



MINUTES

SPECIAL CITY COMMISSION BUDGET MEETING

MONDAY, SEPTEMBER 13, 2021, AT 5:01 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 5:01 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 Rumrell and Commissioner Torres.

Also, present were City Manager Royle, Assistant City Attorney Taylor, Police Chief Carswell, City Clerk Raddatz, Finance Director Douylliez, Building Official Law, and Public Works Director Tredik.

Mayor England advised that Item 4 of the Regular Commission meeting will be moved to this meeting to discuss it under the budget.

Commission agreed.

Mayor England moved to Item IV.A.

IV. REVIEW OF FISCAL YEAR 2022 BUDGET

- A. Discussion of Proposed Budget, Millage and First Reading of Ordinance 21-11: to Adopt Operating and Debt Millage (Presenters: Max Royle, City Manager; Patricia Douylliez, Finance Director)
- B. Ordinance 21-12, First Reading: to Adopt FY 2022 Budget (Presenter: Patty Douylliez, Finance Director)

Mayor England introduced Item IV.A. and asked City Manager Royle for a staff report.

City Manager Royle recapped the overview of the budget. He advised that after the review the recycling item will be discussed.

Finance Director Douylliez showed a PowerPoint presentation, Exhibit 1, and that the budget has been composed at a millage rate of 2.47. She explained that the non-ad valorem

assessment as discussed at the previous Commission meeting will be a total of \$315 per resident and is included in the proposed budget. The total revenues are \$15,476,520 for FY 21-22. She advised that the revenues encompass some of the funded projects that are in the capital outlay. Capital projects in FY 21-22 are budgeted at \$5.4 million, \$3.1 million are funded by impact fees to cover roads and some grant funding. The largest project is the weir, which is over \$2.9 million. The total amount of reserves in the General Fund is \$131,703. It helps with any issues that may arise during the year and will help towards our audit requirement that the City has 20% of reserves in the budget for an emergency. The FY 2021 budget was set at 2.45 millage and 2.47 millage is a slight increase in the proposed budget for FY 21-22. That would be an increase of \$39.70 per average home value for the year. At 2.45 millage rate the increase would be at \$31.41 per average home value. The Commission would need to decide on setting the millage and the total budget. She explained that at the next budget meeting the final budget will be completed.

Mayor England asked if the American Rescue Plan Act (ARPA) funds were included in this proposed budget.

Finance Director Douylliez advised no. The ARPA agreement has been received for slightly over \$3 million and City Attorney Taylor has reviewed the contract. She advised that they have reviewed some of the guidance from the Florida League of Cities and if the Commission agrees to take the money, ARPA needs to have the signed contract sent back to them as soon as possible.

Mayor England advised that there are four areas in the ARPA contract, and she believed that the City could apply for funds under all four areas. She advised that the Commission could get with Finance Director Douylliez with their ideas individually or the Commission could have a special meeting to discuss what could be done with the funds. She advised that the ARPA funds could be used for stormwater mitigation, bonus pay, and other items.

Finance Director Douylliez advised that bonus pay is not allowed. She advised that the ARPA funding is not in the budget and the City has not signed the contract to accept it yet. She advised if the contract is signed the federal government will be sending half of the money and she would be setting up a separate bank account with very strict guidelines.

Mayor England asked that the Commissioners communicate their ideas with City Manager Royle and Finance Director Douylliez on how to use the ARPA funding.

City Manager Royle asked that the ideas be sent to him, and the Finance Director and he will review them and make sure that they follow the guidelines of the ARPA funding. He explained that he would bring the entire list to the Commission at a meeting in the near future.

Mayor England suggested using the ARPA funding for recycling.

Vice Mayor Samora asked if there were any projects in the budget that the ARPA funding could cover.

Finance Director Douylliez advised no because many of the other projects are funded by other grants, so ARPA would not fund them. The equipment for recycling would not be covered under ARPA funding.

Mayor England advised that infrastructure can be used with ARPA funding in 2023. She advised

that the City has until 2026 to spend the money. She advised that infrastructure, public health, economic impact, premium pay, revenue lost, overtime, etc., are some ideas on how to use the ARPA funding.

Commissioner George asked about the Green Infrastructure Model Parkette that SEPAC is looking for funding on.

