



## **MINUTES**

### **CITY COMMISSION BUDGET MEETING**

**MONDAY, JULY 26, 2021, AT 6:00 P.M.**

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

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#### **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, Commissioner Rumrell, and Commissioner Torres.

Also present: City Manager Royle, Deputy City Clerk Fitzgerald, Finance Director Douylliez, Building Official Law, Public Works Director Tredik, and Police Chief Carswell.

#### **IV. REVIEW OF FISCAL YEAR 2022 BUDGET**

##### **A. Introduction: Max Royle, City Manager**

City Manager Royle confirmed that this is a one topic agenda for the FY 2022 budget and to set a preliminary property tax millage. He said that the millage will be sent to the Property Appraiser, who will send it to every property owner within the City in August. He advised that the first public hearing for the FY 22 budget would probably be September 13, 2021, because the first Monday in September is a holiday. He said that Finance Director Douylliez has prepared one of the best budget summaries that he has seen.

##### **B. Presentation of the Budget: Patty Douylliez, Finance Director**

###### **1. Overview of Revenues and Expenditures**

Finance Director Douylliez gave a PowerPoint presentation (Exhibit A) and said that the preliminary millage is set high at 2.5998 and that she is still waiting for numbers from the State. She said that the demographic statistical data from 2015-2019 shows the median value owner-occupied units at \$414,400, median household income is \$86,056, median family income is \$92,041, and median age is 48.

Commissioner George asked if the median value of owner-occupied units is from the current taxable value.

Finance Director Douylliez advised that the figure is the current value of the homes in the City. She said that the information is from the Census, which does not consider homestead exemptions, etc.

Mayor England asked if it is for single family residents only.

Finance Director Douylliez advised that it is an overall number for all owner-occupied

units. She gave examples of the ad valorem millage rates based on a median value home at \$414,400 to show as a comparison. She advised that the City could roll back to the millage rate of 2.3742 which would keep the payments flat year-after-year, or it could go as high as 2.5998, which is what the FY 22 budget is based on. She said that the comparison of the roll back millage of 2.3742 at \$983.87, to the proposed millage of 2.5998 at \$1,077.36 would be an increase of approximately \$93. She summarized some of the changes that are impacting the FY 22 budget, such as fund and department changes and capital projects. She discussed the Road & Bridge Department vs. the Road & Bridge Fund and that the only legal requirement for the Road & Bridge Fund is the Local Option Gas Tax which comes from the State and that a fund must be maintained. This will also help balance the Reserve Funds, which will be discussed in another slide. She said that the City needs to add employees, such as an additional IT Department employee to meet the City's requirements, an additional Building Department employee to fill the permit tech position that will be opening up soon, and the newly hired engineer for the Public Works Department. She said that there will also be a part-time plan reviewer in the Building Department and that two additional employees will be needed when the City takes over recycling during the last four months of this year. She advised that the City has significant capital projects that will happen this year and that many are funded through grants and impact fees.

Commissioner Rumrell advised that the Ocean Walk drainage project is completely covered by the funding from Tallahassee.

Finance Director Douylliez discussed the FY 22 total revenues by fund. She pointed out that there is a significant decrease in the Road & Bridge Fund because the majority of it is now in the General Fund. Overall, the total revenue is \$15,529,127 which is an increase over the prior year of \$924,742 due to impact fees and grants. She said that the FY 22 property valuation increased to \$1,524,903,565 and that the current millage rate is 2.4500, the proposed millage is 2.5998, and that each tenth of a mill is \$152,490 at 95%. The FY 22 revenue for the General Fund is based upon ad valorem taxes at a 95% collection rate which is an increase from the prior year and that the non-ad valorem is also at an increase from the prior year. She advised that the State revenues are just an estimate at this time. The Electric Utility Tax and Franchise Fees have also increased. The FY 22 expenditures include salaries & benefits at \$5,161,653, operating at \$1,637,329, and capital at \$5,605,800 which total \$12,404,782 for expenditures.

## 2. Salaries and Benefits

Finance Director Douylliez advised that FY 21 salaries were at \$3,171,192 and the FY 22 proposed salaries are \$3,303,709 and that the increase is based on a 1.3% Cost-of-Living Adjustment (COLA) and a step-merit increase of 3% that was previously approved by the Commission. With the change in the economy, the COLA could possibly increase to as high as 5% next year. The employee benefits are based on estimates from the Florida Municipal Insurance Trust (FMIT) which indicate an increase of 5%, and an increase in the Florida Retirement System (FRS). She advised that the FRS is set by the State. FY 20 benefits were \$1,371,113 and the FY 21 were \$1,583,080. She said that workers' compensation insurance estimated an 8% increase and that the numbers show that the City is slightly under that by a few thousand dollars. However, the City budgeted 5% for health insurance and it is now at 9.8% which totals approximately another \$29,000 that is not shown on this PowerPoint Presentation.

