



MINUTES

COMMISSION WORKSHOP

THURSDAY, JUNE 17, 2021, AT 6:00 P.M.

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

NOTICE TO THE PUBLIC

THE CITY COMMISSION HAS ADOPTED THE FOLLOWING PROCEDURE: PERSONS WISHING TO SPEAK ABOUT TOPICS THAT ARE ON THE AGENDA MUST FILL OUT A SPEAKER CARD IN ADVANCE AND GIVE IT TO THE RECORDING SECRETARY. THE CARDS ARE AVAILABLE AT THE BACK OF THE MEETING ROOM. THIS PROCEDURE DOES NOT APPLY TO PERSONS WHO WANT TO SPEAK TO THE COMMISSION UNDER "PUBLIC COMMENTS."

RULES OF CIVILITY FOR PUBLIC PARTICIPATION

1. The goal of Commission meetings is to accomplish the public's business in an environment that encourages a fair discussion and exchange of ideas without fear of personal attacks.
2. Anger, rudeness, ridicule, impatience, and lack of respect for others is unacceptable behavior. Demonstrations to support or oppose a speaker or idea, such as clapping, cheering, booing, hissing, or the use of intimidating body language are not permitted.
3. When persons refuse to abide by reasonable rules of civility and decorum or ignore repeated requests by the Mayor to finish their remarks within the time limit adopted by the City Commission, and/or who make threats of physical violence shall be removed from the meeting room by law enforcement officers, either at the Mayor's request or by an affirmative vote of a majority of the sitting Commissioners.

"Politeness costs so little." – ABRAHAM LINCOLN

I. CALL TO ORDER

Mayor England called the meeting to order at 6:00 p.m.

II. PLEDGE OF ALLEGIANCE

Mayor England led the Pledge of Allegiance.

III. ROLL CALL

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

Also present: City Manager City Manager Royle, Assistant City Attorney Taylor, Deputy City Clerk Fitzgerald, Finance Director Douylliez, and Public Works Director Tredik.

IV. DISCUSSION ITEMS:

1. Non-Ad Valorem Assessment for Solid Waste Collection and Disposal: Setting Rates for Fiscal Year 2022 (Presenter: Bill Director Tredik, Public Works Director)

Mayor England introduced Item 1 and asked Public Works Director Tredik for his report.

Director Tredik presented a PowerPoint presentation, Solid Waste and Recycling Non-ad Valorem Assessment (Exhibit A).

Director Tredik advised that the City established the non-ad valorem assessment for solid waste disposal in 2012 at a rate of \$74.00 per residence, which stayed in place until 2020 when the Commission passed the new non-ad valorem assessment (Exhibit A, slide 2). He recapped the minimum and maximum rates for collection, disposal, and recycling and that the FY 2021-2022 assessment would be for \$178 per residence. He said that that assessment went out with the tax bills in fall of 2020.

Director Tredik reported that the FY 2019 cost was used to evaluate the actual cost per residential property for each of the three categories: Collection \$162, Disposal \$125, Recycling \$43 which totals \$330 (Exhibit A, slide 3). He advised that he presented a couple potential implementation plans which he thought would cover the full actual cost in FY 2026 based on 3.5% annual inflation for a total of \$418 (Exhibit A, slide 4). He described the other more modest table from the PowerPoint presentation (Exhibit A, slide 5). He said that he updated those proposals because some of the things accepted at the time needed to be brought into current day perspective. He discussed how complicated it is to come up with the cost analysis because the Public Works trucks are used for a variety of different things along with staff time, commercial vs. residential, etc. (Exhibit A, slide 6). He advised that it is not a precise number. He said that he is comfortable staying with \$330 which will be evaluated and could be lowered in the future. For FY 2020, he looked at the cost based on the actual expenses, and they were almost identical, which reassures him that the numbers are pretty good. FY 2021 is a little different because changes began in October of 2020, such as reclassifying condominiums as commercial (Exhibit A, slide 7). He said that one of the large condominiums changed to dumpster service which removed them from the City's collection and that the City also stopped collection of recycling from those that did not use the City for solid waste. He advised that the City has been taking solid waste to Bunnell which saves approximately \$1,000 a month or more.

Director Tredik reported that FY 2021 costs are predicted to come in less than FY 2020 because of restructuring. FY 2022 costs are projected to possibly be reduced to \$305 per residence depending on inflation (Exhibit A, slide 8). Looking forward, the City could have savings next year, but then there will be less places to save with the Consumer Price Index impacting the costs with a potential for FY 2026 to be \$344 which is less than the maximum that is within the range (Exhibit A, slide 9). Currently 54% of solid waste and recycling is being paid for by the non-ad valorem assessment and 46% is paid for by ad valorem taxes so the City is not where it needs to be (Exhibit A, slide 10).

Director Tredik stated that there are advantages to increasing the non-ad valorem assessment (Exhibit A, slide 11). People have said that the current system is unfair because some people do not have solid waste collection and are paying for it in their taxes. Some people cannot get the service, such as large condominiums. Another advantage is having a dedicated revenue source for solid waste because every year almost 50% of the budget for solid waste is out of ad valorem taxes. Increasing the value gives the City a better plan and budget for the future. He described the need for vehicle replacements when they are past their 10-year life. He advised that he would like to retire the vehicles at their 10-year life which would bring maintenance cost down and the City will have more reliable equipment. He said that when property values go down that revenue will also go down and that a non-ad valorem assessment will be at a fixed rate to pay for things the City needs.