Finance Director Douylliez advised that ARPA funding would apply only if it were stormwater related. ARPA funding is for stormwater, drainage, and utilities. Since we do not have broadband, electric or water facilities in the City, stormwater would be the only allowable ARPA funding the City would qualify for.

Commissioner George advised that if the Greenway was capturing localized stormwater, which some of these infrastructures would be, that should qualify.

Finance Director Douylliez advised that she could research it with someone that is more knowledgeable about that type of infrastructure. The agreement is very specific. She explained that in this year's budget is a proposal for a stormwater master plan, which would give guidance on what direction the ARPA funding could be used for. She explained that by 2024 the City needs to commit the projects to ARPA, or the funding will end. If the City encumbered the expenses, then the City needs to complete the projects by December 2026. It is a short timeline as far as identifying the projects, bidding, and starting the projects.

Commissioner George asked if it is in the budget, it doesn't preclude from the City using ARPA funds.

Finance Director Douylliez advised that was correct.

Mayor England asked what the total increase was for salaries.

Finance Director Douylliez advised the salary increases are 3% plus a 1.3% COLA, which would total 4.3%. She explained that the COLA was at a minimum this year even though the COLA is projected this year at 5.4%.

Commissioner George advised that the greatest increases were with personnel costs and insurance.

Mayor England advised that the Commission can not do much about insurance increases with COVID-19 costs. Also, infrastructure is needed in the City. She advised that on her tax bill most of the agencies held their millage to the same rate as last year. Staff is asking for an increase from 2.45 to 2.47.

Vice Mayor Samora advised that he would like to look at the budget instead of a number and see what is needed this year.

Commissioner George advised that the City has some unusual infrastructure expenses this year; however, we are not just increasing the millage rate but also the non-ad valorem for solid waste and recycling. She explained that the budget is already going up and the revenues are going up too. She said that all of the infrastructure requirements are making costs higher, and the City needs to increase their reserves in case of an emergency. She asked how many more years the auditors want the City to meet the 20% reserve funding.

Finance Director Douylliez advised it would be this year; otherwise, we would receive a finding. She explained that the City was off by ½ percent last year; however, until all the expenses are finalized for this year, she would not know how much the General Fund reserves would be off.

Commissioner George asked if the City puts the \$131,000 in reserves, how close would the City be to meet the 20% goal.

Finance Director Douylliez advised if the Commission sets the millage at 2.47 then the goal would be met this year. She advised that the auditors have notated for two years that we have not met the reserve level by our Charter. She advised that she is also concerned about meeting the cash flow needed for all the upcoming projects. The weir of \$2.9 million is a significant outlay ahead of receiving the grant funding. She explained that the City right now is \$300,000 out of pocket on the weir project until September 31, 2021. Revenues are limited for the rest of the year and the City is taking from the savings accounts to fund these projects until more money is received.

Mayor England asked if St. Johns County would help with a loan for our cash flow.

Finance Director Douylliez advised that St. Johns County did not want to do that. She advised that for the weir project monthly billing will have to be done in order to meet the cash flow issue. The Water Management District only wants to fund quarterly, so we will have to work around that; however, the Hazard Mitigation Grant Program through FEMA has agreed that monthly funding could be done.

Mayor England moved on to recycling.

Public Works Director Tredik showed a PowerPoint presentation, Exhibit 2, to recap what the status is for recycling. He explained that the recycling tonnage has gone down, which means that there will be an increase for FY 21-22. He explained what types of materials should be recycled. He explained that he has found one truck that has been used for demonstration purposes and has not been used for solid waste or recycling and has 6,000 miles on it. He explained that this could be purchased right away instead of ordering one and waiting six to eight months and it would cost less than a new truck. He advised that Tampa Train wants a commitment letter that the City will purchase the truck because others are interested in it. Financing for the truck cannot be done until December 2021, so they are requesting a commitment letter. He could start service by January 1, 2021. Other employees are needed for the extra pickups, and it has been hard to get employees and keep employees in this economy. He advised he needs a full staff as soon as possible so he can start the recycling service correctly. Public outreach and education are important. He explained that picking up solid waste and recycling on the same day may be a prudent option. The materials collected should be changed because some items do not have a strong market. Items that should be collected are; type 1 and 2 plastics, metals, paper, and cardboard, but education for the residents will be important. He asked Mayor England to sign a letter of commitment, to hire as soon as possible the employees needed to become fully staffed, and to start a public outreach program.