## 3. Capital Outlay Requests

Finance Director Douylliez advised that capital outlay is the second largest portion of the

budget. Many projects are covered by grants and impact fees and that the City has a significant list of capital projects. She recapped the current capital outlay projects by department, with the largest coming from the Public Works Department.

Finance Director Douylliez said that the proposed millage rate of 2.5998 is large but that the City has significant requests for capital over the next four years and that there are a lot of projects that need to be done.

#### 4. General Fund Reserves

Finance Director Douylliez said that the reserve estimate is a touchy situation, and it was an audit point last year. The City should be at 20% fully reserved. She is projecting that the City will be at the fully reserved level. She discussed the funds that the City received from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and State funds.

#### 5. Long Term Debt

Finance Director Douylliez advised that the City does have bonds that cannot be redone for another few years and that there is a pending deadline for the end of the debt service millage rate taxed at 0.5000 mills through 2028. There is a period of time when the City will have to pay the bond payments after the expiration of the 0.5000 mills. The balance is approximately \$3.2 million. The City must continue to put money into the reserves to pay for that.

Finance Director Douylliez said that it is nice not to have the reserves as an issue this year. Her main concerns for FY 22 are: cash flow, capital projects, employees, and emergencies. She said that even though the capital projects are funded from grants and impact fees, there is sometimes a delay getting the money back from the grants. She advised that the City would bill out as quickly as possible. The capital projects and the cash flow will have to be timed perfectly. She has concerns about the cost of living for the employees and also that the City is struggling to get employees. Other local companies are paying \$16-\$17 an hour and the City is paying \$13.69 to start. She is also concerned for any emergencies from storms, etc.

Mayor England asked for Commissioner discussion. Being none, Mayor England moved on to Item V.

### V. PUBLIC COMMENTS

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

Laurel Dean, 205 A Street, St. Augustine Beach, FL, said that she does not want any new paved parking or over-development in Ocean Hammock Park. She asked that it not be included in the budget.

Commissioner George asked if there is funding in the budget for parking in the public plazas.

Finance Director Douylliez advised that there is paving work in the budget. The three areas designated for parking improvements in the upcoming year are: 4<sup>th</sup> Street parallel parking at \$35,000, \$25,000 for A Street and 1<sup>st</sup> Street plaza design and permitting, and 8<sup>th</sup> Street at \$90,000.

Commissioner George said that those are all existing parking areas that are being improved. She asked Director Tredik to provide budget information for Ocean Hammock Park.

Public Works Director Tredik advised that there is no plan for immediate construction of parking in Ocean Hammock Park. He said that it has not been designed and it is not in the budget for construction yet.

Tom Reynolds, 50 Brigantine Court, St. Augustine Beach, FL, urged the Commission to vote for the highest millage and a 5% COLA for employees. He said that he is embarrassed that City employees are only making \$13/hour and for the City to get them to \$20/hour. A City that averages an income of \$80,000 should be able to afford it. Employees are being cheated because of the subsidized waste disposal costs. He suggested an emergency meeting to get employees paid.

Nick Binder, 232 Big Magnolia Court, St. Augustine Beach, FL, complimented Finance Director Douylliez for an excellent presentation. He said that non-ad valorem taxes went from \$74 to \$178 to \$204 for garbage fees, and that County residents think that is a bargain. If the Police Department does not have body cameras, then the City should consider it under the American Rescue Plan Act (ARPA), and to also consider ARPA for construction, infrastructure, etc.

Mayor England asked if body cameras were in the budget for this year.

Police Chief Carswell advised that they are not in the budget.

Mayor England asked Finance Director Douylliez to discuss the American Rescue Plan Act after Public Comments.

Tamra Rushing, 848 Ocean Palm Way, St. Augustine Beach, FL, asked if the City is allotting maintenance money for infrastructure additions, such as the Ocean Hammock Park restrooms. She said that Chief Carswell commented at a recent Sea Colony Board meeting saying that crime is trending upward, and she wants to make sure that enough is budgeted for such things. The increase in crime is from visitors, not residents.

Linda Miles, 928 Ocean Palm Way, St. Augustine Beach, FL, said that it would be nice to hold the millage the same. She does not agree with raising millage to fund projects that residents do not want. Ocean Hammock Park has not been maintained as it is, much less with additions. She said that there was an item in the budget for cameras and she was not sure if those were for Ocean Hammock Park.