Director Tredik described the potential phasing plan (Exhibit A, slide 12) and capping it out at \$344 which will be paid for by the non-ad valorem assessment for the full 100% by FY 2026. He strongly recommended an increase and that \$344 is comparable to what the City of St. Augustine and St. Johns County are charging. The City is very much under what it is costing

for solid waste and recycling. He described the percentages paid each year by the non-ad valorem assessment.

Mayor England advised that she is interested in how to reduce the City's costs. She suggested that the City could do more right now to educate the public on what can be recycled.

Director Tredik advised that the City can educate people right away and that he would have to work with the current contractor on that, but it will not give immediate savings because City pays a fixed amount per residence under the current contract.

Mayor England asked about possibly modifying the contract to reduce the amount of recycling to every other week especially since Waste Management is already having difficulties maintaining the City's routes.

Director Tredik advised that it would require a change to the contract, and they would have to agree with it, but it could be pursued. He said that the recycling collections have been behind again this week and that they have been warned before. He advised that the City has the option to suspend recycling and the contract. The Public Works Department probably could do some of the recycling pickup, but not every week because there is not enough staff or equipment.

Mayor England suggested removing items like glass and to reduce other items to be practical about what can be recycled. She suggested to have a discussion with Waste Management to be more efficient about recycling and reduce costs.

Finance Director Douylliez advised that it has been her experience coming from the solid waste industry that the company will likely not be agreeable to reducing the number of pickups or to lowering the rate without a promise to renew. It is in the best interest to the City and the residents to make sure that the services are provided. She said that it is part of the contract that the company must do an education campaign for the City. She advised that Advanced Disposal/Waste Management complained that the City's residents are putting too many contaminants in the recycling. It would aid the City during the change-over next year to ask for their assistance to begin to educate the residents now. There is already a Consumer Price Index letter with a 4% increase in October. The City can only reduce expenses on solid waste until the current recycling contract is complete.

Director Tredik said that it would be difficult to get compliance if they know they are not getting a renewed contract. He said that he does not want to stop recycling, but that it is an option to suspend it for a period time until Public Works can take over the recycling.

Commissioner George asked how much time is left on the current contract. Director Tredik advised that the current contract will expire at the end of May 2022.

Commissioner George asked how much time it would take before Public Works is ready to bring recycling in-house and have every other week pick up schedule. Director Tredik said that staffing would not take long to have in place but buying the truck could be six months or more.

Commissioner George asked how much the truck costs. Director Tredik advised that the truck would be approximately \$250,000.

Mayor England asked if it would be quicker to finance the truck. Finance Director Douylliez advised that she did not see any issues with financing the truck instead the issue would be getting the truck because it could take as long as a year. She said that the City could get a used truck, but repairs would be a concern.

Commissioner George asked how much projected revenue would be generated for the fiscal year. Director Tredik advised that at \$28 for recycling it would be about \$84,000 in recycling revenue.

Commissioner George said that after three years the City would break even on the truck if it were financed.

Vice Mayor Samora asked how much the contract with Advanced Disposal/Waste Management a year for recycling was. Finance Director Douylliez advised that it was approximately \$144,000 a year.

Director Tredik advised that the new contract increase is probably going to be dramatic.

Vice Mayor Samora asked if the recycling truck is the same setup as the City's current trash trucks. Director Tredik advised that the truck is the same configuration.

Discussion ensued regarding the truck capabilities to handle trash and recycling; accelerating the replacement of a truck by a year; keeping a spare truck for breakdowns; and to keep three truck running.

Commissioner Rumrell thanked Director Tredik for a great informative presentation. He asked if the City is taking trash to the Bunnell facility. Director Tredik advised that trash only is being taken to the Bunnell facility and not construction debris or yard waste.

Commissioner Rumrell asked if the tipping fees at the Bunnell facility are cheaper. Director Tredik advised that the City is paying \$44 a ton at Bunnell, and it is \$56 a ton at Tillman Ridge which is a \$12 savings over Tillman. He said that the City does pay more in milage and labor to get to Bunnell.

Commissioner Rumrell advised that he would still like to see what it costs to have a company do both trash ad recycling. He said that St. Johns County is doing both for \$250 a year and that is roughly \$100 less than the City would be at \$344 per year. The City needs to decide if it want service vs. saving revenue. It is difficult to justify increasing fees when recycling is not getting collected.

Director Tredik advised that the City is not really raising their fees because it is paying \$43 for recycling now. He wants the service to be done more efficiently and cheaper.

Commissioner Rumrell advised that all the residents see is that their taxes are increasing from \$178 to \$211. He said that most people think that the City picks up their recycling too. He would like to do a bid for the services.

Vice Mayor Samora asked what St. Johns County's actual cost is for collection and could the City possibly piggyback on St. Johns County's contract. Director Tredik advised that he did not know what next year's contract rate would be for St. Johns County. Finance Director Douylliez said that when the research was done last year, that she contacted St. Johns County Solid Waste and that they said that they would not charge less than the actual costs. They did not confirm their contract rate, but it is a public record, and she said that she would obtain that information.

