



## **MINUTES**

**CITY COMMISSION BUDGET MEETING  
MONDAY, JULY 25, 2022, AT 6:00 P.M.**

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

---

**I. CALL TO ORDER**

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

**II. PLEDGE OF ALLEGIANCE**

The Commission recited the Pledge of Allegiance.

**III. ROLL CALL**

Present: Mayor Donald Samora, Vice Mayor Dylan Rumrell, and Commissioners Margaret England, Undine C. George, and Beth Sweeny.

Also present were City Manager Max Royle, Police Chief Daniel Carswell, Police Commander T.G. Harrell, City Clerk Dariana Fitzgerald, Finance Director Patty Douylliez, Building Official Brian Law, and Public Works Director Bill Tredik.

**IV. REVIEW OF FISCAL YEAR 2023 BUDGET**

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

City Manager Royle advised that there are two decisions tonight. First is to set the tentative millage and then to choose the date and time of the first public hearing, which is usually the second Monday in September at 5:01 p.m. He advised that Finance Director Douylliez has done a lot of work and he quoted former Mayor Snodgrass and asked her "to wave her magic wand".

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

Finance Director Douylliez advised that this is preliminary and is simply to set the millage rate, which will go on the tax notices and that it cannot be raised any higher than what gets set today. She advised that what is in the packets is the highest rate without going to a referendum and that a few things have been adjusted since this budget was prepared. The City has received some of the State Revenues, however some have been taken back, which brings the City down by approximately \$22,000. She explained that the largest portion was an \$18,000 adjustment from the County for the Local Option Gas Tax, which is based on the number of homes and that the interlocal agreement was readjusted. Another adjustment was for the State Revenue Sharing, which was around \$4,000. She said that she is still waiting for the numbers from the Communication Services Tax. The other significant difference is from insurance rates and the percentage of increase, which is estimated to be approximately 8% and is included in this budget. The Florida Municipal Insurance Trust (FMIT) has also indicated to expect an approximate 8% increase in auto, property, and workers comp insurance.

Commissioner George asked what the tax is from the Communication Services Tax. Finance Director Douylliez advised that it was approximately \$320,000 last year which she included in this

budget. Commissioner Sweeny said that it has been losing money every year. Finance Director Douylliez said yes with the exception of two years ago when the City had the benefit of an adjustment from unreported revenues.

Commissioner George said that the Commission cannot make any increases only decreases, which is why it historically sets the millage higher during the preliminary budget and then can adopt a lower rate. Finance Director Douylliez advised that she does anticipate that the rate will come down significantly. She said that the rate is 2.7266 which is significantly higher than where the City is now. Commissioner George said that it is significantly higher than any proposed prior budget over the last fifteen years. Finance Director Douylliez said that it is strictly the maximum millage that the super majority of this Commission can vote on. She said that it would need to be set high enough to cover the short falls and any unknown revenues/expenses that are not included such as the insurance costs. Commissioner George said that setting it high allows for more wiggle room as more data is collected. Finance Director Douylliez advised that she expects to have firm data by mid-August. She said that she would like to continue to have individual meetings with each Commissioner to review the ongoing budget and address any concerns.

Commissioner Sweeny asked if the local ad valorem numbers are official. Finance Director Douylliez advised that those are the numbers that the Property Appraiser had to provide by the end of June, and they are subject to adjustments.

Finance Director Douylliez moved on to the Census Data portion of her PowerPoint presentation [Exhibit A.1-4]. She advised that there are four key items of focus for this budget such as continued level of service, retaining employees, etc. She moved on to the next slide and discussed the demographics which are a five-year estimate with an average median value owner occupied unit of \$433,600, a mean household income of \$121,835, etc. She moved on to the next slide which showed how the property values have significantly changed from FY 22. Commissioner Sweeny asked what the total number of properties are and how many are homesteaded. Finance Director Douylliez said that she did not have those numbers. She moved on to the next slide and discussed the differences for voting on the millage options. The next two slides showed the FY 23 proposed ad valorem and an example based on a median value home at each millage rate.

Finance Director Douylliez moved on to the Overview of Revenues and Expenditures portion of the PowerPoint presentation [Exhibit A.4-5]. She showed the revenues by fund for a total revenue of \$15,529,127, which is an increase from last year of \$924,742 due to grants and impact fees. She advised that it is based on 98% collected and is estimated at \$4,608,206 for an increase of \$946,913. She advised that the non-ad valorem increase of approximately \$30 per home is due to solid waste fees, which are currently \$315 per year and proposed to increase to \$345. She advised that it was also recently decided to move the condos from manual billing to non-ad valorem, which brought it to an additional \$160,372. She said that State Revenues have had some changes but are estimated at \$1,396,926 making it 13.76% of the General Fund Revenue and the Electric Utility Tax and Franchise Fees total \$1,045M. She moved on to discuss the expenditures such as salaries, operating cost, etc. for a total of \$15,194,512.

Finance Director Douylliez moved on to the Salary and Benefits portion of the PowerPoint presentation [Exhibit A.6] and advised that there is a significant increase. She said that the pages provided in the agenda packet show that she is proposing up to a 10% COLA increase and that each individual department could be at 16-19%. She advised that the City just did a \$1.12 per hour increase in May and that the FY 22 numbers do not take into account an entire year of that adjustment. She said that this increase would help to combat inflation, retain employees, and compete with the surrounding area. She advised that the benefit increases are based on an estimated 8% for health insurance costs and the FR5 increases controlled by the State.