Mayor England asked Finance Director Douylliez if the line item for the cameras was for replacing the cameras in the Commission Room.

Finance Director Douylliez advised that the cameras are for City Hall.

Mayor England closed the Public Comments section and moved on to Item VI.

**VI. SETTING PRELIMINARY PROPERTY TAX MILLAGE FOR FISCAL YEAR 2022, AND DATE, TIME, AND PLACE FOR FIRST PUBLIC HEARING ON THE BUDGET**

Mayor England asked Finance Director Douylliez to discuss the American Rescue Plan Act and to provide information as to what the City has applied for, the money received, and the future plans for the funds.

Finance Director Douylliez said that the City is eligible for approximately \$3 million from the American Rescue Plan Act (ARPA). She advised that the latest information she received is that the first half of the funds (\$1.5 million) should be received by July 31, 2021, but that she has not had any direct communication from State. The \$1.5 million is going to be used for projects, in particular, the stormwater drainage project. A Master Stormwater Drainage update is at a significant cost of approximately \$100,000, but it would rank the projects in order by what is needed, and the City can utilize the ARPA money for those projects. It has been recommended by the auditors to use the ARPA funds for one-time projects, and not to inflate the budget since it will not last. If the money is budgeted for by December 31, 2024, then the City can continue to spend down the ARPA proceeds through December 31, 2026. She advised that having the Master Stormwater Plan is key to selecting projects to use the ARPA funding for. The money is not shown in the current budget, and she said that she would set up a new ARPA Capital Budget Fund to account for the funds specifically.

Mayor England asked where the ARPA funds are indicated in the FY 22 budget.

Finance Director Douylliez advised that the ARPA funds are not allocated in this budget at all. The projects listed in this budget are funded by other grants and the City is not able to use the ARPA funds to fund the City's share, it must be a City match.

Mayor England said that the City has money coming in that cannot be shown on the budget, expenses that are shown in the budget, and then the City wants to raise the millage.

Finance Director Douylliez advised that the expenses in the FY 22 budget are mostly covered by the grants. There are other projects that are not covered by grants such as vehicles, equipment needs, cameras, mowers, etc. She advised that parking projects are not funded by ARPA. She recapped the City's budget on page 36, which shows the breakdown of the projects. Of the other \$1.7 million in the budget, \$250,000 is resurfacing and maintenance of the roads that is not covered by ARPA.

Mayor England said that some of the \$1.7 million would be covered by the ARPA.

Finance Director Douylliez said that nothing that is the City's expense would be covered by the ARPA.

Mayor England asked for other Commissioner comments.

Vice Mayor Samora said that if there is nothing in the proposed budget that could be covered by ARPA, then would the Master Stormwater Plan be covered.

Finance Director Douylliez advised that she specifically asked if the ARPA funds could be used for the Master Stormwater Plan, and she was told a flat "no". The ARPA funds must be for a specific project and the Master Stormwater Plan is not a specific project. Once the projects are identified by the Master Stormwater Plan, then the ARPA funds can be used to pay for a consultant, a plan manager, etc.

Commissioner George said that she thought that the resurfacing was eligible.

Finance Director Douylliez advised that utilities, water, sewer, stormwater, broadband, infrastructure, etc. are eligible. She said that identified revenue losses from the prior year would qualify, but that the City's losses were minimal. She advised that the auditor said to focus on projects. She advised that the City's budgeted expenses would not be covered.

Commissioner George said most of the improvements are simply ongoing capital improvements, such as replacing worn out equipment.

Finance Director Douylliez said that the major expense item is the Mizell Pond Weir Project for \$476,000. She said that the current Hazard Mitigation Grant Program (HMGP) grant will be adapted from \$2.4 million to \$2.9 million, then the City would be responsible for 25%.

Public Works Director Tredik advised that he submitted paperwork to the State to increase the approved budget for the weir project. He expects it to be approved and that it would fund 75% of the total project. The St. Johns Water Management District portion is \$632,000, which leaves the City approximately \$95,000 short of paying for the project in full. He said that the reason that the ARPA funds cannot be used is because the HMGP does not allow the use of Federal funds as a match for a Federal grant. He said that the Master Stormwater Plan is being developed next year, which would create projects that can be directly funded by the ARPA.

Mayor England said that by the end of July the City should receive a written confirmation of what amount is allocated to the City.