Commissioner Torres advised that he is concerned with suspending service because the City is already charging the non-ad valorem fees. He said that he is affected the same as other residents when the recycling is missed. He agreed that the frequency could be switched to every other week. He would like to hear from the City Attorney whether the current agreement provides for incurring penalty fees for not providing the contracted service.

City Attorney Taylor advised that there are no liquidated damages in the contract. He said that normally the City would give one notification of breach of the contract and give one opportunity to remedy. He said that the company is already past that point. He advised that City now has the option to either negotiate or terminate contract.

Commissioner Torres said that he liked that the City's hands are not tied to continuing the contract and to possibly be able to renegotiate it to scale back to every other week for recycling pickup. Director Tredik advised that every other week may not work with the 18-gallon bins that the City has under its current contract because they over fill.

Discussion ensued regarding the issues happening with the small bins becoming overfilled; people purchasing larger bins that were not collected under the contract; contamination issues; switching to the carts was expensive when considered 2 years ago.

Director Tredik said that the carts would allow for a two week schedule. He advised that the City could work towards that if recycling gets brought in-house.

Commissioner Torres advised that this could be an opportunity to renegotiate the contract to every other week with the carts and also ask to lower the cost.

Mayor England advised that she personally tries to remove items that cannot be recycled like glass, glossy papers, etc. and that she only puts her recycling out every two weeks. She said that once you consider what is not recyclable, there is not that much in the bin.

Commissioner Rumrell advised that things that are recyclable have changed over the past ten years. He said that there is not any new education about what is being recycled and that people do not see what happens after they put items in recycling bin.

Finance Director Douylliez advised that when the default notice was sent to company that they responded with a claim that they are picking up contaminated bins in the City often and that they need the City to help with an education process for the residents. She suggested that the City needs to take advantage of the company's willingness to educate and to reduce contaminants. She described some contaminants and said that the recycling company should be tagging contaminated bins and not collecting them in an effort to help educate the residents. She advised that she and City Manager Royle have discussed including Events Coordinator Conlon to help push a campaign on the City's website and social media. She discussed how different items either will or will not decompose in a landfill.

Commissioner George advised that it makes sense to have the current vendor engage in education now for when the City takes over next year.

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

Sandra Krempasky, 7 C Street, Apt A, St. Augustine Beach, FL advised that SEPAC has discussed educating the public about recycling. She said that she likes the idea of not collecting what is contaminated to emphasize the issue. She said that SEPAC is starting a series of newsletter columns and that they could include this if the Commission agrees.

Mayor England recapped the discussion into four topics: 1) to educate in conjunction with the current vendor to use social media, ads in Record, etc. and to have a Commissioner and staff sit with the company to discuss the issues in person; 2) to do fact finding and explore outsourcing and other options; 3) to move quickly if bringing recycling in-house is deemed the better option; and 4) to change the collection to every two weeks.

Director Tredik advised that he could pursue those items. He asked what the Commission thinks of the proposed non-ad valorem assessment rates for the upcoming year. He said that whether the City does another contract or moves it in-house it that it would still be below the actual cost. He asked the Commission for direction as to whether he should bring an item back to increase the rate and by how much.

Mayor England advised that the Commission realized that there would be an increase to cover the actual cost. She asked the Commission for their thoughts about the \$211 that was suggested for FY 2022.

Commissioner Rumrell advised that he would like to compare what other costs are before making a decision. He said that he does think it should increase but it is going to be hard to validate an increase to the residents.

Director Tredik advised that he could promise that City would collect dependably and that the service level will increase. He said that St. Johns County's rate is \$240 and if the City were to piggyback on their contract, it would pay at least that amount. He advised that the City could put it out to bid and the rate may be at least \$240 a year. He advised that asking for the increase is not asking for something that the City is not spending. He said that this gets a little closer to the actual costs no matter the direction.

Commissioner Rumrell asked if the cost is higher because it includes the purchase of a new truck.

Commissioner George advised that if the truck is financed it would constitute a savings and it would be a fraction of a recycling contract.

Director Tredik advised that the truck purchase is calculated in the numbers.

Commissioner Rumrell asked about leasing a vehicle because a lease may include maintenance. Director Tredik advised that he would look into leasing options.

Commissioner George advised that the Police Department has leased vehicles in the past.

Vice Mayor Samora advised that the goal was to get closer to the actual cost over a several year period. He said that five years is plenty of time to cover the costs and that the Commission needs to give staff direction. If the benchmark is St. Johns County and the City of St. Augustine, then the City would not even be close to those numbers within the first three years. He said that the City residents would still be paying less.

Mayor England asked what the deadline is for making a decision for FY 2022.

Finance Director Douylliez advised that she is working on budget now. She said that the City would likely set the preliminary millage on Monday, July 26, 2021. She would like the firm numbers in August and to have the tax roll set by September 1st.

City Manager Royle advised that Finance Director Douylliez needs to know what direction the Commission is going so she can put the numbers in the budget by July 26th.

Mayor England asked for a consensus on using \$211 being subject to fact finding.

It was the consensus of the Commission to use \$211 subject to fact finding.

2. Stormwater Infrastructure and Maintenance of Stormwater System: Consideration of a Stormwater Utility Fee to Pay Costs (Presenter: Bill Director Tredik, Public Works Director)

Mayor England introduced Item 2 and asked Public Works Director Tredik for his report.

Public Works Director Tredik presented his PowerPoint presentation, Stormwater Utility Fee (Exhibit B). He stated that it was time to consider a stormwater utility fee as a viable option to fund some of the City's stormwater needs.

