised that it is much appreciated. She stated that she looks forward to getting the background information and the spreadsheet of what the rates are and if it reflects the hourly rate that would be helpful. She then introduced Building Official Law.

Building Official Law advised that he feels it is very important to train his staff to get them certifications from the International Code Council for the State of Florida. He explained the

different certifications for each position and what the reward would be to the employee for receiving the certifications. He explained that the maximum amount that an employee could received in a year would be \$2,000, which would be incorporated into their hourly rate of pay. He explained that his industry changes yearly and he would promote this for the next 15 to 20 years.

Commissioner Kostka applauded Building Official Law's efforts and advised that this works in the private sector for incentives.

Commissioner Rumrell advised Building Official Law that he has done a good job on this and agrees with Commissioner Kostka. He commented that the City needs to be competitive otherwise they could lose employees. He appreciated that Building Official Law is looking out for his employees and not looking out for himself.

Vice Mayor England advised that she also applauds progression but explained if the Commission says the budget is this much, then the Department Heads will have to decide how to use the percentages given for their employees.

Building Official Law advised that the Building Department is not under the General Fund but is under the 553 Statute. He explained that 4.5 of the employees in the Building Department are not paid by in the General Fund but paid by Building Department revenues. He explained that he is showing the maximum amounts that might be spent, but if the employees don't use it then the money would go back into the City's Building Department revenues.

Vice Mayor England asked how the money would be given out to the employees upon completion of the certifications.

Building Official Law advised that when an employee completes their certification, their hourly salary amount would increase for that amount of money. He explained that this would not take effect this fiscal year but start in 2020.

Vice Mayor England asked how the Police Department receives their increases when they pass certifications.

Commander Ashlock explained that the City follows the Florida Statutes Criminal Justice Incentive Program on how they pay the Police Officers for certifications. He advised that it also includes bachelor's and master's degrees as well.

Chief Financial Officer Burns advised that the incentive money is held in a separate line item.

Public Works Director Tredik advised that he has open positions and cannot get people to even interview. He explained that the maintenance worker starts at \$12.84 an hour, which makes it hard to get them in the door. Maintenance workers hang on the back on the garbage trucks in 95 to 100-degree heat for eight hours a day when they could take an air conditioning job for more money. He explained that the City has nine maintenance workers and he would like to change their titles to Service Worker I and Service Worker II for those who have more certifications than others. He commented that all but one of the supervisors are within five years of retirement so there is a major need for succession planning. He would like to show the employees that there is opportunity for promotion. He explained that his current supervisors have institutional knowledge and he would want to promote within. He commented that he would like to retain employees, reward them, and assist in their recruitment. He explained that the lower paid positions are not getting people in the door when positions are opened and people that do apply have issues which makes it a challenge to hire.

Commissioner Kostka agrees with promoting within and would support Public Works Director Tredik's recommendations. She advised that these employees are critical to the City's success and continued operations.

Vice Mayor England advised that she supports the progressive positions that has been created. She asked all the Department Heads as we prepare for the budget that they be prepared to explain your budget not only verbal slide presentation, but in writing because there will be a lot of pressure this budget season.

Commissioner Rumrell agreed with retaining employees than hiring outside of the organization.

Mayor George opened the Public Comments section. The following addressed the Commission:

Ed Slavin, P.O. Box 3084, St. Augustine, FL advised that every employee should receive \$15 an hour minimum for a living wage. He requested that the City create a living wage ordinance this year, so every employee can make \$15 an hour. He complained about staff members.

Mayor George closed the Public Comments section and then moved on to Item 6.

6. Budget Resolutions 19-04 and 19-05 (Presenter: Melissa Burns, Chief Financial Officer)

Mayor George introduced Item 6 and asked Chief Financial Officer Burns for a report.

Chief Financial Officer Burns advised that through the year staff goes through the budget and adjusts where necessary and advised that this year there was a \$300,000 shortfall in revenues related to parking. Budget Resolution 19-04 addresses the revenue shortfall by deleting the parking on the revenue side, adjusting some revenues up like the electric utility tax, other minor items, and putting more funds in the Road and Bridge Fund to take care of the deficit as suggested by the auditor. She suggested taking the funds out of the parks and recreation assigned fund balance for right now.

Mayor George asked if the \$88,000 include the electric utility tax that was just mentioned.

Chief Financial Officer Burns advised yes.

Mayor George asked what else it includes.

Chief Financial Officer Burns advised it includes the \$6,000 tree mitigation because it was not a revenue source at the beginning of the budget, but it is now. She advised that there has been an increase in parking ticket revenue because of the increase in ticket cost of \$75.00. She explained that there has been a larger increase in interest because she went to different banks and has invested in local government investment pools. The City received reimbursements from workers' compensation from the Florida League of Cities for those who are out on workers' compensation.

Mayor George asked about the extra money for the sea oats plantings and the decrease cost for the roof.

Chief Financial Officer Burns advised that those are on the expenditure side which is offsetting the balance.

Mayor George asked if the extra funding was received for the sea oats planting.

Chief Financial Officer Burns advised that that was put in Lots O and P funding to offset that.