Mayor England said that staff should have sent the Commission an article that was in the St. Augustine Record from Beaches Go Green from Neptune Beach, Jacksonville Beach, and Atlantic Beach. The article explained the limitations on recycling and the Beaches Go Green organization would be happy to help the City with the marketing campaign for recycling. She explained that they will teach what products to purchase that can be recycled and educate the

public how to recycle correctly. She could work with Melinda Conlon the City's Communications Coordinator to hold workshops on how to recycle and answer the residents' questions. Beaches Go Green also has grant monies that she could give to the City as well. She explained that COVID is the reason why all the employee shortages have occurred, the infrastructure of recycling has been brought in-house to the City, a purchase of a new recycling / solid waste truck needs to be purchased, which is one of the categories for ARPA funding. She suggested the City move forward on this and use the ARPA funding for all the cost associated with this. She asked that City Attorney Taylor and the Florida League of Cities research whether ARPA funding could be used for this.

Commissioner George advised that was a good idea.

Mayor England advised that the Commission needs to decide when to stop the contract for recycling, when to educate the public, and when staff will restart recycling. She explained that to restart recycling cannot be sooner than January 1, 2021, when the new truck has been purchased.

Public Works Director Tredik agreed with January 1, 2021.

Mayor England said that there needs to be a cold stop in recycling in order to educate the public on recycling and what materials we will pick up. She explained that the cold stop would allow for education to stop the bad habits because of all the contamination and start fresh with new materials that will be picked up instead.

Commissioner Rumrell called John Peters, City Manager of the City of Deltona, and discussed this issue. He explained that Deltona completely stopped recycling all together because most of the recycling has contamination and ends up in the landfill anyway. The State of Florida has lowered their mandate as well on this because of the contamination. Mr. Peters advised that only 15% of the recycled materials was actually being recycled and the rest went to the landfill. He explained that if the recycling contract was stopped with Advanced Disposal, it would be a savings of \$87,000. In the budget it is proposed to raise the millage to 2.47, but in raising the non-ad valorem tax there is the \$30,000 that would cover increasing the millage. He advised that one-third of the \$87,000 would go to tipping fees, which would cost approximately \$29,000. So, if an educational program would be done up to May 31, 2022, that would net the City \$58,000. The truck purchase will save the City a net of \$78,000. He suggested keeping the millage rate the same, take \$78,000 from the \$30,000 to put back into reserves, that would leave \$48,000 remaining to the City that should go back into the Public Works Department for the trash fees.

Mayor England asked when Commissioner Rumrell would stop recycling.

Commissioner Rumrell advised October 1, 2021, or October 15, 2021.

Gregg Huntington, Waste Management, 6501 Greenland Road, Jacksonville, FL, thanked the City Commission for understanding the situation Waste Management has with the labor shortages due to COVID. He was hopeful that it would dissipate when the federal funding stopped, but it didn't. He explained that Waste Management has raised salaries, given bonuses, and nothing has helped. He explained a situation that happen in Clay County and advised that they stopped recycling. Waste Management sent postcards to residents saying that they were stopping recycling and there would be drop off zones for them to bring their recyclables to. The residents participated very well. He advised that Waste Management

would supply the postcards to the City of St. Augustine Beach residents to stop recycling temporarily.

Commissioner Rumrell agreed with the education component, but he wants when recycling starts again to not be missed. The residents want consistency. He suggested getting the employees on earlier than May to help with other projects that need to be done by the Public Works Department while the educational programs are going on. He said that Public Works employees are overworked and there is not enough staffing. The employees are going to have to learn the routes and the recyclable material before the City starts recycling again.

Discussion ensued regarding that the Public Works Department would continue to pick up the bins if the residents put them out after notification up to two weeks; leaving notes in the bins to stop recycling; costs of tipping fees will increase by 30%; will have to adjust the trucks per day; Public Works Department would be able to pick up on October 1st or October 15th if necessary; mowing and street maintenance may lag for a time with lack of staff; and hiring is challenging presently.