Mayor Samora said that the mid-year adjustment makes it a tough comparison and he asked if the FY 22 salaries are current after the mid-year adjustment annualized. Finance Director Douylliez said yes that it is annualized and there is a page in the packet, which has the annualized numbers. Mayor Samora asked what the range is for the mid-year adjustment as a percentage. Finance Director Douylliez said that the largest increase was taking the lowest level service worker up 8%, managers up 2%, and that others fell somewhere in between.

Commissioner Sweeny said that the mid-year increases will be combined with this proposed 10% increase and asked what that would work out to be in a one-year period. Finance Director Douylliez said that it could work out to be an 18% increase for the lowest paid employees. Vice Mayor Rumrell asked what the State increases are this year. Finance Director Douylliez advised the State is increasing 5.3% and that the Florida Government Finance Officers Association (FGFOA) has been sharing information, which is averaging about 5% with many of those cities suggesting 5% for this October and reevaluating it again in April due to inflation. Vice Mayor Rumrell asked if the City could use American Rescue Plan Act (ARPA) funds for a one-time bonus in April if needed. Finance Director Douylliez said yes that it could be done again and to keep in mind that the ARPA listing is eating up all of that. She said that her initial proposal a few months ago was to allocate \$436,000 for salaries and adjustments and that it was approved for \$136,000 leaving \$300,000. Since then, that \$300,000 was approved for other needs and that something else would have to be removed from the ARPA proposal in the budget to reevaluate next year.

Commissioner George noticed that the increase of \$132,517 shown on the slide did not match up and asked for clarification. Finance Director Douylliez advised that it must be a typo and that it should be corrected to \$379,924. She advised that the increase in salaries also includes an additional person as a full-time inspector. Building Official Law advised that it is included in today's budget on a part-time basis. He said that the City's full-time inspector has been with the City for sixteen years and is nearing the completion of his career and that it takes a while to train someone. Commissioner George asked if it was contained in the separate budget. Building Official Law said yes and that it is solely funded by Building Department operations, does not impact the General Fund, and that everything has been purchased to prepare for it. He described how hard it is to find an applicant with the licensing and experience needed and that it is difficult to get a building inspector's license through the State.

Commissioner England asked what percentage of the employees would be hitting close to the top. Finance Director Douylliez advised that most employees are below mid-point even with the adjustment for Service Worker I to \$15.00 per hour. Commissioner England asked for the numbers that would be below mid-point. Finance Director Douylliez said that she would get that data but said that the majority are below mid-point. Commissioner England said that it is not good for retention, but it does give people increases in the future. She said that normally she would zero in on the operating costs because it is the one thing that can be controlled. She asked what figure was used for the increases. Finance Director Douylliez said that she used 8% across the board and that at the time it was the trend for inflation, which has gone up to 9.1%. She said that there was a County meeting last week and they are proposing 3% and \$1.50 per hour for their employees so the City will be falling behind in a lot of categories.

Finance Director Douylliez moved on to the Capital Outlay Requests portion of the PowerPoint presentation [Exhibit A.6-8]. She advised that there are several categories this year such as City funded, ARPA funded, Grant funded, and Impact Fee funded and that some will cross over. She said that the ARPA funds are from everything that was on the list and adopted. She cautioned that the City has not received the second half of the funds yet and it is something to stay focused on when finalizing the budget. She recommended not budgeting for anything covered by ARPA funds until they are received and if they are not received by September, she would ask to back it

out of the budget. She said that the funds were tentatively due by the end of July and that she would be more comfortable doing a budget resolution once they are received. Commissioner Sweeny noticed that the IT Department has audio visual improvements listed twice and asked for clarification. Finance Director Douylliez advised that those requests are for two different pieces of equipment. She advised that the PowerPoint presentation is a summary and that the detailed information is contained in the agenda packets. She continued by recapping the ARPA funded and the Grant funded projects from the PowerPoint presentation. Commissioner Sweeny said that she thought the Magnolia Dunes project received \$1.2M. Finance Director Douylliez said that not all of it will be spent in FY 23. Commissioner Sweeny said that typically you are required to spend the funds for the fiscal year that the grant is awarded. Public Works Director Tredik advised that he expected it to be at least a two year contract with a spend-down plan. Commissioner Sweeny said that she is surprised by that because the school is going through it right now. Director Tredik said that the contract has not been finalized yet but that he has seen large projects span over several years and that he would check on it. Finance Director Douylliez moved on and recapped the Impact Fee funded projects [Exhibit A.8]. She said that the City currently has approximately \$1.5M in impact fees and these projects total approximately \$1.3M, which would deplete the Impact Fee fund significantly. She advised that some of this money will come back from the non-ad valorem for the 2<sup>nd</sup> Street improvements.

Finance Director Douylliez said that future capital considerations are based on the Five-Year Capital Plan that was presented in March and removing any identified by ARPA funds. She showed a slide that estimated the capital needs for the next four years would be significant.

Finance Director Douylliez moved on to the Reserve Estimates portion of the PowerPoint presentation [Exhibit A.9] and said that they are better than they have ever been. She said that it should be at 20% reserve, and it is nearly double. She advised that she and the City Manager have been evaluating whether 20% is adequate for a coastal city and that there may be a proposal in FY 23 to increase it.