Finance Director Douylliez said yes, and that half of the funds in the amount of \$1.5 million should also be received. It is not in this budget because it has not been received. She said that it will go into a separate bank account to track it directly.

Mayor England said that when the Master Stormwater Plan is updated, that it will create projects and that the ARPA funds could be used for the stormwater projects within two years.

Finance Director Douylliez advised that once the stormwater projects are identified, then staff would prepare a budget resolution for Commission approval to bring the revenue in.

Commissioner George said that the City has the infrastructure needs now and that there is no need to look for projects. She said that the current Stormwater Master Plan is very old, and the environmental conditions have changed drastically. This will utilize experts to engineer the projects. She also addressed some of the Public Comments. She said that even though Mr. Reynolds has left the room, that the City has adopted a step program to slowly increase the base rate of pay for employees. She also addressed the comments made by Ms. Rushing & Ms. Miles who said that the projects should reflect priorities of the City and its residents, and that the Commission agrees with that. She said that Ocean Hammock Park was purchased at market, and that there were developers that wanted to buy and develop the property. The City was able to utilize State grant funding to acquire title, but that the City had to commit to certain development plans. If the development plan is not carried out, then the City risks losing the grant funding. She believes that it is better for future generations if the City is able to keep the land. She advised that she would be willing to speak to anyone that is interested after the meeting in an appropriate forum.

Mayor England asked Public Works Director Tredik to recap the obligations that the City must fulfill for Ocean Hammock Park.

Public Works Director Tredik advised that he would be giving a presentation at the August 11, 2021, Commission meeting. He said that there is a lengthy list of requirements for Ocean Hammock Park, such as: an observation platform, a half-mile of trails, restrooms, picnic pavilion, education center, etc.

Vice Mayor Samora said that there is a lot of capital expenses and a lot of grant money. He asked Finance Director Douylliez how much of the capital expenses would be covered by grant funds.

Finance Director Douylliez advised that the grant money is combined with impact fees. She gave a quick estimate of slightly over \$3 million in grants. She said that the largest grant of \$2.9 million is for the weir and could be billed monthly instead of quarterly to recover funds quicker. She advised that the last HMGP grant took a couple of weeks to get money back, but that it is crucial to make sure paperwork is approved and in place. She said that Director Tredik will be working with the engineering firm to make sure that everything is ready to go.

Public Works Director Tredik said that the delay for the design was due to an amendment to the grant.

Vice Mayor Samora asked if the millage is set to cover the \$3 million.

Finance Director Douylliez advised that the millage is a separate fund and that the only portion coming from Capital Improvement Reserves is \$476,222.50, the rest is from impact fees.

Discussion ensued regrading impact fee monies; the grants; getting confirmation of the \$476,222.50.

Vice Mayor Samora asked if the Commission would be receiving a presentation for employee healthcare options.

Finance Director Douylliez advised that the healthcare coverage did not go back out to bid because it is time consuming with very little benefit. She said that the proposal is the exact same plan with a 9.8% increase.

Vice Mayor Samora said that the presentation shows that 30 employees are enrolled for healthcare. He asked if that includes the projected new hires.

Finance Director Douylliez advised that the presentation shows the City's base plan and that there is a buy-up plan available. She said that the City has approximately 59 employees that are covered under insurance, and that the presentation is showing the portion that the City pays for, which is based on the lower base plan rate. She advised that there are upcoming adjustments to be made and that the budget numbers will reflect the additional \$29,058.99 expense for the insurance increase when it is presented to the Commission again in August. She said that staff is also trying to reduce operating expenses or possibly remove a capital item from the budget to be able to continue to fund the insurance.

Commissioner Rumrell suggested that the City should explore selling its portion of Hammock Dunes Park on the west side of A1A Beach Boulevard to Forever Florida to preserve green space which will increase revenue for the City. He said that the original purchase price was \$1.25 million for the City's portion, and he asked what the current value is.

City Manager Royle said he believed that the value of the property has increased. Hammock Dunes Park was purchased for \$2.5 million, and that the City paid half and St. Johns County paid half.

Commissioner Rumrell said that maybe St. Johns County would want Hammock Dunes Park and that if the City is not planning to develop it, then selling it is revenue for the City. He would like to keep it a green space and possibly generate revenue. He also advised that the City of St. Augustine is raising their trash service rates an additional \$60 a year.

Finance Director Douylliez said that it is in the City of St. Augustine's proposal to go from \$235 to \$295 which is close to the City's costs of \$300-\$315. St. Johns County's trash service is through a non-ad valorem assessment, and it is currently \$230 a year which is anticipated to increase \$5 a year over the next 4-5 years. The County's contract with Advanced Disposal/Waste Management is \$224 per home and that their contract ends 2024. She advised that the County owns their own transfer station therefore they do not pay tipping fees.