Director Tredik noted that a Vulnerability Assessment was recently completed which identified a number of prospective projects with estimated costs (Exhibit B, slide 14) totaling a potential \$3,630,000, such as the SR-312 and Pope Road outfalls, areas of West Pope Road, Seagrove, Ocean Trace, and Oleander Street, and the Atlantic Ocean seawall. He explained that the 2004 Stormwater Master Plan still had four projects outstanding (Exhibit B, slide 15), Mickler Ditch piping, 7th, 8th, and 9th Street drainage connections, and 16th Street piping, at an estimated cost of \$1,765,000. He also identified other areas of drainage concern (Exhibit B, slide 16), such as Lake Sienna, Ocean Walk, Seaside Villas, Ocean Oaks, Ocean Pines/2nd Street, Mariposa/Poinsettia Street, Magnolia Dunes/Ewing Street/Atlantic Oaks Circle, Oceanside Circle, and Ocean Trace Road/Sabor de Sal, at an estimated cost of \$6,244,000. The total cost could be around \$11,639,000, some of that cost could be covered by grants and he estimated a possible \$5,820,000 in grants, which still leaves a potential \$5,820,000 from City funds over the next decade or so (Exhibit B, slide 17).

Director Tredik stated that the most realistic way to fund these projects, and others that may come up, would be a stormwater non-ad valorem tax. Around 170 local governments in Florida have established stormwater utility fees and they vary from small town to large cities to counties (Exhibit B, slide 18). He noted that he would send the Commission the Florida Stormwater Association's Stormwater Utility Report from 2020, which contains some of this information in more detail. He explained that most of these fees are based on impervious area, Equivalent Residential Units (ERU), or something similar to base the rate on the property's impact on the stormwater system. He read a number a sample fees from other cities (Exhibit B, slide 19), including St. Augustine at \$7.50 a month per ERU. He noted that Flagler Beach's fee of \$8.83 a month per ERU could generate \$500,000 annually. He explained that these fees could be used for stormwater projects, salaries associated specifically with stormwater work, stormwater facility maintenance, stormwater-related equipment and pumps, and grant matches (Exhibit B, slide 20).

Director Tredik explained the schedule that would need to be followed to implement a stormwater fee by Fiscal Year 2023 (Exhibit B, slide 21). By December, a resolution would need to be passed expressing intent to adopt a non-ad valorem assessment to notify the Tax Collector in January 2022. By April, ranges and rates will need to be set and a public hearing would need to be held by June. A resolution and agreement with the Tax Collector would need to be finalized by August 2022.

Director Tredik stated that the Commission and staff will still need to gather information and discuss further before this is put into place (Exhibit B, slide 22). Topics such as establishing the fee structure, quantifying commercial impervious and semi-impervious areas (which would be a time-consuming task), rates for undeveloped properties, exemption policies, implementation schedule for projects, and hiring a consultant to assist with plan development.

Director Tredik strongly recommends hiring a consultant to help complete this process is solid, fair, and equitable. He stated that it would provide a better product in the long run. He presented a potential schedule for hiring said consultant (Exhibit B, slide 23), which would include the Commission authorizing staff to proceed with hiring at their July meeting, and RFQ could be advertised in July to be potentially awarded by September with the plan completed by March 2022.

Director Tredik asked for direction from the Commission on whether to move forward with a pursuing a stormwater non-ad valorem and a consultant to develop the fee program (Exhibit B, slide 24).

Mayor England asked how much a consultant would cost and Director Tredik replied that he is not sure, but expects that it would not be cheap, but not exorbitant either. Mayor England stated that she would like more facts and requested two to five similar beach cities' plans for comparison, that more information would make it easier to advise staff. Director Tredik replied that the challenge would be that most of these fees were put into place in the 1990s, but he can still reach out to the cities for the cost then.

Vice Mayor Samora asked for clarification on the scope of work for the consultant. Would it be just a way to charge the rate, would it include surveys?

Director Tredik stated that he still needs to work out the details, but main points would be to determine the ERU for our city, which would require digging through property records and seeing what the average house size is and approximate the average impervious surface area is and assign a number of ERUs to properties. The consultant would need to work with the Finance Department to set up an accounting system to maintain the program. There would also be legal issues to clarify with the City Attorney. He noted that he was stormwater engineer for St. Augustine and his salary was paid from their stormwater fee, but the stormwater fees preceded his employment.

Vice Mayor Samora stated that the Commission had asked staff to find new sources of revenue and they did just that. There is a need and it's tough, but it should be considered. He also agreed that more information was needed.

Commissioner George stated that it's the natural environment of the area and the City can't control it, just work on it diligently and implement infrastructure. The costs are above and beyond the ad valorem revenue source. She stated that she has always been against implementing fees, but that the natural environment just keeps becoming more and more of a challenge. She also requested more information. She asked why there were no projects listed on A1A Beach Boulevard, specifically A Street, 1st Street, and 12th to 15th Streets. Those areas get a lot of standing water. She asked how Director Tredik determined his list of areas of concern.