She moved on and recapped the City's Long-Term Debt portion of the PowerPoint presentation [also Exhibit A.9]. She said that the City is taking from the General Fund and putting it into the Debt Service Fund each year so that there is something to fall back on. Vice Mayor Rumrell asked if there was a penalty for paying off the bond sooner than 2044. Finance Director Douylliez advised that there is a penalty up until the year 2026 at which time they can be reevaluated. Vice Mayor Rumrell asked if the figures could be provided for a payoff. Finance Director Douylliez advised that she would get those figures. Commissioner George said that there is no savings benefit on any interest for any of the debt for the next few years. Finance Director Douylliez agreed and said that the City cannot refinance it.

Finance Director Douylliez said that there are several concerns for FY 23 [Exhibit A.10] such as inflation, which is at 9.1%, attracting and retaining employees, getting capital projects done, and emergencies.

Mayor Samora said that the non-ad valorem portion of the budget was not covered. Finance Director Douylliez recapped that portion of the PowerPoint [Exhibit A.5] and said that solid waste is currently \$315 per year per home. It is estimated to increase to \$160,372 in part because the condos were removed from manual billing and were added to the non-ad valorem, which inflated that number and would reduce it in commercial billing. She advised that last year Public Works began using the electronic time-keeping system to track how employees are allocating their time and that the data determined that over the last nine months the allocations for garbage were lower than the time actually spent on that service. In the past 27% was being charged and now it would increase to 33% this year. She advised that it would increase the solid waste fee from \$315 to approximately \$345 per home. She said that she estimated a \$30 per year increase for

garbage services, which totaled roughly \$90,000 and that the difference was from the condos being added.

Commissioner George asked if the employee salary portion of the \$160,000 is noted as a reduction from the gross salary line item or is it in twice as a buffer for other things down the road. Finance Director Douylliez advised that the new budget software loads in every employee and allocates their time. She uses the allocations based upon the actual hours used in the electronic time-keeping system since July of last year, which came to roughly 33%. We allocate 33% of the cost into Garbage, 32% into Road and Bridge, etc. and that is how it is distributed for salaries. Commissioner George said that it would almost become a reimbursement into the General Fund line items for the overall cost of all salaries as additional revenue coming in. Finance Director Douylliez said that it is directly attributed to the cost for salaries in that department. Commissioner George said that the overall increase for salaries are gross numbers and do not account for additional money coming in. Finance Director Douylliez said correct. Commissioner George asked if the budgeting software counts for it twice or is it offset. Finance Director Douylliez advised that it is not accounting for it twice because garbage is included in the General Fund. Mayor Samora said that it shifts it from ad valorem to non-ad valorem.

Vice Mayor Rumrell asked about the increases due to fuel and tipping cost, etc. Finance Director Douylliez advised that Director Tredik may be proposing some additional information but that it does take into account the increasing cost of fuel. She said that it leveled off in June with a decline in some areas in July, but it is unpredictable. She said that these were frontloaded with higher numbers based upon the inflation through May.

Commissioner England said that there was a significant amount of work done to reformulate Public Works on garbage and recycling. Finance Director Douylliez said yes. Commissioner England said that the idea was to streamline/right-size the customer and she would like to see a detailed explanation why this increase is needed, because it is going the wrong way from all the work that has been done revamping that area of operations. Director Tredik advised that the cost of doing business has gone up and when he put forth the \$315, that was what it cost in the previous year, but a lot has changed like fuel costs, surcharges, internal raises, etc. He said that the cost is going to go up along the lines with inflation and fuel is a huge uncertainty. He said that he did some graphs for fuel costs and the increase is significant and will hopefully level off but may not decrease. He advised that other municipalities are facing the same thing such as Palm Coast has recently discussed drastically increasing their solid waste collection fees. He said that he and Finance Director Douylliez looked at these numbers in a slightly different way. He said that he looked at the hours it took to run the routes, the amount of people, and their salaries and that his calculation was within a dollar of the Finance Director's numbers. He advised that savings are going to be challenging, which may mean changing our services, having some part-time people vs. full-time, etc. He said that last year the Commission decided to fully fund it at the cost, and this is now what it costs to do the work. He said that if the prices come down next year, he would present something at a lower number. He said that it is the Commission's choice to either fund it through the non-ad valorem or use the General Fund.

Commissioner England asked if everyone is recycling and if the bins are full every week. Director Tredik said that he does not have those numbers but could provide them. He said that the bins that are put out are generally full and that he could explore collecting every other week for recycling, but it would be challenging and would lead to overflowing bins. Commissioner England said that residents may protest that more than the increased cost. He said that a cart may be better in that instance, but the City would have to invest in the purchase of the carts, which are expensive. Finance Director Douylliez said that she would also caution going to the cart system because it is not easy to see if it is contaminated. Director Tredik said that Environmental Land

Services (ELS) assessed the level of contamination and there is still some contamination coming in. He said that the residents are generally compliant, but the rentals are more problematic, and a cart would only lead to more contamination. Commissioner England agreed. Director Tredik said that if ELS were to refuse to take a contaminated load, then the City would be forced to take it to Nine Mile at \$125 a ton vs. \$75 at ELS.

Vice Mayor Rumrell asked if the tonnage for trash has increased because less is being recycled. Director Tredik said that he did not have those numbers but could provide them at the next meeting. Vice Mayor Rumrell said that he believed that St. Johns County is negotiating with Waste Management and Republic Services and asked what rate they are paying. Director Tredik advised that he did not know what their future cost might be, but he believed County residents were paying \$240. Vice Mayor Rumrell asked if the City has been bringing anything to St. Johns for fuel cost savings. Director Tredik said that they try to go to Bunnell, but they have taken partial loads to the County.