Commissioner Torres advised that recycling has already stopped because of the inconsistency and if there is not a good messaging to the residents, the City is failing to do its job. He agreed stopping on October 1st.

City Attorney Taylor cautioned the Commission that before they vote, public comment would be needed.

Commissioner Torres requested a recycling drop off site be done during the period the City is stopping because the residents are still being charged for the service. He would like to fine the vendor for not performing their contract.

Discussion ensued regarding where to have drop off sites; working with the vendor to manage the sites; not using the Public Works Department facility; costs would be associated with the drop off sites; whether Waste Management would pay for the drop off sites; amendment to the Waste Management's contract through the stoppage of recycling for the drop off sites; termination of the contract with the amendment to the contract for drop off sites; charges would be paid by the City for the drop off sites; and costs may be reimbursable under ARPA funding because of COVID-19.

Commissioner Rumrell advised that he was concerned about mixed messaging and the contamination rate. He explained that if Waste Management does drop off sites, then there will be no cost savings.

Commissioner Torres advised that this is a cost that the residents are paying for and should not be suspended.

Vice Mayor Samora asked Finance Director Douylliez what the recycling costs are.

Finance Director Douylliez advised it is \$40 per year.

Vice Mayor Samora advised that he has a problem suspending the service and paying for it. He advised that we must stop the recycling and re-educate the residents on contamination, etc. He suggested resuming on January 1, 2022.

Mayor England asked if recycling does not resume until January 1, 2022, can the recycling fee be reduced.

Finance Director Douylliez advised that she must certify the tax roll by tomorrow. She advised that just because we are stopping recycling does not mean that there are not more costs for disposal and collection for solid waste.

Commissioner George advised that the drop off sites work well in other communities. She is concerned that stopping recycling and then starting again may make people stop recycling altogether.

Commissioner Rumrell advised that the City has already lost residents recycling because of the inconsistencies in pickups.

Public Works Director Tredik advised that employees could tag garbage cans too if they have the same routes that recyclables are not going to be collected.

Commissioner George advised that would be better than a mailing. The list should go to the renter, not the owner. Also, a media board could be used too.

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

Ray Hammel, 13 Bermuda Runway, St. Augustine Beach, FL, recycling being delayed causes recyclables to fly all over the neighborhoods and asked the vendor to pay at least a week behind.

John Grapsas 7 16th Street, St. Augustine Beach, FL, advised that recycle is horrendous and not picking up consistently. They are also only picking up selective items.

Sandra Krempasky, 7 C Street, St. Augustine Beach, FL, SEPAC discussed this issue and did not want to suspend the service. She advised that SEPAC would help with marketing.

Nick Binder, 232 Big Magnolia Court, St. Augustine Beach, FL, drop off sites are very labor intensive to make sure they are put in the right bins. In the last two years the budget was raised \$241 and now another \$178. The solid waste went from \$74 to \$315. When will it stop? ARPA should be moved forward quickly using it for underground utilities for hurricane protection.

Beth Pelzer, 461 Ocean Grove Circle, St. Augustine Beach, FL, advised that their recyclables were out for days, and the critters are getting into them and the recyclables are flying everywhere. She suggested using a claw truck.

Ed Pritchett, 1121 Overdale Road, St. Augustine Beach, FL, complained about the trash being everywhere and no one picks it up. He asked to stop the contract.

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

Discussion ensued regarding when to stop the contract and how to go about stopping the contract legally.

Mr. Huntington advised that Waste Management agrees to terminate the contract with the

City on the date that the Commission sets. He is concerned about getting the postcards out before October 1st and getting the verbiage correct.

Commission Rumrell asked City Attorney Taylor if the contract stops on October 1st, but Waste Management continues until October 15th to make sure, would that be legal?

City Attorney Taylor advised not to terminate the contract until the service is completely stopped.

Mayor England suggested October 15th to draft the correct message on the postcards and to notify the residents.

Vice Mayor Samora suggested moving it to October 18th, which is a Monday.

Commissioner Rumrell advised that it would give enough time to select drop off points.

Mr. Huntington suggested notifying the commercial accounts on the recycling as well.

Discussion ensued regarding whether to tell the residents on the postcard when it will start and resume.

Commissioner George advised that not telling the residents when it will resume will make some residents stop recycling altogether. She suggested saying that the City is making a business move and recycling will stop for a short time and will be resume as soon as possible.