Commissioner Rumrell asked if the City were to piggy-back on the County's contract, then would the cost be \$235.

Finance Director Douylliez advised that those discussions would need to take place with the County, but that other St. Johns County residents would pay approximately \$235 a year.

Commissioner Rumrell asked if the City pays almost \$300,000 a year subsidizing the trash collection.

Finance Director Douylliez advised yes.

Commissioner Rumrell said that since the residents do not want the City to do the Ocean Hammock Park project, which it is obligated to do according to the grants, then the City should look at Hammock Dunes Park and to keep it green space and do not develop it.

Commissioner George advised that the City does not pay a management fee for Hammock Dunes Park. She said that she is not keen on liquidating assets. She said that the referendum may require the City to have a vote to sell Hammock Dunes Park and that there is a reverter clause if it is not maintained as a park.

Discussion ensued regarding Hammock Dunes Park and how to develop, pay for, and maintain it; that the public does not want the City to develop Ocean Hammock Park; that ten-years is not a significant amount of time in the life of a city; maybe a future commission would have the funds to develop Hammock Dunes Park with parking and/or paid parking and it could generate revenue.

Mayor England said that personally she would rather see the County use its funds to move the fire station as opposed to buying the City out of Hammock Dunes Park. She urged caution selling Hammock Dunes Park.

Vice Mayor Samora asked if there was any debt service on Hammock Dunes Park.

Finance Director Douylliez advised no.

Commissioner Torres said that when he met with staff that there were some efficiencies that could be improved. Unfortunately, costs are going up and City staff is very lean and efficient. He said that an employee's salary rate does not factor in all the other benefits that they are entitled to. He is disappointed in the recycling services, and he would like to end it. The City could save the money owed to the contractor to put the City's recycling program in effect. He said that he does not even put his own recycling out anymore. Transient rentals are still being invoiced for trash and that there should be a more efficient way of doing it, such as a non-ad valorem. He agrees with making parking improvements to existing parking and he said that the City needs a vision to implement what is better for the City. He is not against where the millage rate is going.

Mayor England advised that some of the parking was to improve existing parking and that the 8<sup>th</sup> Street parking would be new. She pointed out that some departments spent less on operating expenses than what was budgeted in FY 21, but the FY 22 proposal increased this year. She suggested to review it closer. She said tonight is to set a preliminary millage rate.

Commissioner George said that the Oceanside Circle project is approximately \$300,000. She asked Public Works Director Tredik how many homes are on that street.

Public Works Director Tredik advised that there are at least 10 homes and some empty lots on Oceanside Circle.

Vice Mayor Samora asked if the Oceanside Circle project is paid from impact fees.

Finance Director Douylliez said yes.

Commissioner George said that the City would be getting contributions for the 2<sup>nd</sup> Street extension over a six-year plan.

Commissioner Rumrell suggested to better schedule staffing to avoid overtime.

Public Works Director Tredik advised that staffing is stretched thin and that he is struggling to find and keep employees because other jobs in the area are paying higher wages. He said that the workload is full, and that overtime has been reduced. Overtime is an incentive to fill the weekend shifts that maintain the restrooms at the beach, maintain the chemicals at Splash Park, and empty the trash cans on the Boulevard. He advised that the weekend shift is considered seasonal, so it is not fulltime during the winter. Scheduling a fulltime employee for the weekend is difficult because that means that they would not be at work on Monday or Tuesday. He said that the City is seeing increased volume on trash routes and so it takes longer to complete the routes which means unplanned overtime.

Discussion ensued regarding whether the increase in trash is from people not recycling anymore; whether the City's tipping fees have increased; that tonnage has increased; that ending recycling means that everything goes into the trash; that Public Works cannot eliminate overtime, but it could be reduced.

Commissioner Rumrell asked about vehicle repair and maintenance for this year.

Finance Director Douylliez advised that the trash is already \$11,000 over budget and that there have been two large repairs to vehicles. She said that the \$33,000 proposed for FY 22 may be a low number. The addition of a new garbage truck is in the budget, and it may help lower the repair costs. She said that it could be eight months before the City gets the new truck.

Public Works Director Tredik said that the fleet is aging and that replacements have been continually delayed.

Discussion ensued regarding the costs for new vehicles; that a new Ford F150 is approximately



\$60,000.