Mayor Samora asked if the City was close to the maximum range for the non-ad valorem. Finance Director Douylliez advised that the City is at the high end of the range maximum of \$375. Commissioner George asked how many years it has been implemented. Finance Director Douylliez said that this will be the third year.

Mayor Samora said that he is glad that the City pulled the cost of this service into a non-ad valorem so that it could be managed like this because whether it costs \$100 per home or \$400, the money must come from somewhere in the budget. He said that our ad valorem taxes are going up roughly 11% based on the value of the homes. He said that if it would have been left in the ad valorem that the City would have collected an additional 11% and this proposed increase is at about 10%. He said that he does not like seeing the non-ad valorem increase but it is going up proportionately to what the ad valorem is.

Commissioner Sweeny said that she would like clarification why the retirement allocations are increasing. She said that the FRS required contributions are going up between 7-11%. She pointed out that the Protective Inspections allocation is going up 33.5% along with many others. Finance Director Douylliez advised that FY 22 numbers do not include 100% of the pay raise from May, so the increase is based upon the amount that everyone was raised to such as from \$13.88 to \$15.00 per hour annualized and you are going to see an increase from 10% to 11.91%, which is what the City must pay for a regular class employee, and it is compounded. She said if you look at the salary lines for any department, you would not see a flat 10% across the board because they are compounded for a full year with the current rate, plus 10%, plus the 7-10% FRS increase. Commissioner George pointed out that Protective Inspections includes the new hire. Commissioner Sweeny said that it makes sense if you add that in. Commissioner Sweeny said that it is like that in every instance except for the increase in retirement for law enforcement, which is at 2%. Finance Director Douylliez advised that she would have to look at that because it is frontloaded with every employee, and it should be an accurate estimate. She said that is why this is preliminary such as Building Official Law caught an error regarding insurance. She explained that in some instances, such as a vacancy, the system defaults to the highest level.

Commissioner Sweeny questioned the Police Department's two leased vehicles for \$100,000 for the year. Finance Director Douylliez advised that the operating lease requires that the City frontload 100% of the cost, but under the Revenue category you will see debt proceeds for the \$100,000 and then it adds the annual expense into the Debt Services category.

Mayor Samora opened Public Comments. Being none, he closed Public Comments and asked for Commissioner discussion.

Mayor Samora advised that staff has put forth 2.7226 mills and asked if the Commission was

comfortable moving forward with that number. Vice Mayor Rumrell asked if there was a way to look at the ARPA spend together to see if a project or equipment could be pulled out for an emergency bonus if the City needs to go that route. He suggested to have the departments look at what might be able to be pushed out because we are hard pressed with what we are going to do. Mayor Samora said that he liked that idea.

Commissioner George questioned the \$100,000 for audio visual with \$75,000 from ARPA funds and another \$25,000 in the City budget. She asked if it is all for the City's meetings because she does not recall that it was this expensive before and she asked for a breakdown of it and how critical is it this year. Mayor Samora asked if it was solely for the meetings. Finance Director Douylliez suggested that the IT Department would be best to answer that.

Vice Mayor Rumrell questioned the dump truck, which is used to move sand for hurricanes. Director Tredik advised that it is also used to move material for projects. Vice Mayor Rumrell asked how often it is used. Director Tredik said that he would have to check on it but that he would guess weekly or at least a few times a month.

Mayor Samora asked IT Specialist Adams for an explanation for the request for \$75,000 from ARPA funds.

Russell Adams, IT Specialist, advised that initially there was \$9,000 in the budget this year for new cameras, but they found that the connectors in the back of them have been discontinued, which would mean that they would be unable to use the controller that runs the cameras. He said that they decided to back out and started looking at the projectors that are at least six-seven years old. He said that they would be a capital item at some point, and it could wait, but it would just come back up again. He said that something that was not in the budget that was recommended was a closed captioning device, which was estimated at around \$72,000 so \$75,000 was put in for ARPA. He said that the closed captioning would be another \$82,000. He said that down the road if the City needs 90% accuracy on closed captioning that it would be an added expense, but is currently not required for streaming online. Commissioner George said that the ARPA list references cameras/captioning. IT Specialist Adams advised that the \$75,000 is just for video equipment. Commissioner George asked what the other City funded \$25,000 is for. IT Specialist Adams said that he was not sure what that exact line item was for. Finance Director Douylliez said that she believed that it was for another piece of equipment upstairs. IT Specialist Adams advised that they got the quote from the same company that did the prior audio/video equipment and that they looked at new cameras, new controllers, new screens, and projectors. He said that there would also be integration for Zoom. Commissioner George said that there are always exceptions for certain standing contracts and asked if they were getting multiple bids. IT Specialist Adams said that they could get multiple bids but that this company already knows the City's system. He said that they installed the audio for the current system, and they made the plans for the last system, which was the initial intention for using them. He said that IT Manager Anthony Johns was looking to sole source it because of the integration with the other system. Commissioner George said that they still need to make sure that it is commensurate with the industry pricing. Mayor Samora asked what the normal timeline is for replacement of the equipment. IT Specialist Adams said it would depend, but normally between five-ten years and he has seen several partial replacements in the past ten years.