Director Tredik replied that he did not compile a comprehensive list, that when the Master Drainage Plan is updated, there will be a more thorough list. He stated that those are areas of concern, but last September, when those areas were underwater, was an exceptionally strong storm. The City saw four inches of rainfall in two hours, a 10-25 year event and almost any street would go under in storm of that severity. There will always be some water on the streets, but he focused on areas where properties could potentially be damaged, and this list was a preliminary look to mainly give an idea of costs. He clarified that the fee would not be restricted to a specific list of projects and the project list could change whenever needed.

Commissioner George asked about how condominiums would pay this fee. Director Tredik replied that every property would pay, and consultant would advise on whether to charge each unit or to charge the condo association.

Commissioner George asked for an explanation of the projected staff costs. Director Tredik replied that it was a combination of new and existing staff. He is currently looking for an assistant engineer and a drainage technician could be paid from this fee. Any staff who works exclusively on stormwater projects could be partially paid with this fee, but he would not want

to use all of the revenue on staff. The decision on how much, if any, of this fee would be used on staff could be determined from year to year.

Commissioner George asked how much would be for ongoing stormwater maintenance costs. Director Tredik replied that, again, it would be a combination of maintaining current infrastructure and the maintenance for any new infrastructure. Those maintenance costs would increase with every new project.

Commissioner Rumrell agreed that more information would be helpful. He also stated that he is happy to go chase more money from the State Legislature and he is not afraid to ask for \$11 million, the City would likely not get it, but he could still ask and maybe get a fraction of that. He suggested seeing if some of the recovery funds could be used for drainage issues.

Director Tredik replied that any additional revenue would be great, that there is a real need regardless of how much the City could get. He asked for guidance from the Commission on whether staff should move forward on developing this or focus on other issues.

Commissioner Rumrell stated that a lot of people are anxious to curb the flooding issues and any additional money would help reduce the time it may take to address those issues.

Commissioner Torres stated that he does not have enough information to endorse hiring a consultant at this time. He stated that to his understanding things are built to a certain drainage plan, but some of the areas listed on slide 16 are fairly new. He asked where the problems started, with the plans, with permitting, or with developers. He stated that if a resident is not in the affected areas, they should be exempt. He wants to determine the underlying problem and if anyone else is responsible. He needs more information to commit.

Mayor England reported that she is not hearing a clear consensus, except on needing more information, especially on hiring a consultant. She asked for more information on the cost and what the consultant would do. To Commissioner Torres, she replied that special assessments for each affected area are time consuming to do. There is a need to complete these projects to reduce residents fear of water potentially damaging their homes. She asked City Manager Royle for his advice on special assessments.

City Manager Royle stated that he has been involved in several special assessment projects, such as the 3rd Street and 8th Street projects. They are time consuming since the City would need to hold public hearings. It would also entail a very high assessment for affected property owners. For example, Magnolia Dunes has about 40-50 homes, so if you divide \$1.2 million over 50 homes, that would be a very high assessment for those owners. At Ocean Trace Road and Sabor de Sal, there is a retention pond that is not owned by the City and there is no homeowners' association to take responsibility for it. He commented that coordinating with HOAs or individual owners would take a lot of time, a consultant could help manage that. He noted that even if City didn't do any new projects, there are still existing systems throughout the City that will continue to need maintenance, so the stormwater fee would relieve the burden on property taxes to maintain the system that is already in place. He would like to advertise for a consultant and that wouldn't commit to spending any money, simply help to gather information. At least the City would be moving forward, even if they didn't hire anyone.

Commissioner George stated that she doesn't think the City should advertise yet, since people who apply now may not be available when the City is willing to hire. She also doesn't want to advertise without fully knowing what the consultant would be doing and wants to define their role clearly.

City Manager Royle replied that developing a stormwater fee is a complicated process that requires specialized knowledge in order to withstand legal challenges and current staff doesn't have that expertise. He stated that the City should explore this as a potential revenue source to the best of our ability. Staff could bring more information back to the Commission, possibly an Request for Qualifications (RFQ) draft to review.

Director Tredik stated that systems have lifecycles and components will need to be replaced after a certain amount of time. If the City plans for those repairs now, then it will be in a much better position when it is needed. There is no guarantee that the City could find someone to help pay for another weir in 25 years, but if the City plans properly and has a fund then it can plan on replacing components at specific times to best maintain the system and extend the lifecycle. There are pump stations that need to be maintained and right now those costs are competing with everything else the City needs. If funding is not available to do proper maintenance and repairs, the system could break down and people's houses could potentially flood.

Commissioner Torres asked if those repairs could be accounted for in the capital reserves.

City Manager Royle replied that planning is not the issue, paying for it is. Staff is looking for a reliable, steady funding source, so that the City doesn't have to keep utilizing the general fund to subsidize road & bridge fund expenses.

Director Tredik agreed that these maintenance expenses are never going to go away, they will be recurring forever. They can be leveled out over time by having a reliable, dedicated funding source and replacement cycle or the City can know it's coming and has to find funding as needed, probably by raising ad valorem taxes that year.

Commissioner Rumrell asked if the fund could sunset at some point. Attorney Taylor replied that the fund could sunset or the rate could be adjusted down to not collect more than is needed for maintenance costs. Commissioner Rumrell stated that it may help if the City could show residents a potential light at the end of the tunnel. He asked staff to put together scope of services for consultant, since maybe the engineer the City will be hiring could do some of those services.

Mayor England stated that there is a benefit in developing a plan and projects to try to get grant funding. She noted that there is a difference between what individual homeowners could do to mitigate stormwater issues and what associations and the City could do. She asked if the Commission had an objection with having the City continue to pursue development of a stormwater assessment.