Building Official Law advised that he buys his vehicles from the Sheriff's contract though the State at a discount for \$35-40,000 for a pickup truck, plus extra for tags.

Mayor England said that she would like to give staff direction on the personnel costs. She said that she does not have a problem with 1.3% COLA or 3% average merit.

Commissioner Torres said that would like to bring all everyone to \$15, but that he understands the trickle effect that that kind of jump would have. He said that he agrees with the 1.3% COLA and the 3% average merit.

Mayor England said that the Police Department reduced their budget and operating expenses and she commended Chief Carswell for that. She asked Chief Carswell to discuss why the body cameras are not in the FY 22 budget.

Police Chief Carswell advised that it would cost \$146,000 for body cameras. He said that the cameras would link to the Sheriff's dispatch and CAD system and that the Sheriff's Office is not going to have body cameras this year either. He advised that it would also require data upgrades and possibly an extra employee for records and upkeep. He said that there has been a decrease of complaints on City officers. There is an average of about 15 minor complaints a year, with only 1 excessive force complaint that was unfounded.

Vice Mayor Samora asked if the City would be able to move forward with body cameras if the Sheriff's Office implements them.

Police Chief Carswell advised yes.

Vice Mayor Samora asked if there is funding in the budget for the Sustainability and Environmental Planning Advisory Committee (SEPAC).

Finance Director Douylliez said no. She advised that SEPAC submitted a request after the packets were prepared asking for \$10,000 for a design by a green landscape architect and that they were hoping that the money could come from Tree and Landscape Fund which has approximately \$35,000 in it. She advised that Director Tredik was going to use some of those funds for the Ocean Hammock Park project.

Public Works Director Tredik advised that there are special conditions that Ocean Hammock Park requires, such as wetland planning and upland plantings. He said that there is also the concern that the trails are too close to neighboring yards. He said that the plan was to use a portion of the Tree Fund money to do the plantings and buffering.

Building Official Law advised that part of the Tree and Landscape Fund money comes from Planning & Zoning. He said that \$50 out of each building permit goes to the Fund. He said that the code was crafted so that the Public Works Director could bring projects to Commission for approval. If there is money left over, then SEPAC could present their project to Director Tredik who could then go to Commission. He said that SEPAC's purpose was to beautify the City, so why pay a planner. He suggested using the St. Johns Water Management District's guide for Florida friendly plants.

Commissioner George said that she believed that the guide deals more with water management than landscaping.

Vice Mayor Samora asked to find money for SEPAC.

Mayor England advised that there are no SEPAC operating expenses, and it would have to balance with their output. She said that it should be for specific projects that they will do from start to finish.

Commissioner George suggested to give SEPAC clear direction on how to spend their time and money, and to bring projects to the Commission with the possibility of using the Tree Fund money.

Commissioner Rumrell suggested that they should become a club and not Board so that they would not be bound by the Sunshine Law. He said that they could still give presentations to the Commission. He believes that they could accomplish more work as a club.

Discussion ensued regarding citizen boards; who must follow the Sunshine Law; the change of the Committee's name over the years; the Commission not supporting SEPAC projects.

Vice Mayor Samora said that if the City is going to keep SEPAC, then they should be funded.

Mayor England advised that SEPAC could be discussed at another time. She said that she would be flexible to fund their projects.

Finance Director Douylliez advised that funding was not included because SEPAC did not present their request until after the book was printed and that changes could be made to add funding for SEPAC before September. She said that SEPAC's allocation of funds would show in the General Fund under the Road & Bridge Department. She said that there is a line item for SEPAC's funding on page 21, titled "Beautification Projects" and that their operating expenses are not tracked. She advised that the overtime for employees that are required to attend SEPAC meetings comes out of the General Fund or Public Works.

Discussion ensued regarding if SEPAC becomes a club instead of a City Board that it would eliminate those operating costs; what is the City's current cost is for SEPAC meetings.

Finance Director Douylliez said that she would get those figures.

Mayor England asked for discussion of the millage rate.

Commissioner George said that she is flexible to setting the preliminary millage rate higher because it can be reduced.

Commissioner Torres said that he agreed with Commissioner George.

**Motion:** to set the operating millage at 2.5998 as recommended by staff. **Moved by** Commissioner George. **Seconded by** Commissioner Torres. Motion passed unanimously

**Motion:** to set the debt millage at 0.5000. **Moved by** Mayor England, **Seconded by** Commissioner Rumrell. Motion passed unanimously.

It was the consensus of the Commission to schedule the first Public Hearing for the budget on September 13, 2021, at 5:01 p.m.

VII. ADJOURNMENT

Mayor England asked for a motion.