Mayor George advised that there was only a \$188,000 difference between the \$300,000 parking revenue shortfall when you also include the \$125,000 of expenditures that would have had to be done for the paid parking. She commented that since she has been on the Commission, there has been discussion of using the Lots O and P funding for the General Fund and she has resisted because it should only be used for purchasing more greenspace.

Chief Financial Officer Burns advised that when the Road and Bridge Fund rebounds from the FEMA monies, she would put the money back into that account.

Commissioner Samora asked when the reimbursement from FEMA will come.

Chief Financial Officer Burns advised that the City is getting the bulk of it now, but we will not receive the \$610,000 for the weir repair for a few years. She explained that the City must pay the money first and then get reimbursed.

Mayor George opened the Public Comments section. Being none, Mayor George asked for a motion.

Motion: to approve Budget Resolutions 19-04 and 19-05. **Moved by** Vice Mayor England, **Seconded by** Mayor George. Motion passed unanimously.

Mayor George moved on to Item 7.

7. Request to Approve Financial Policies (Presenter: Melissa Burns, Chief Financial Officer)

Mayor George introduced Item 7 and asked Chief Financial Officer Burns for a report.

Chief Financial Officer Burns advised that she has revised two policies and created two other policies. She explained that on the capital asset policy she has changed the threshold from \$1,000 to \$5,000, which was suggested by the audit and is the best practice from the FGFOA.

Mayor George asked if there was a timeframe for seeking travel related charges and suggesting adding language regarding a timeframe.

Chief Financial Officer Burns advised that it must be within the same fiscal year.

Commissioner Samora asked on page 15, Purchasing Process, 7A Recognition form, to change \$500 to match \$1,000. He also advised that the travel request form states the travel form should be in 21 days before the date of travel, which seems to be a long time.

Chief Financial Officer Burns advised that is more geared to conferences which employees know months in advance.

Mayor George advised that she never knew about the per diem being before or after the conference.

Vice Mayor England asked if the conference provides lunch, does the employee get the per diem.

Chief Financial Officer Burns advised no.

Discussion ensued regarding not paying for any lunches while traveling because it is an expense whether the employee is traveling or not; per diem is used not receipts; encouraging more seminars than paying for meals; and employees receive their hourly rate of pay while at a conference and the per diem.

Commissioner Rumrell asked about the policy for Request for Proposals on page 12 that verbal quotes are acceptable. He would like them in writing or at least an email follow-up on what was quoted.

Chief Financial Officer Burns advised that there is a log sheet on what company was called, what the quote was and who the employee spoke with and it is turned in with the paperwork.

Mayor George suggested to send the log form to the company providing the verbal quote so that if there was a misunderstanding they could contact the office, which would be a binding offer or acceptance if they don't email back.

Chief Financial Officer Burns advised that verbal quotes are given for safety supplies and every item is checked by the Finance Department.

Motion: to extend the meeting until 8:45 p.m. **Moved by** Mayor George, **Seconded by** Commissioner Samora. Motion passed unanimously.

Vice Mayor England was opposed to the per diem and asked about entertainment expense.

Chief Financial Officer Burns advised that government is on a per diem basis and entertainment is not allowed.

Discussion ensued regarding the per diem or allowance versus reimbursement; budgeting for reimbursement; having more training and paying for expenses; using federal statutes regarding the per diem; per diem less than the cost of the meals at hotels.

Commissioner Samora suggest language changes on travel day for depart before 10:00 a.m. should be depart after 10:00 a.m. lunch and dinner.

Mayor George opened the Public Comments section. The following addressed the Commission:

Ed Slavin, P.O. Box 3084, St. Augustine, FL, advised that a verbal quote should not be done; suggested not increasing purchase orders to \$1,000; seal bids should be done; wants trip reports on what was learned; and wants receipts for everything.

Mayor George closed the Public Comments section and advised that there are trip reports. She asked to include in the policy that if a report is not given, then the employee would be disqualified from going again. She suggested to have the employee get the money when they come back, but some employees may not have the money to spend.

Chief Financial Officer Burns advised that the employee would not get to go to another conference if they do not do the travel report and vocational leave report.

Commissioner Kostka advised that on page 28 of the credit card policy that she would like the employee to not be allowed to have City credit cards if they have a first offense for one to three months and if they have a second offense their privileges are removed from having a credit card.

Mayor George asked if the City Manager makes the decision regarding credit card abuse.

Chief Financial Officer Burns advised that she oversees that because she does monthly and daily access to the credit card accounts. She explained that the first offense is if the employee loses the card and does not report it right away or if the employee gives their card to someone else.

Mayor George advised that it states failure to submit documentation by established deadline or misuse by making an inappropriate purchase. She explained that either of those offenses should warrant the employee to lose privileges for one to three months as determined by the City Manager or his designee. She suggested the decision on the penalty should be made by the City Manager.

Mayor George moved on to Item V.

V. ADJOURNMENT

Mayor George asked for a motion to adjourn.

Motion: to adjourn. **Moved by** Mayor George, **Seconded by** Commissioner Rumrell. Motion passed unanimously.

Mayor George adjourned the meeting at 8:45 p.m.


Undine C. George, Mayor

ATTEST:

Brenda R. Smith

City Clerk