Commissioner George replied that it was still good to look at it. She agreed with Commissioner Torres that the City has been managing these capital improvements over time, but there are some dire environmental conditions, which the Vulnerability Study has highlighted. She would like to see an update to Master Stormwater Management Plan to have a better idea of hard costs. The bottom line is that when there is a storm event, there is nowhere for the water to go. She asked if there is the possibility of portable pumps to deal with problems as they occur.

Director Tredik replied that portable pumps get there after the flooding has already happened. It is very hard to predict flooding. It could be a possibility, but some areas will be missed due to human judgment and error. An established system doesn't depend on someone getting there before the flooding gets bad.

Commissioner George asked if new design techniques are developed, would those be able to become a part of the City's plan.

Director Tredik stated that he is working to fit a new Master Stormwater Management Plan in the upcoming budget. It would not be exorbitant, but not cheap either. There is a lot of work involved to develop that plan.

Commissioner George stated that she would be comfortable continuing the discussion and gathering more information.

Mayor England asked if the City should advertise for a consultant. The Commission agreed that it was too early, and they would need more information.

Director Tredik noted that if the delay is too long, it may push this into FY 2024. There should be a decision by August, maybe September, if the Commission wants this to happen in FY 2023.

Commissioner Rumrell asked for a tier of importance to help search for funding on these projects. Director Tredik suggested that he could categorize by areas where flooding is occurring now, where flooding is about to happen, and where flooding may happen in the next decade.

Director Tredik noted that a special assessment has merit for areas that have a large project that only helps a few. There could be a combination of a stormwater fee to cover general system maintenance throughout the City and special assessments for major projects as needed.

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

Sandra Krempasky, 7 C Street, Apt A, St. Augustine Beach, FL, stated that she cannot speak for the whole of the Sustainability and Environmental Planning Advisory Committee, but that SEPAC has been discussing this topic for years and is fully behind Director Tredik. She noted that the previous Public Works Director, Joe Howell, made a similar presentation five years ago and it's time to take some action. She thinks the fee should be same across the board, but Craig Thomson seems to prefer basing fee on impervious surface ratio on properties, like St. Augustine, so she would be behind hiring a consultant to advise on the best course. She suggested that the City use a green consultant to determine if other solutions could be used instead of engineering, such as landscaping and trees.

Commissioner Torres stated that was an interesting point and noted that Commissioner George had mentioned incentivizing residents to use less coverage.

Director Tredik stated that he has direction and will come back with more information.

V. DIRECTION TO STAFF REGARDING DECISIONS TO BE MADE AT FUTURE COMMISSION REGULAR MEETINGS

Vice Mayor Samora reported that the .05 cent tax recommended by the Tourist Development Council was reviewed by the County Commission and should be reviewed again on July 20th.

Commissioner Torres asked if it would make it easier for City to gain funds.

Vice Mayor Samora replied that half of the increase would go to "other" tourist related impacts, like parking, infrastructure, and safety, instead of things like advertising. He noted that it was recommended by Commissioner Henry Dean that 60% of that increase goes into the Beaches fund. The TDC recommendation was for half of the increase to go into the "other" category and none into Beaches. He stated that he will send further information to City Manager Royle to

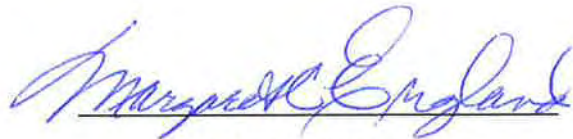
distribute. He noted that approval of the increase would need a super majority vote and encouraged the City Commissioners to contact the County Commissioners. It could generate \$3 million for the County to distribute.

VI. ADJOURNMENT

Mayor England asked for a motion.

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

Meeting was adjourned at 8:10 p.m.



Margaret England, Mayor

Attest:



Dariana Fitzgerald, Deputy City Clerk



CITY OF ST. AUGUSTINE BEACH

*City Commission Workshop
Thursday June 17, 2021*

Solid Waste and Recycling Non-ad Valorem Assessment

William Tredik, P.E. Public Works Director

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HISTORY

2012 City established non-ad valorem assessment for solid waste disposal – **Rate \$74 per residence**

2020 City passed new non-ad valorem assessment with the following rates:

Service Provided	Minimum Assessment	Maximum Assessment	FY 21-22 Assessment
Solid Waste Collection	\$75	\$175	\$87
Solid Waste Disposal	\$50	\$150	\$67
Recycling	\$0	\$50	\$24
TOTAL	\$125	\$375	\$178

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Exhibit A
Date 6-17-2021

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2020 EVALUATION

- City evaluated actual FY 2019 costs
- Annual costs per residential property
 - Annual Collection Cost \$162
 - Annual Disposal Cost \$125
 - Annual Recycling cost \$ 43
- Total annual cost per residential property **\$330**

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2020 POTENTIAL PHASED IMPLEMENTATION PLANS

- In 2020 staff presented the following potential phased implementation plans:

Service Provided	FY22	FY23	FY24	FY25	FY26
Residential Collection	\$89	\$109	\$133	\$163	\$199
Residential Disposal	\$69	\$83	\$102	\$125	\$153
Residential Recycling	\$28	\$35	\$43	\$53	\$66
TOTAL	\$185	\$227	\$278	\$341	\$418