Mayor England asked Commissioner George to give her first draft to the City Manager for him to share with the rest of the Commission.

City Attorney Taylor advised that staff could put together the verbiage from all the comments from the Commission and then send the postcards out.

Commissioner Rumrell announced his concerns over not getting the solid waste truck that is available and then having to wait nine months to get a new one.

Commission George suggested for the postcard verbiage that the stop date would be October 18th and the presumptive start date would be January 1, 2022, and there would be changes to the service which could impact the days of service as well as the nature of the materials that can be recycled. She also would like to include on the postcards to be engaged in the education that will be provided. Have it on the City's website and Facebook pages.

Discussion ensued regarding whether the budget had two trucks or one.

Public Works Director Tredik advised that nothing has been ordered and only one refuse truck is in the budget.

Finance Director Douylliez advised that it will be a wash with the leasing of the truck in the budget. She commented that we do not have the cash, so the City is financing it. She explained that through the Florida League of Cities there would only be \$500 charge to piggyback on the other City's vehicles.

Public Works Director Tredik advised that a commitment letter is needed so no one else purchases it; otherwise, to order a new truck it would take nine months.

Mayor England suggested another meeting if necessary to discuss recycling.

Motion: to suspend recycling as of October 18, 2021, with a startup date of January 1, 2022.
Moved by Commissioner Rumrell.

Commissioner Torres advised that he does not agree with the motion because it only gives staff two and a half weeks to come up with the verbiage for the postcards and mailings. He agrees with the commitment letter for the truck.

Motion: to amend his motion to suspend recycling and resume recycling as of January 1, 2022.
Moved by Commissioner Rumrell, **Seconded by** Vice Mayor Samora. Motion passed unanimously.

Discussion ensued regarding when to terminate the contract and how long it would take to provide the messaging for the postcards.

City Attorney Taylor had a concern about when to terminate the contract, when staff would start in-house recycling, and that the record reflects that it is not just a budget reason why the contract is being stopped. He advised that there are problems in the market that the vendor is not performing, the City does not have the staff for recycling or have the equipment, etc. There are many reasons why the contract has stopped, and staff is not able to decide when they will be able to take over this function.

Commissioner George asked to discuss the termination date. She advised that the service would continue for four weeks if we stop it on October 18th. She said there is trash in the streets, and it needs to stop sooner so it doesn't negatively impact the community. She was concerned over the extra volume of trash that staff must collect and whether there is enough staff now to do the job.

Public Works Director Tredik advised that it has been a challenge to hire staff and the department is down three staff members now. It will take at least three weeks to get more staffing. He said mid-October would give him more time to handle the volume; however, he will do whatever the Commission wants.

Commissioner Rumrell suggested October 4th as the date to stop the recycling, so the motion is passed.

Mayor England advised that it would give three weeks.

Commissioner Torres advised that if the vendor missed a pickup that it would be agreed upon for the number of pickups not weeks that Waste Management would have to pick up.

Commissioner Rumrell amended his motion.

Motion: to suspend recycling due to the COVID-19 pandemic that has not allowed the City to have consistent recycling pick up dates for an end date of October 4, 2021, which would be three full pickups; and for the City and staff to come back to the Commission by the end of the year for a start date; and findings of facts due to Waste Management dealing with COVID-19 and not being able to fulfill the contract; due to increase trash on the streets; sanitary reasons; migrating trash onto private property; neighbors having to pick up neighbors' recycling because

they are not picked up consistently; difficulty of staff to hire employees to continue the service in-house; not having the extra refuse truck available to the City for the service due to shortages of vehicles due to COVID-19. **Moved by** Commissioner Rumrell, **Seconded by** Vice Mayor Samora.

MAYOR ENGLAND	YES
VICE MAYOR SAMORA	YES
COMMISSIONER GEORGE	YES
COMMISSIONER RUMRELL	YES
COMMISSIONER TORRES	YES

Motion passes 5 to 0.

Public Works Director Tredik asked if the drop off sites are needed because it would not help with vermin and contamination.

Commissioner George advised that there are three category of dumpsters and would give the authority to staff to research that information.