Commissioner Sweeny asked for clarification on the ARPA Capital list vs. the ARPA Worksheet list [Exhibit B] and she asked if the \$1.855M is the entirety of the remaining funds that the City has not spent. Finance Director Douylliez advised that the ARPA Worksheet list that she handed out today is the original list and the other ARPA Capital Expenditures were from Department Heads, which is probably more than what was on the original ARPA Worksheet list. She advised that it would have to be scrubbed to make sure that everything is on the list for any remaining items

and that the \$3.5M is not going to change. Commissioner Sweeny asked if the items on page 29 of the agenda packet were not previously approved such as the stormwater bypass pump. Finance Director Douylliez advised that it is the same as the approved 6" dewater pump on the list. She advised that the pickup trucks were originally approved on the list for \$30,000 but come in at \$35,000 instead. Mayor Samora said that most of the items were already on there. Commissioner Sweeny said that \$1.960M was approved to be spent and she asked if there was anything on the Capital Expenditures list that was already approved. Mayor Samora advised that there is some overlap. Commissioner Sweeny said that she is having a tough time seeing how they fit together. Mayor Samora said some of the items on page 29 are included in the \$1.960M that were already approved. Commissioner Sweeny said that she is trying to find money for bonuses and is having a hard time determining what is left vs. what has already been committed.

Mayor Samora said that number IV.B.7 of the agenda specified the additional needs for a project coordinator and paving, and he asked if that has been covered. Finance Director Douylliez said that she believed that was Director Tredik's request. Director Tredik advised that there will be a need for a project coordinator that becomes more critical as we move into construction. He said that he had a discussion to bring someone on permanently for a surge in projects that may last two or three years, but it was not included in this budget. If it becomes necessary, he would be back to discuss it as the projects go to construction. Director Tredik said that the paving is not in the budget the way it stands now because they have not been able to get it going due to supply shortages, but he would like to get some of it started before the end of this fiscal year in September. He said that if not, then he would have to bring the money back into the budget after the audit and would come to the Commission mid-year to ask to bring money into the budget. Finance Director Douylliez said that she believes that there is \$500,000 for FY 22 ARPA. Director Tredik said that it is a challenging time to try to pave roads.

Mayor Samora asked if the preliminary non-ad valorem would also need to be set raising it \$30. Finance Director Douylliez advised that the non-ad valorem is in the budget but that the only thing that needs to be set tonight is the millage and the date/time of the public hearing. City Manager Royle advised that there are two millages, the operating millage and the debt millage.

Commissioner Sweeny asked what the previous hourly wage was for the employees that were brought up to \$15.00 per hour. Finance Director Douylliez advised \$13.87.

Mayor Samora said that he would like to start with general guidance to staff. He said that he would like to see the millage come down close to what it was last year. Finance Director Douylliez advised that it would go down to 2.45mills or \$500,000. Mayor Samora said that he would not task anyone with finding that tonight. He said that he would like to give direction on the big items such as salaries. Finance Director Douylliez agreed and said that it is easier to know what direction the Commission is headed. She advised that the budget is showing a 10% increase, and to also consider the average across the State of 5%, which would be revisited again mid-year, etc.

Commissioner George asked if the Commission could be provided with the impact figures of the difference in cost for 5% vs. 10%. Finance Director Douylliez advised that that information was not presented but it was roughly \$200,000 difference in preliminary discussions with staff. She advised that she has four budgets prepared and to prepare one for 2.45 vs. 2.475 that she would need roughly \$200,000 just to get up to 10%. She said that she could not balance a budget at a 10% increase without having more money on the top line. Vice Mayor Rumrell said from the 2.45. Finance Director Douylliez said yes. She gave an example of using the 2.45 with a 5% increase and that she could always provide preliminary numbers before going into the individual meetings.

Commissioner Sweeny said that it would be helpful to have more information about the increase



that was just given coupled with another increase and what it would equate to. She said that she wants to reward the employees but that her calculations show that some employees could potentially receive an 18.9% increase, which is huge in one year. She asked for data for each pay scale to see what the total compensation would be with both increases. She suggested that both increases should be combined to get them to 10-12% total. Mayor Samora said that he likes to compare where they started in FY 22 but that the numbers get a bit jumbled because of the mid-year increase and that he would expect the FY 23 to be in the 10-15% range. Finance Director Douylliez said that each category would be significantly different because it was not a flat percentage, it was \$1.12 an hour, which would cause the range to vary significantly. Mayor Samora said that if you take the proposed 10% COLA and compound it with the mid-year \$1.12 per hour, that the range would be 2-8%, which is also compounded and that is where you would get the 12-18%, which is substantial. Commissioner George asked if the State did a mid-year adjustment. Finance Director Douylliez advised that they did not, it was 5.3% across the board. Commissioner George said that hopefully the City is ahead of the game in some categories.

Commissioner England likes to look at each department's operating cost and, in the past, some had decreased their costs year-after-year. She said that she believes that the Police Department increased operating costs due to equipment needs. She said that she would like to ask each department to look at their operating costs because normal operating costs (i.e., paper, pens, envelopes, etc.) are not going to go up 8% and there may be room to reduce them.

Commissioner George said that she would like to get the PowerPoint in advance of the next budget meeting with category totals. She said that she would also like to see the four drafted budgets. Finance Director Douylliez advised that there are limitations with the new budget software. The only thing that was downloaded in the format today is the current year projection for FY23 and the line items, all the other details were manually entered. She said that in time she could try to develop something a little bit better, but this is the first run with the new software, and she does not have all the formats, etc. Commissioner George said she does not want to cause unnecessary busy work and to possibly provide just two versions. Finance Director Douylliez said that 2.45 is the baseline that she started with, and she has one that she could cut and paste together with a 5% increase.

