



MINUTES

SPECIAL BUDGET CITY COMMISSION MEETING

MONDAY, JULY 27, 2020, AT 5:30 P.M.

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

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Mayor England led the Pledge of Allegiance.

III. ROLL CALL

Mayor England asked City Clerk Raddatz for roll call.

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

Also present were: City Manager Royle, City Attorney Douglas, Assistant City Attorney Lex Taylor, Police Commander Ashlock, City Clerk Raddatz, Finance Director Douylliez, Building Official Law, and Public Works Director Tredik.

IV. PROPOSED BUDGET FOR FISCAL YEAR 2021

- A. Overview of Proposed Budget, Revenue Sources, and Property Tax Millage for Operating and Debt Purposes (Presenters: Max Royle, City Manager; Patricia Douylliez, Finance Director)
- C. Review of Proposed Pay for City Employees (Presenter: Patty Douylliez, Finance Director)
- D. Review of Capital Outlay Requests and Other Budget Matters (Presenters: Max Royle, City Manager, and Department Heads)

Mayor England introduced Item IV.A through IV.D and asked City Manager Royle and Finance Director Douylliez to give their report.

City Manager Royle advised this meeting is to set the tentative millage. Budget is balanced at 2.45 mills but recommended 2.6 in case there is more of a decrease in revenues because of COVID-19. He explained that we do not have May and June's revenues from the federal and state agencies, so the City is not sure if we will receive less than expected.

Finance Director Douylliez showed a PowerPoint presentation (Exhibit 1) which gave the information regarding the FY 20-21 budget. She recommended that the tentative millage be 2.60 because she still does not know what the revenues will be yet.

Commissioner George had no comments.

Commissioner Rumrell had no comments.

Vice Mayor Kostka had no comments.

Commissioner Samora had no comments.

Mayor England asked what percentage of capital outlays were carried over from last year.

Public Works Tredik advised that \$325,000 total projects were deferred. He commented that the 3rd Lane drainage improvement is not in the budget and what was carried forward was \$215,000.

Vice Mayor Kostka asked for a list of projects that would be done under drainage and resurfacing categories.

Public Works Director Tredik advised the projects for resurfacing are Mickler Boulevard, Atlantic Alley, Tide Ends Drive and Oceanside Circle. He commented that Mickler Boulevard North was deferred but is trying to do the rest of Mickler Boulevard because it is in poor condition. He advised that that makes up the \$360,000. Drainage projects will be 11th Street at \$115,000 and improvements in various locations will be \$25,000. He said last year 11th Street was deferred but would be done under the drainage projects because he needs to replace the pipes.

Vice Mayor Kostka asked Public Works Director Tredik to send the Commission the Master Stormwater Master Plan.

Public Works Director Tredik advised that he would send the plan to the Commission and explained that several projects are in that plan and there are several projects to still be done.

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

Robert Vignato, 39 Lee Drive, St. Augustine, FL, requested that Mickler Boulevard North be done this year instead of being deferred.

Public Works Director Tredik advised that Mickler Boulevard North was deferred but will be done next year.

Clifford Wright, 8 Lee Drive, St. Augustine Beach, FL, asked why Ocean Walk is pending instead of being done now.

Mayor England advised that this has not been presented to the Commission and this meeting is for the proposed budget only. She then closed the Public Comments section and asked for any further Commission discussion.

Mayor England advised that the staff's recommendation is at 2.6 millage rate.

City Manager Royle advised that there the body cameras for Police Officers, drainage pipe on Mickler Boulevard and 2nd Street drainage are not in the proposed budget and the Commission will have to decide if they need to be done.

Mayor England asked Public Works Director Tredik if there would be any other projects that needed to happen this year.

Public Works Director Tredik advised no, just those three items. He advised that the others are being deferred because they are less critical.

Mayor England advised that on page 29 only the critical projects are included in the budget, nothing else. She asked how long the 3rd Lane drainage project has been deferred.

Public Works Director Tredik advised that he could do part of 3rd Lane and handled the worse of the erosion issue, so he is comfortable waiting on the rest of the project until FY 21-22. He advised that there will be \$25,000 in this year's budget to accomplish small projects. He explained that on 2nd Street when it is opened, it would be a better time to do the piping in that area.

Mayor England advised that Commissioner George always suggests putting in underground utilities in as the City puts in piping and asked if there is anything in the budget for that.

Public Works Director Tredik advised that he did not have anything in this budget to convert overhead utilities to underground.

Commissioner George thanked Mayor England for bringing that up because it would minimize the expenses and maximize the benefits for the community.

Public Works Director Tredik explained that 2nd Street could be explored for underground utilities, but he does not know how much it costs. He said because it would be new and not a retrofit it could be done.

Commissioner Rumrell asked if the \$35,000 for a Public Works building rendering was in the budget for this year because he did not want it this year due to all the projects that need to be done.