Motion: to give staff the authority to explore and report back to the Commission, even if it is a Special Commission meeting, on the potential ability for a drop off recycling bins until staff can gear up hire staff and get the vehicle necessary if there is any delay in getting the recycling program back up and running again. **Moved by** Mayor England, **Seconded by** Commissioner Torres. Motion passed unanimously.

Discussion ensued regarding whether to give the staff the decision-making authority.

Public works Director Tredik advised that he would prefer the Commission know the costs and locations before implementing the recycling drop off compartmentalized dumpsters.

MAYOR ENGLAND	YES
VICE MAYOR SAMORA	YES
COMMISSIONER GEORGE	YES
COMMISSIONER RUMRELL	YES
COMMISSIONER TORRES	YES

Motion passes 5 to 0.

Motion: to approve the letter of commitment for the refuse collection truck. **Moved by** Mayor England, **Seconded by** Commissioner George. Motion passed unanimously.

MAYOR ENGLAND	YES
VICE MAYOR SAMORA	YES
COMMISSIONER GEORGE	YES
COMMISSIONER RUMRELL	YES
COMMISSIONER TORRES	YES

Motion passes 5 to 0.

City Manager Royle advised that Waste Management and City staff will work on the message to the residents and not bring it back to the Commission.

Mayor England advised that the Commission would like to see the message before it is sent

out via email.

City Manager Royle advised that there is not a lot of time.

Commissioner George advised to send it to the Commission tomorrow. She also asked to include in the message for residents to retain their blue bins. She also asked for not a lot of verbiage.

Mayor England requested the Commission to send their verbiage to City Manager Royle.

Discussion ensued regarding when the additional staff should be hired and what was allocated in the budget.

Motion: to allow the Public Works Director two additional Service Worker 1 employees in anticipation of additional personnel needs for picking up extra household trash and/or recycling in the future. **Moved by** Mayor England, **Seconded by** Commissioner George. Motion passed unanimously.

Vice Mayor Samora asked if what has been approved changes the budget figures.

Finance Director Douylliez advised no, because she is going to make the adjustment from terminating Waste Management's contract to wages, salaries, and benefits for the new hires. She explained that the remainder of the monies would go to the disposal fees. She advised that a budget amendment could be brought back to the Commission later.

Vice Mayor Samora asked if the millage rate would have to be changed.

Finance Director Douylliez advised no.

Commissioner George asked how much the service contract was.

Finance Director Douylliez advised the recycling contract / labor was \$104,755.

Commissioner George proposed to include in the budget SEPAC's request for \$10,000.

Sandra Krempasky, 7 C Street, St. Augustine Beach, handed out Exhibit 3 to the Commission and advised that Public Works Director Tredik advised that \$5,000 for Green Infrastructure in the parkettes could be given from the Impact Fee Fund. She is requesting \$5,000 for the other projects.

Discussion ensued regarding renewing Survey Monkey for recycling and SEPAC's uses; whether there is staff time included in the proposal; not having a line item for SEPAC's expenses because they are not a department; whether SEPAC has to complete a Financial Disclosure Form 1; the Commission gives approval for SEPAC; and SEPAC does not have a checking account; and whether to give SEPAC \$5,000 or \$10,000.

Mayor England advised that SEPAC members are so knowable and asked why they need to hire arborists.

Ms. Krempasky advised that there were four Master Gardeners on the Board; however, now

there is only one.

Mayor England asked Communications Coordinator Conlon to ask residents if there were any Master Gardeners in the community who would like to help with the project before spending the money.

The Commission agreed to giving the SEPAC \$5,000 for their projects.

Public Works Director Tredik was concerned overspending money without knowing how much the recycling drop off sites will be.

Mayor England has reservations on the 2.47 millage rate but does not know where to take it out of the line items.

Commissioner Torres advised that he was comfortable with the 2.47 millage rate because of the FY 2022 capital projects are included (this sentence does not make sense). He is satisfied with staff increases of 4.3%. He is in favor of the increase with the caveat that the capital projects are very important to the City and he is in favor of them.

Commissioner Rumrell asked if all the capital projects were covered under the millage rate of 2.45.

Finance Director Douylliez advised that's correct. The 2.47 millage rate would give \$131,000 that would go into the General Fund, which would help with cash flow and meet the 20% in reserves.