Commissioner Sweeny asked if every line for telephone, electricity, water, and sewer are all an 8% increase. Finance Director Douylliez advised yes there was an 8% increase across the board. Commissioner England said that is probably a good place to bring it down. Finance Director Douylliez said that some utilities have unfortunately gone up significantly. Commissioner Sweeny asked about legal advertising for the Comprehensive Planning and Zoning Board. Building Official Law advised that the St. Augustine Record is not cheap anymore. Commissioner Sweeny said that the State passed a law and that maybe the County needs to adopt something, or it can advertise on the website, etc. Building Official Law said that there is a provision that makes it not very usable, but that he has not looked at it lately. Commissioner Sweeny asked if the City could advertise in the Beaches Journal, which might be cheaper. Building Official Law said that some of the advertising does get expensive such as the Comp Plan amendment, which was several hundred dollars. City Clerk Fitzgerald advised that she researched the Statute and there are several conditions in it that make it extremely difficult if not insurmountable for the City to enact it. She said that it cannot be a City run website and would need to be County run and would apply to every municipality within its jurisdiction. Also, the City would still be required to post legal notices twice a year in The Record stating that our notices can now be found on that website and the City would be required to maintain a mailing list of people who write to us stating that they do not have access to the web, or the paper, and the City would have to mail every notice whether the notices apply to them or not. Commissioner Sweeny said that more people at the beach probably read the Journal and that she would still like to check in to running the ads in it.

City Clerk Fitzgerald advised that she would need to look into it because the Statute is specific about the newspaper's general circulation, etc. Building Official Law advised that the amount of advertising is driven by the sheer volume of the applications that are seen and the longer the ads, the bigger the building, etc. Commissioner George said that means greater revenue for those applications. Building Official Law said that several years ago he raised some of the Planning and Zoning fees because the City was basically operating at a loss and that it will never cover its entire cost. He said that there may be the need to raise fees to cover the legal advertising cost and if so that it would be in the form of a resolution.

Mayor Samora asked the Finance Director if she had enough guidance. Finance Director Douylliez said yes. Mayor Samora asked the City Manager if the non-ad valorem needed to be approved tonight. City Manager Royle said no. Mayor Samora suggested to put it off for now and to set the millage and the public hearing date/time. He said that September 12<sup>th</sup> had been discussed for the meeting date. City Manager Royle said yes at 5:01 p.m. with the regular meeting to follow.

Mayor Samora asked if anything above the 2.47 millage would need a 4 of 5 vote. Finance Director Douylliez said yes, that 2.7266 is the maximum and that it can be anything in between as long as it is higher than where the Commission thinks it should land. Mayor Samora said that there are some significant unknowns at this time. Vice Mayor Rumrell advised that he could not do the 2.7266 and thinks it should be lower. Finance Director Douylliez said that she believes that 2.5 was used last year.

V. PUBLIC COMMENTS

Mayor Samora opened Public Comment. Being none, he moved to Item VI.

VI. SETTING PRELIMINARY PROPERTY TAX MILLAGE FOR FISCAL YEAR 2023, AND DATE, TIME, AND PLACE FOR FIRST PUBLIC HEARING ON THE BUDGET

**Motion:** To approve a preliminary property tax millage of 2.5 and a debt millage of 0.5 for fiscal year 2023 and to set the first public hearing on September 12, 2022, at 5:01 p.m. **Moved by:** Mayor Samora. **Seconded by:** Commissioner England.

Mayor Samora asked for a roll call vote. City Clerk Fitzgerald called the roll call vote:

|                      |     |
|----------------------|-----|
| Commissioner Sweeny  | Yes |
| Commissioner England | Yes |
| Mayor Samora         | Yes |
| Vice Mayor Rumrell   | Yes |
| Commissioner George  | Yes |

Motion passed unanimously.

Mayor Samora thanked everyone. Vice Mayor Rumrell asked staff to look at any ARPA projects/equipment, etc. that can be cut out and that it could always be put back in. Mayor Samora reminded everyone that the next Commission meeting is next Monday, August 1<sup>st</sup>. City Manager Royle said that next Tuesday, August 2<sup>nd</sup> at 5:00 p.m. is the workshop with FPL and that the Commission meeting agenda books are ready. He advised that he has not received the information from FPL yet and will forward it as soon as he has it.

Mayor Samora moved on to Item VII and asked for a motion to adjourn.

VII. ADJOURNMENT

Mayor Samora asked for a motion to adjourn.

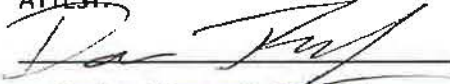
**Motion:** to adjourn. **Moved by** Vice Mayor Rumrell, **Seconded by** Commissioner George. Motion passed unanimously.

Mayor Samora adjourned the meeting at 7:41 p.m.