Service Provided	FY22	FY23	FY24	FY25	FY26
Residential Collection	\$89	\$96	\$103	\$111	\$120
Residential Disposal	\$68	\$73	\$79	\$85	\$92
Residential Recycling	\$28	\$30	\$33	\$35	\$38
TOTAL	\$185	\$199	\$215	\$232	\$250

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Exhibit A
Date 6-17-2021

UPDATED PHASED IMPLEMENTATION OPTIONS

- The actual Year 1 assessment and ranges varied from that proposed, therefore the 2020 phased implementation plans are adjusted to be:

Service Provided	FY21	FY22	FY23	FY24	FY25	FY26
Residential Collection	\$87	\$105	\$123	\$141	\$159	\$175
Residential Disposal	\$67	\$84	\$101	\$118	\$135	\$150
Residential Recycling	\$24	\$29	\$34	\$39	\$44	\$50
TOTAL	\$178	\$218	\$257	\$298	\$338	\$375

Service Provided	FY21	FY22	FY23	FY24	FY25	FY26
Residential Collection	\$87	\$94	\$101	\$108	\$115	\$120
Residential Disposal	\$67	\$72	\$77	\$82	\$87	\$92
Residential Recycling	\$24	\$27	\$30	\$33	\$36	\$38
TOTAL	\$178	\$193	\$208	\$223	\$238	\$250

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REVIEW OF PREVIOUS COST ANALYSIS

- FY 2019 actual costs may have been *slightly* lower than estimated but not significantly so.
- Many factors go into the evaluation of the residential solid waste cost.
 - Vehicle mileage (collection/disposal vs. other related functions)
 - Maintenance costs
 - Staff time allocation
 - Overhead allocation
 - Mutt Mitts and public cans versus route pickup allocation
 - Commercial versus residential percentages
- FY 2020 costs similar to FY2019 costs

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Exhibit A
Date 6-17-2021

PREDICTED FY 2021 COSTS

- **Changes impacting cost**
 - **Condominiums reclassification as commercial**
 - **Some commercial service premises to private haulers**
 - **Ceased collection of recyclables from non-garbage customers**
 - **Eliminated commercial "can-count" method**
 - **Adjusted commercial fee**
 - **Changes garbage disposal location**
- **FY 2021 costs predicted to be slightly less than FY 2020 costs**

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PREDICTED FY 2022 COSTS

- **Staff projects that costs can be further reduced in FY 2022 due to:**
 - **Cost saving measures implemented in FY 2021**
 - **Bringing recycling "in-house"**
- **Difficult to predict savings due to potential inflation.**
- **Assuming the annual cost can be reduced to \$305 per residential dwelling unit, the cost would be:**

Service Provided	Collection	Disposal	Recycling
Residential Solid Waste and Recycling	\$148	\$118	\$39

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Exhibit

A

Date 6-17-2021

POTENTIAL FUTURE COSTS

Fiscal Year	Collection Cost	Disposal Cost	Recycling Cost	Total Cost
FY 2022	\$148	\$118	\$39	\$305
FY 2023	\$152	\$122	\$40	\$314
FY 2024	\$157	\$125	\$41	\$324
FY 2025	\$162	\$129	\$43	\$333
FY 2026	\$167	\$133	\$44	\$344

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CURRENT FUNDING PERCENTAGES

Service Provided	Non-Ad Valorem Assessment	Percent Non-Ad Valorem Assessment	Percent Ad Valorem Taxes
Solid Waste Collection	\$87	56%	44%
Solid Waste Disposal	\$67	52%	48%
Recycling	\$24	57%	43%
TOTAL	\$178	54%	46%

- Existing assessment only funds 54% of the solid waste and recycling program

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Exhibit A
Date 6-17-2021

ADVANTAGES TO INCREASING NON-AD VALOREM ASSESSMENT RATE

- More equitable payment structure
- Dedicated revenue source for solid waste
- Ability to better plan and budget
- Non vulnerable to property value declines

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POTENTIAL PHASING PLAN

- Increase the solid waste and recycling non-ad valorem assessment for FY 2022. A potential phasing plan is:

Service Provided	FY22	FY23	FY24	FY25	FY26
Residential Collection	\$103	\$119	\$135	\$151	\$167
Residential Disposal	\$80	\$93	\$107	\$120	\$133
Residential Recycling	\$28	\$32	\$36	\$40	\$44
TOTAL	\$211	\$244	\$278	\$311	\$344

- The above plan would increase the percentages of solid waste collection and recycling paid by the non-ad valorem assessment as follows:

	FY22	FY23	FY24	FY25	FY26
% paid by non-ad valorem assessment	69%*	78%	86%	93%	100%

*Assumes FY22 cost is \$305 and rises from there; would be 64% if FY 22 cost is \$330.