Commissioner Torres advised that if the millage rate needs to be lowered it could be done by cutting anywhere.

Finance Director Douylliez agreed.

Commissioner George asked what the ramifications were for not meeting the 20% goal in the reserves.

Finance Director Douylliez advised that we would be out of compliance with the City codes and would get another auditor finding against the City.

Commissioner George asked if that hurts the City's credit rating.

Finance Director Douylliez advised no; however, the bonding companies always receive a copy of the audit of the financials.

Mayor England said that in FY 2021 the City did not spend all the money and it does not look like the City will spend all the money in FY 2022. She believed that 2.45 millage should be sufficient for FY 2022.

Commissioner Rumrell agreed because the assessed values of homes have increased and there still will be an increase to the taxpayers. He agrees with the 2.45 millage because the capital projects are funded. The reserves will be less if 2.45 millage is approved, but by how much.

Finance Director Douylliez advised that she would not know until the end of the year and the budget for FY 2021 is closed.

Commissioner Torres asked what is the City giving up if 2.45 millage rate is approved.

Finance Director Douylliez advised \$30,000 for reserves.

Mayor England feels that \$30,000 could be saved across the departments by the expenditures not being as high as projected.

Finance Director Douylliez advised that in FY 2021 because of COVID-19, staff could not go to conferences, etc., but they are opening now. She explained that she would feel more comfortable taking it out of the reserves or the contingencies. She explained that if there is money not used for expenditures, it would automatically go into reserves or contingencies. She commented that she would not want to short expenditures.

Mayor England agreed.

Discussion ensued regarding staff training; whether there is a cap for the year; whether the employee has to stay with the City or do they have to pay the money back; and whether there should be a cap on education and not certifications.

Mayor England made a motion.

Motion: to keep the millage rate at 2.45. **Moved by** Mayor England, **Seconded by** Commissioner Rumrell. Motion passed unanimously.

Mayor England asked City Attorney Taylor to read the full ordinance.

City Attorney Taylor read the full ordinance.

Mayor England reopened the Public Hearing. The following addressed the Commission:

Nick Binder, 232 Big Magnolia Court, St. Augustine Beach, FL, advised that the millage rate even at 2.45 is an increase because the assessed value of the homes have gone up greatly and the non-ad valorem assessment has been increased.

Mayor England closed the Public Hearing and then asked for the vote.

MAYOR ENGLAND	YES
VICE MAYOR SAMORA	YES
COMMISSIONER GEORGE	YES
COMMISSIONER RUMRELL	YES
COMMISSIONER TORRES	YES

Motion passes 5 to 0.

Millage rate was approved at 7:29 p.m.

Mayor England moved to Ordinance 21-12.

Motion: to approve the budget less \$30,000 in the contingency fee. **Moved by** Mayor England,

Seconded by Commissioner Rumrell.

Mayor England asked City Attorney Taylor to read the title of the ordinance.

City Attorney Taylor read the title of the Ordinance 21-12.

Mayor England asked for a motion.

MAYOR ENGLAND	YES
VICE MAYOR SAMORA	YES
COMMISSIONER GEORGE	YES
COMMISSIONER RUMRELL	YES
COMMISSIONER TORRES	YES
Motion passed 5 to 0	

Mayor England moved on to IV.C.

- C. Scheduling of Date and Time for Second Public Hearing and Final Reading of the Millage and Budget Ordinances for FY 22 on Monday, September 27, 2021, 5:01 p.m. (Presenter: Max Royle, City Manager)

Mayor England introduced Item VI.C. and asked City Manager Royle for his report.

City Manager Royle advised that he would like to schedule the Final Budget Hearing on the millage and budget on Monday, September 27, 2021, at 5:01 p.m.

After discussion, the Commission agreed to have the final budget hearing on September 27, 2021, at 5:01 p.m.

Mayor England asked for a motion.

Motion: to schedule the Final Budget Hearing on September 27, 2021, at 5:01 p.m. **Moved by** Commissioner Rumrell, **Seconded by** Commissioner George. Motion passed unanimously.

Mayor England moved on to Item V.

V. ADJOURNMENT

Mayor England adjourn the Special Budget Hearing at 7:32 p.m.


Margaret England, Mayor

Attest:


Beverly Raddatz, City Clerk