Public Works Director Tredik advised that it was not in the budget.

Mayor England advised that the reserves need to be increased and asked what amount would go to the reserves at 2.45 millage.

Finance Director Douylliez advised that there would be \$183,000 put to the reserves at 2.45 mills. She explained that the City has currently \$350,000 in reserves. She advised that it costs \$450,000 per month to operate the City and the City should have at least two months of operating expenses in reserves.

Commissioner Samora asked how much money needs to be in the reserves.

Finance Director Douylliez advised \$800,000 should be in reserves, which is what the auditors want in the City's reserves in two years.

City Manager Royle advised that the millage rate tonight is tentative, and the Commission could change the millage in the next two budget meetings after the revenues are disclosed.

Mayor England commented that she was very concerned about the reserves and drainage projects that need to be completed and are not in the budget for the upcoming fiscal year. She recommended setting the budget at 2.6 mills and see what revenues come in the next month. She remarked that the Commission has deferred projects for a couple of years now and it is important to put money back into reserves.

Commissioner George agreed with Mayor England. She explained that these are unusual times and at this stage the Commission should increase the millage as recommended. She recommended 2.6 millage rate at this time.

Vice Mayor Kostka explained that she was concerned about the City's financial situation and was not the fault of the residents or COVID-19. She agreed with replenishing the reserves, but keep in mind with the non-ad valorem tax for solid waste the millage is up to 2.66. So, if the Commission agrees to the 2.6 millage rate, then the real millage would be 2.81 this fiscal year.

Commissioner George asked if the non-ad valorem tax for trash start in 2021 or 2020.

Vice Mayor Kostka advised that it would start in this year's budget in November.

Commissioner Samora advised that the non-ad valorem tax for solid waste is offset by the lost revenues from the revenue sharing and the electric utility sharing, so it is a wash. He advised that there is too much unknown and in August the City should have more information to base the millage rate on. He then made a motion.

Motion: to approve the millage rate at 2.6. **Moved by** Commissioner Samora, **Seconded by** Mayor England.

Roll Call was as followed:

Mayor England	Yes
Vice Mayor Kostka	Yes
Commissioner George	Yes
Commissioner Rumrell	Yes
Commissioner Samora	Yes

Motion passed unanimously.

Mayor England moved on to Item B.

- B. Discussion of Medical Insurance Plan for Employees (Presenter: Beverly Raddatz, City Clerk)

Mayor England introduced Item IV.B. and asked City Clerk / HR Director Raddatz to give her report.

City Clerk Raddatz recommended the Florida Municipal Insurance Trust due to their pricing and lower deductibles for the employees. She explained that it would save the City \$60,000 next year in premiums and the employees would have the same insurance company and very similar benefits. She described the bidding process and how the Department Heads agreed with recommendation and asked the Commission to award the bid to Florida Municipal Insurance Trust (FMIT).

Mayor England asked if it was a one-year contract.

City Clerk Raddatz advised yes, that no insurance company will give more than one year because the estimate would depend on the employees age, health, etc. She explained that The Bailey Group has had the insurance for many years, and they were a wonderful company to deal with.

Vice Mayor Kostka thanked City Clerk Raddatz for her efforts and time she put in for the Request for Proposal. She advised it is nice to have choices and advised that St. Johns County is increasing the percentage that employees need to pay and she was glad that the Commission did not have to do that to the City's employees.

City Clerk Raddatz thanked the Commission for helping the employees with the benefits.

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

Mark Bailey, The Bailey Group, 1200 Plantation Island Drive S., #210, St. Augustine, FL, advised that the Commission is making the right decision on making the change. He commented that City Clerk Raddatz and her team did a great job and he has enjoyed the partnership with the City for 25 years. He remarked that The Bailey Group appreciated the City's trust and the transition in the same network makes it must easier. He offered his assistance to FMIT at any time. He thanked City Manager Royle and all the Department Heads for their partnership.

Mayor England thanked Mr. Bailey for his graciousness.

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

Commissioner Rumrell thanked City Clerk Raddatz and going through the benefit package and all the Department Heads seem to agree on this decision. He said it was a great opportunity and it was a win for everyone.

Mayor England asked for a motion to award the bid.

Motion: to approve the medical insurance with FMIT as proposed. **Moved by** Mayor England, **Seconded by** Commissioner Rumrell.

Roll Call was as followed:

Mayor England	Yes
Vice Mayor Kostka	Yes

Commissioner George Yes

Commissioner Rumrell Yes

Commissioner Samora Yes

Motion passed unanimously.

Mayor England moved on to Item V.

V. PUBLIC HEARING FOR ORDINANCE 20-XX AND RESOLUTION 20-XX: TO REQUIRE MANDATORY WEARING OF FACE COVERINGS INSIDE BUILDINGS

Mayor England introduced Item V and asked City Attorney Taylor to give their report.