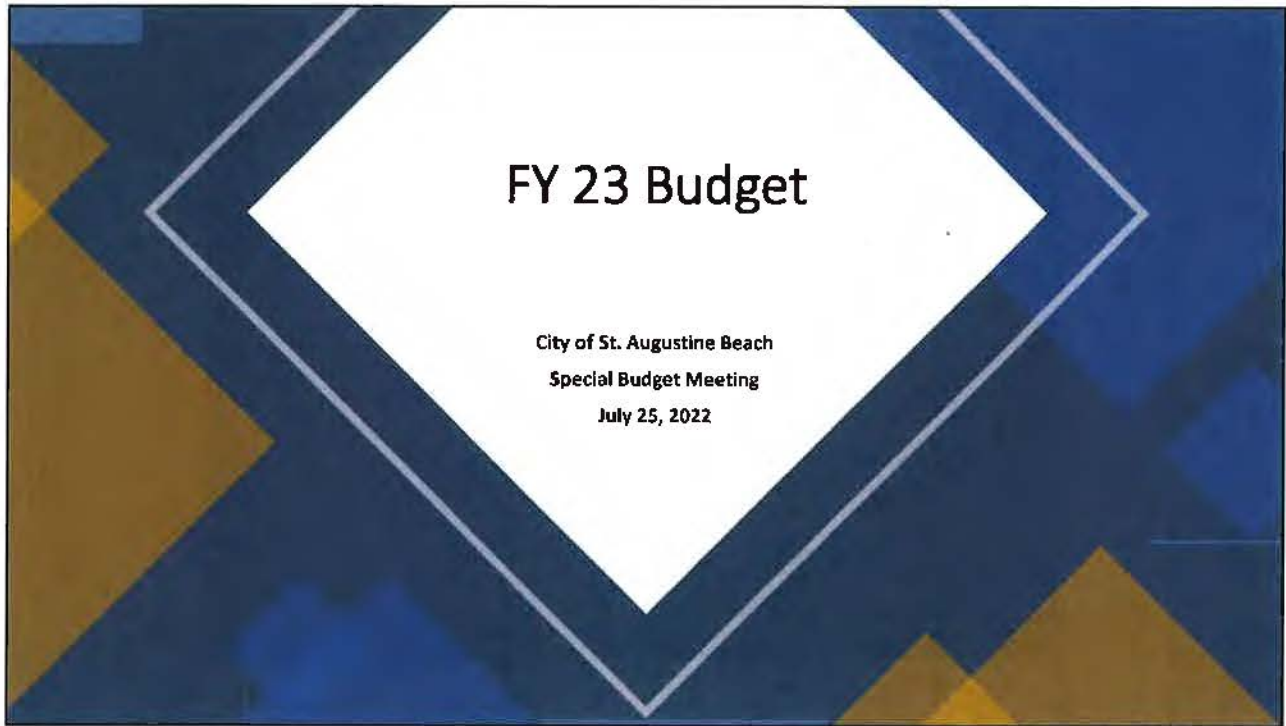


Donald Samora, Mayor

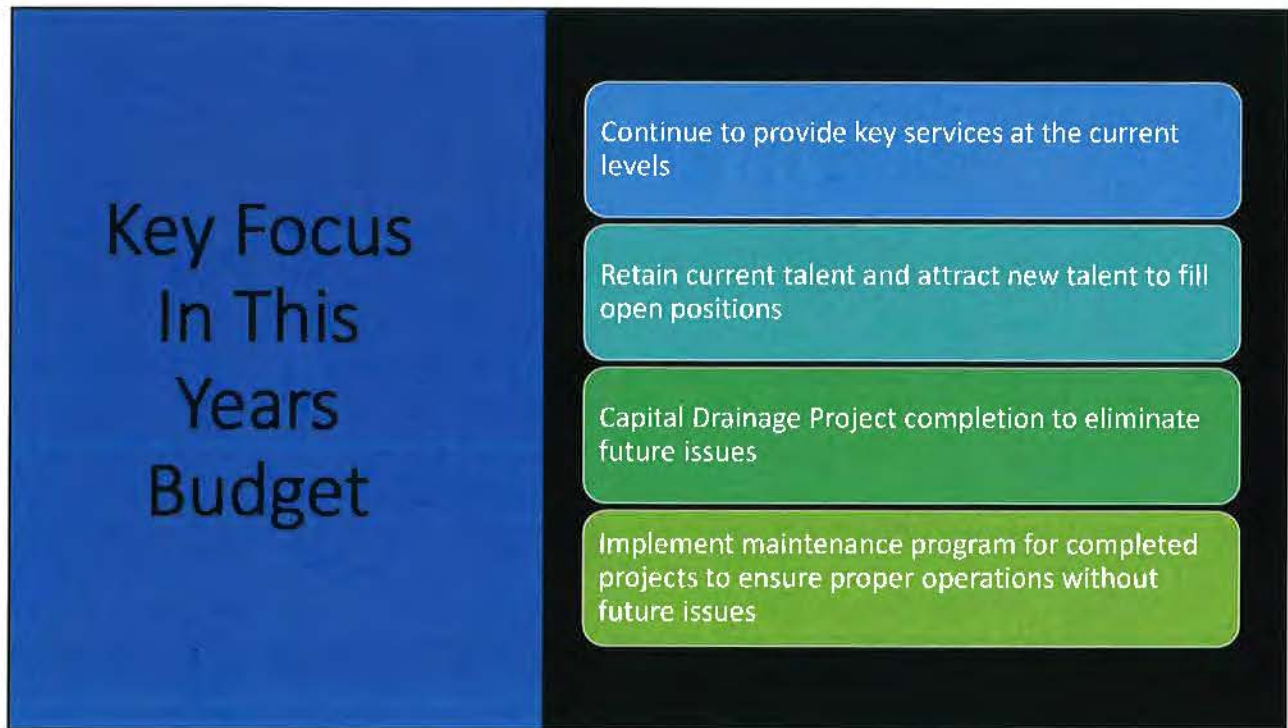
ATTEST:



Dariana Fitzgerald, City Clerk



1



2

Exhibit A-1  
Date 7-25-2022

| City of St. Augustine Beach<br>Demographics-2016-2020 ACS 5-Year Estimate<br>(www.census.gov/programs-surveys/acs/) |                       |                    |            |
|---|-----------------------|--------------------|------------|
| Median Value-Owner-Occupied Units   | Mean Household Income | Mean Family Income | Median Age |
| \$433,600   | \$121,835             | \$148,657          | 49.2       |