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

Meeting was adjourned at 7:38 p.m.



Margaret England, Mayor

Attest:



Dariana Fitzgerald, Deputy City Clerk

# FY 22 Budget

City of St. Augustine Beach  
Special Budget Meeting  
July 26, 2021

Exhibit A-1  
Date 7-26-2021

City of St. Augustine Beach  
Demographics-2015-2019 ACS 5-Year Estimate  
([www.census.gov/programs-surveys/acs/](http://www.census.gov/programs-surveys/acs/))

Median Value- Owner- Occupied Units <b>\$414,400</b>	Median Household Income <b>\$86,056</b>	Median Family Income <b>\$92,042</b>	Median Age <b>48</b>
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Ad Valorem  
Example  
Based on  
Median Value  
Home  
\$414,400

- Millage @ 2.5998
  - Ad Valorem = \$1,077.36
- Millage @ 2.5500
  - Ad Valorem = \$1,056.72
- Millage @ 2.5000
  - Ad Valorem = \$1,036.00
- Current Millage @ 2.4500
  - Ad Valorem = \$1,015.28
- Roll Back Millage @ 2.3742
  - Ad Valorem = \$983.87

## Changes Impacting FY22 Budget

- Fund & Department Changes
  - Building Division Created
  - Road & Bridge Department vs. Road & Bridge Fund
  - Added employees
- Capital Project
  - Weir \$2.92 M
  - Ocean Hammock Park \$280k
  - Ocean Walk Drainage \$300k
  - Opening 2<sup>nd</sup> Street \$440k
  - Additional Capital needs \$1.665M



## FY22 Total Revenue By Fund

• General Fund	\$10,195,173
• Road Bridge Fund	\$ 895,572
• Debt Service Fund	\$ 1,078,382
• <u>Capital Projects Fund</u>	<u>\$ 3,360,000</u>
• Total Revenue	\$15,529,127
• Increase over prior year budget \$924,742 (Changes due to Grants/Impact Fees)	

Exhibit A-5  
Date 7-26-2021



# FY 22 Proposed Ad Valorem



## Property Valuation

- FY 21 - \$1,446,464,216
- FY 22 - \$1,524,903,565

## Millage Rate

- FY 21 Current – 2.4500
- FY 22 Proposed – 2.5998

## Each Tenth of a Mill

- \$152,490
- (\$144,865.50 @ 95%)



# FY 22 Revenue General Fund

- **Ad Valorem**
  - Based on 95% Collection
  - Estimated \$3,766,222
  - Incr. over prior year actual \$305,579
- **Non-Ad Valorem \$587,424**
  - Increased est. \$91,872 over prior
- **State Revenues \$1,122,208**
  - Estimates Available at time of preparation
  - Increased (based on prelim. Data from State)
  - 11% of General Fund Revenue
  - Increased due to change in R&B
- **Electric Utility Tax & Franchise Fees**
  - Total \$1,045M
  - Increased \$39k

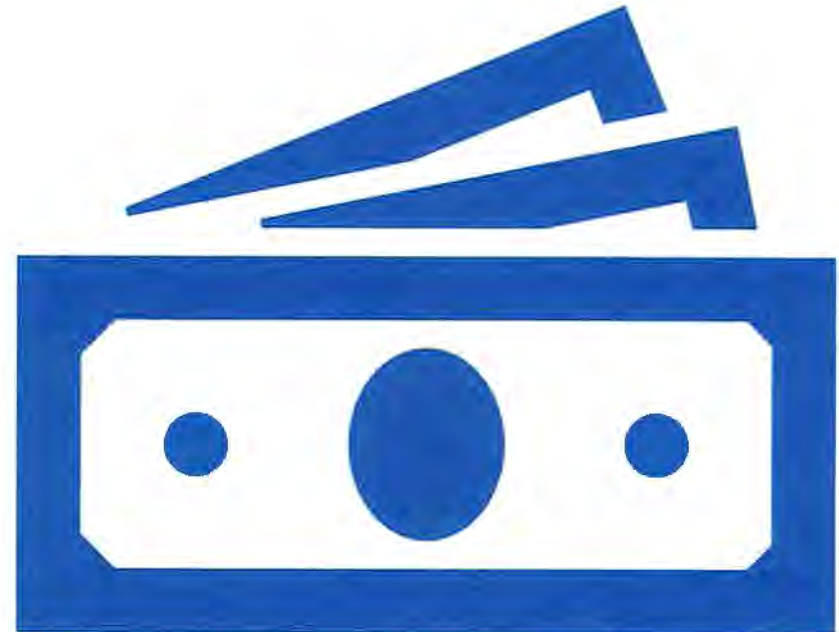


Exhibit A-7

Date 7-26-2021

## FY 22 Expenditures





	Salaries & Benefit	\$5,161,653
	Operating	\$1,637,329
	Capital	\$5,605,800
	Total FY 22 Expenditures	\$12,404,782