City Attorney Taylor advised that the ordinance is for final reading and explained the reason for the ordinance is to put the City in a legitimate standing if there were any legal opposition. He commented that the Resolution has the mechanism to sunset the ordinance when appropriate.

Mayor England asked if the previous passed resolution was still enforced.

City Attorney Taylor explained that that resolution is enforced and once the City passes the ordinance it would put the City in a better standing for any lawsuits that may arise.

Vice Mayor Kostka asked if verbiage could be changed on page 7, second to the last paragraph to say "it supports the Pledge of St. Johns County" instead of it saying they started the Pledge.

City Attorney Taylor said it could be changed and there would be no legal implications.

Commissioner George asked about the lawsuit that was saying wearing face coverings was unconstitutional.

City Attorney Taylor advised that the lawsuit in Palm Beach County found that mandating face coverings was not unconstitutional due to the health risks. He advised that there may be challenges for political reasons but does not believe that they would prevail.

Vice Mayor Kostka asked since there is a resolution in place, why does the City need an ordinance.

City Attorney Taylor advised that the City does not have clear emergency powers and so the ordinance would give the City validity for the mandate.

Mayor England opened the Public Comments section. Being none, Mayor England closed the Public Comments section and asked City Attorney Taylor to read the title of the ordinance.

City Attorney Taylor read the title of the ordinance.

Mayor England asked for a motion.

Motion: to approve the ordinance as presented on second reading. **Moved by** Commissioner George, **Seconded by** Commissioner Samora.

Roll Call was as followed:

Mayor England	Yes
Vice Mayor Kostka	No
Commissioner George	Yes
Commissioner Rumrell	Yes
Commissioner Samora	Yes

Motion passed 4 to 1.

Mayor England asked for a motion to approve the resolution.

Motion: to approve the resolution as presented on second reading. **Moved by** Commissioner George, **Seconded by** Commissioner Samora.

Roll Call was as followed:

Mayor England	Yes
Vice Mayor Kostka	Yes
Commissioner George	Yes
Commissioner Rumrell	Yes
Commissioner Samora	Yes

Motion passed unanimously.

Mayor England moved to Item VI.E.

- E. Setting the Tentative Property Tax Operating and Debt Millage, and the Date and Time for the First Public Hearing on the Budget (Presenter: Max Royle, City Manager)

Mayor England asked for a motion for the debt millage.

Commissioner Rumrell asked why the Ocean Hammock half cent tax funding stops in 2028 before the obligation was paid.

City Manager Royle advised that the half cent tax was approved in 2008 for 20 years or 2028 and then Ocean Hammock was purchased, and the debt was refinanced for a lower interest rate through the Florida League of Cities. He explained that there were other projects like the new city hall that was also done with the new refinanced rate and advised that Ocean Hammock Park was bought in stages. He commented that the voters only gave the City 20 years for the tax and the City would have to go back to the residents with another referendum.

Motion: to approve the debt service millage at .50. **Moved by** Mayor England, **Seconded by** Commissioner Samora.

Roll Call was as followed:

Mayor England	Yes
Vice Mayor Kostka	Yes
Commissioner George	Yes
Commissioner Rumrell	Yes
Commissioner Samora	Yes

Motion passed unanimously.

City Manager Royle asked the Commission to schedule the date and time for the two budget public hearings. He explained that the first Monday in September is Labor Day, so he suggested September 14, 2020 at 5:01 p.m. and after discussion it was suggested the other budget hearing to be on September 21, 2020 at 5:01 p.m.

Motion: set the next budget meeting for September 14, 2020 at 5:01 p.m. and the second hearing on the budget meeting on September 21, 2020 at 5:01 p.m. and the Regular Commission meeting has not changed. **Moved by** Mayor England, **Seconded by** Commissioner George.

Roll Call was as followed:

Mayor England	Yes
Vice Mayor Kostka	Yes
Commissioner George	Yes
Commissioner Rumrell	Yes
Commissioner Samora	Yes

Motion passed unanimously.

Mayor England recommended to the Commission to look at the employees' salaries because some salaries are under market. She advised that Finance Director Douylliez will be sending a summary of the salaries from the City of Green Cove Springs who did a formal survey through Evergreen Solutions and the PEPE Survey.

VI. ADJOURNMENT

Motion: to adjourn. **Moved by** Commissioner Samora, **Seconded by** Mayor England.

Roll Call was as followed:

Commissioner Samora	Yes
Commissioner George	Yes
Mayor England	Yes
Vice Mayor Kostka	Yes
Commissioner Rumrell	Yes

Motion passed unanimously.

The meeting was adjourned at 6:57 p.m.


Margaret England, Mayor

ATTEST:

Beverly Raddatz

Beverly Raddatz, City Clerk