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Exhibit A

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CITY OF ST. AUGUSTINE BEACH

*City Commission Workshop
Thursday June 17, 2021*

Stormwater Utility Fee

William Tredik, P.E. Public Works Director

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IDENTIFIED STORMWATER NEEDS

Vulnerability Assessment Projects

Vulnerable Area	Estimated Cost
S.R. 312 (C.R. A1A) Outfalls to Salt Run	\$765,000
Pope Road Outfalls	\$550,000
West Pope Road	\$275,000
Sea Grove Area	\$410,000
Ocean Trace	\$275,000
Oleander Street Wetland	\$275,000
Atlantic Ocean (Pier Park/Pope Road Seawall)	\$650,000
TOTAL CONSTRUCTION COST	\$3,240,000
Survey and Engineering	\$390,000
TOTAL PROJECTED COST	\$3,630,000

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Exhibit B
Date 6-17-2021 7

2004 STORMWATER MASTER PLAN

Uncompleted projects

Plan Proj. No.	Project Name	2004 Cost	2021 Cost
4A	Mickler Ditch Piping (11 th St. to 16 th St.)	\$260,000	\$500,000
5A, 5B	Mickler Ditch Piping (A St. to 11 th St.)	\$625,000	\$1,000,000
14	7 th , 8 th , 9 th Sts. Drainage Connections	\$35,000	\$90,000
22	16 th St. Piping (Mickler to Ocean Woods)	\$75,000	\$175,000
TOTAL PROJECTED COST			\$1,765,000

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AREAS OF DRAINAGE CONCERN

- | | |
|--|----------------|
| 1. Lake Sienna | \$650,000 |
| 2. Ocean Walk | \$694,000 |
| 3. Seaside Villas | \$600,000 |
| 4. 7 th , 8 th , 9 th Streets | previous slide |
| 5. Ocean Oaks | \$750,000 |
| 6. Ocean Pines/2 nd St. | \$400,000 |
| 7. Mariposa/Poinsettia St. | \$700,000 |
| 8. Magnolia Oaks, Ewing St, Atlantic Oaks Circle | \$1,200,000 |
| 9. Ocean Trace Subdivision | shown earlier |
| 10. Oceanside Circle | \$350,000 |
| 11. Ocean Trace Rd/Sabor De Sal | \$900,000 |



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Exhibit

B

Date

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POTENTIAL DRAINAGE FUNDING NEEDED

Projects	Estimated Cost
Vulnerability Study Projects	\$3,630,000
2004 Master Drainage Plan Uncompleted Projects	\$1,765,000
Additional Needs from Upcoming Master Drainage Plan Update	\$6,244,000
TOTAL STORMWATER NEEDS	\$11,639,000
Less Potential Grants (assume 50% overall)	(\$5,820,000)
FUNDING NEEDED TO IMPLEMENT IMPROVEMENTS	\$5,820,000

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POTENTIAL FUNDING SOURCE – STORMWATER UTILITY FEE

- Approximately 170 Florida local governments have established stormwater utilities
- Physical areas served by stormwater utilities vary greatly in size (from small towns to large cities and counties)
- 35% of the fees are through non-ad valorem assessments
- 70% base the fee on impervious area and Equivalent Residential Units (ERUs) or similar method
- The average equivalent residential unit (ERU) is 2,579 SF

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Exhibit

B

Date

6-17-2021

SAMPLE FEES

City	Monthly Fee Per ERU	Annual Fee Per ERU
St. Augustine	\$7.50	\$90
Palm Coast	\$18.91	\$227
Ormond Beach	\$7.00	\$84
Flagler Beach	\$8.83	\$106
Daytona Beach	\$10.07	\$121
Jacksonville Beach	\$5.00	\$50
New Smyrna Beach	\$7.67	\$92
Cocoa Beach	\$6.75	\$81
Green Cove Springs	\$10.42	\$125

- A fee similar to Flagler Beach's could generate as much as \$500,000 in annual revenue for the City

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USES FOR STORMWATER FEE

- Fees could be used for:
 - New stormwater projects
 - Staff salaries associated with stormwater
 - Stormwater facility maintenance
 - Stormwater equipment and pumps
 - City matches for stormwater project grants
- Potential Funding Breakdown

Annual fee revenue	\$500,000
Less staff costs	(\$125,000)
Less stormwater maintenance costs	(\$125,000)
Revenue dedicated to capital projects	\$250,000

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Exhibit B
Date 6-17-2021

PROCESS FOR IMPLEMENTING A STORMWATER FEE

- Non-ad valorem assessment
 - Oct-Nov 2021 – Authorize staff to advertise a public meeting to adopt resolution
 - Dec 2021 – Pass resolution expressing intent to adopt non-ad valorem assessment
 - Jan 1, 2021 – notify Tax Collector
 - April 2022 – Set ranges and rates
 - June 2022 – Hold Public Hearing
 - Aug. 2022 – Pass resolution and enter agreement with Tax Collector
 - Funds will be available beginning in FY23

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INFORMATION NEEDED

- Establish a fee structure for ERUs
- Quantifying commercial impervious and semi-impervious areas
- Establishing rate for undeveloped properties
- Establishing exemption policies
- Establish implementation schedule for projects
- Staff recommends hiring a consultant to assist in the plan development

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Exhibit B

Date 6-17-2021

POTENTIAL SCHEDULE

- July 6, 2021 - Commission authorizes staff to proceed with hiring consultant
- July 2021 – City advertises RFQ
- September 2021 – City Awards RFQ
- March 2022 – Consultant completes plan development
- April 2022 – Plan presented to City Commission for approval of ranges and assessment rate for FY 23

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DIRECTION REQUIRED

- Direction from city Commission on whether to pursue the development of a stormwater non-ad valorem assessment for FY 2023
- Direction on whether to advertise a RFQ for a consultant to develop the stormwater fee program.

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Exhibit B
Date 6-17-2021