Exhibit A-8

Date 7-26-2021

## FY 21 Salary & Benefit Summary

- FY 21 Salaries \$3,171,192
- FY 22 Proposed Salaries \$3,303,709
- Increased of \$132,517 based on 1.3% COLA + STEP/Merit Increase of 3%
  
- FY20 Benefits \$1,371,113
- FY21 Benefits \$1,583,080
- Est. Increase in health insurance cost, increased FRS expense
  
- Headcount Changes – Increased 4
- Workers' Comp Insurance estimated 8% increase

Exhibit A-9

Date 7-26-2021

# FY 22 Capital

- Public Works:
  - Drainage Improvements-\$280k
  - Electrical Improvements-\$25k
  - Vehicles/Equipment-\$188k
  - Resurfacing-\$280k
  - Oceanside Circle-\$300k
  - Parking-\$150k
  - Ocean Hammock Ph II A&B-\$280k
  - Mizell Pond/Weir-\$2.92M
  - 2<sup>nd</sup> Street-\$440k
  - Salt Run Storm Surge-\$80k
- Police Department:
  - Taser replacement-\$37.8k
  - 2 Capital Lease Vehicles-\$100k
- Other:
  - Building C Renovation-\$37k
  - Public Works Generator-\$60k
  - Data/Phone Switch-\$20k
- IT Department:
  - Cameras & Equipment-\$30k
- Building Department:
  - Vehicle-\$38k

Exhibit A-10

Date 7-26-2021

- 





## Reserve Estimates

- General Fund Reserves PY \$1,041,529
- General Fund Projected FY21 \$2,078,705
  
- Road & Bridge Reserves PY (\$130,647)
- Road & Bridge Projected FY21 \$0

Exhibit A-12  
Date 7-26-2021

# Debt Review

- Road & Bridge Debt - \$1,755,116
  - Bond payments end 2032
- Operating Lease Debt - \$668,469
- Debt Service Fund Balance - \$7,550,265
  - Bond payments end 2044
  - .5000 Millage continues through 2028
  - Balance due after \$.50 millage expires –\$3,218,567
  - City must have funds in reserves to pay for remaining years.

Exhibit A-13  
Date 7-26-2021

## Concerns for FY22

Cash Flow

Capital Projects

Employees

Emergencies

Exhibit A-14  
Date 7-26-2021



# Questions?



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Exhibit A-15  
Date 7-26-2021

Florida Municipal Insurance Trust  
City of St. Augustine Beach  
Rate Quote for Medical and Prescription Drug Benefit Coverage

<b>Current Rates - UnitedHealthcare Choice Plus Plan 4</b>				
<b>Contract Type</b>	<b>Enrollment</b>	10/01/2020-	<b>Monthly Premium</b>	<b>Annual Premium</b>
		09/30/2021		
Single	22	\$632.77	\$13,920.94	\$167,051.28
EE + Spouse	0	\$1,360.45	\$0.00	\$0.00
EE + Children	1	\$1,170.62	\$1,170.62	\$14,047.44
Family	7	\$1,898.31	\$13,288.17	\$159,458.04
<b>Total</b>	<b>30</b>		<b>\$28,379.73</b>	<b>\$340,556.76</b>

<b>Renewal Rates - UnitedHealthcare Choice Plus Plan 4</b>				
<b>Contract Type</b>	<b>Enrollment</b>	10/01/2021-	<b>Monthly Premium</b>	<b>Annual Premium</b>
		09/30/2022		
Single	22	\$694.79	\$15,285.38	\$183,424.56
EE + Spouse	0	\$1,493.78	\$0.00	\$0.00
EE + Children	1	\$1,285.34	\$1,285.34	\$15,424.08
Family	7	\$2,084.35	\$14,590.45	\$175,085.40
<b>Total</b>	<b>30</b>		<b>\$31,161.17</b>	<b>\$373,934.04</b>

<b>Percent Change</b>	<b>9.80%</b>
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<b>Medicare Exchange Available</b>	
<b>Prescription Drug Copays</b>	
Retail:	\$10/\$35/\$60
Mail Order:	\$25/\$87.50/\$150

Exhibit B  
Date 6-26-2021