3

| Property Value Changes from FY22  |                      |
|---|----------------------|
| • Prior Year FINAL Gross Taxable Value  | \$1,531,316,475      |
| • Current Year Adjusted Taxable Value   | \$1,724,583,998      |
| • Amount of Change  | \$ 193,267,523       |
| • <u>Less Current Year Net New Taxable Value</u>  | <u>\$ 19,972,228</u> |
| • Total Net Change  | \$ 173,295,295       |
| • Total % Change  | 11.32%               |
| • The Homestead Exemption, for this year, limits the annual increase in assessed value of property to 3%. |                      |
| • Number of Homestead Properties in the city is 2,182   |                      |

4

Exhibit A-2  
Date 7-25-2022





## Millage Options

- Millage @ 2.7266 (Super Majority)
- Millage @ 2.4787 (Majority)
- Current Millage @ 2.4500
- Roll Back Millage @ 2.3355
- Each Tenth of a Mill is \$172,458

5

## FY 23 Proposed Ad Valorem



### Property Valuation

- FY 22 - \$1,531,316,475
- FY 23 - \$1,724,583,998

### Millage Rate

- FY 22 Current – 2.4500
- FY 22 Proposed – 2.7266

### Each Tenth of a Mill

- \$172,458 @ 100%
- \$169,009 @ 98%

6

Exhibit A-3  
Date 7-25-2022

## Ad Valorem Example Based on Median Value Home (less homestead)

### EXAMPLE:

|                          |           |
|--------------------------|-----------|
| Median Home Value        | \$433,600 |
| Less Homestead Exemption | -\$50,000 |
| Taxable Value            | \$383,600 |

|  | Ad Valorem Taxes | Amt over Roll-back | % over Roll-back |
|--|------------------|--------------------|------------------|
| Roll-back Millage 2.3355               | \$ 896           |                    |                  |
| Current Millage 2.45                   | \$ 940           | \$ 44              | 4.90%            |
| Majority Vote Maximum Millage 2.4787   | \$ 951           | \$ 55              | 6.13%            |
| Two Thirds Vote Maximum Millage 2.7266 | \$1,016          | \$150              | 16.75%           |

7

## FY22 Total Revenue By Fund

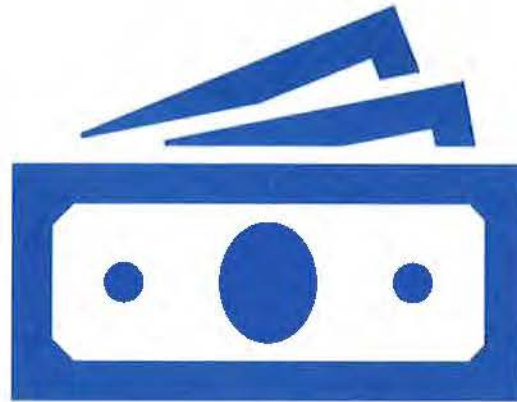
- General Fund \$10,195,173
- Road Bridge Fund \$ 895,572
- Debt Service Fund \$ 1,078,382
- Capital Projects Fund \$ 3,360,000
- Total Revenue \$15,529,127
- Increase over prior year budget \$924,742 (Changes due to Grants/Impact Fees)

8

Exhibit A-4  
Date 7-25-2022





## FY 23 Revenue General Fund

- Ad Valorem @ 2.7266
  - Based on 98% Collection
  - Estimated \$4,608,206
  - Incr. over prior year actual \$946,913
- Non-Ad Valorem \$1,019,372
  - Increased est. \$160,372 over prior
- State Revenues \$1,396,926
  - Estimates Available at time of preparation
  - Increased (based on prelim. Data from State)
  - 13.76% of General Fund Revenue
- Electric Utility Tax & Franchise Fees
  - Total \$1,045M



9

## FY 23 Expenditures

|   |                          |              |
|---|--------------------------|--------------|
|  | Salaries & Benefit       | \$5,712,998  |
|  | Operating                | \$5,008,289  |
|  | Capital                  | \$4,473,225  |
|  | Total FY 22 Expenditures | \$15,194,512 |

10

Exhibit A-5Date 7-25-2022



## FY 23 Salary & Benefit Summary

- FY 22 Salaries \$3,399,785
- FY 23 Proposed Salaries \$3,779,709
- Increased of \$132,517 based on **up to** 10% COLA.
- Increase is necessary to combat inflation, retain current talent, compete with surrounding agencies for staff.
- FY22 Benefits \$1,764,979
- FY23 Benefits \$1,933,290
- Est. Increase in health insurance cost 8%, increased FRS per State
- Headcount Changes – Increased 1
- Workers' Comp Insurance estimated increase 8%.

11

## FY 22 Capital City Funded

- Public Works:
  - Leaf & Litter Vacuum - \$5k
  - CR A1A/Pope Rd Storm Surge Protection - \$10k
- Police Department:
  - Radars, Weapons, AED's-\$45k
  - 2 Vehicles-\$100k
- Other:
  - Roof Replacement, Interior Reno-PD - \$42.5k
  - City Hall Lift Station Electrical - \$15k
- IT Department:
  - Telecom Changeout-\$25k
  - Audio visual improvements - \$25k
  - UPS's, Cameras - \$12.5k

12

Exhibit A-6  
Date 7-25-2022

## FY 22 Capital ARPA Funded

- Public Works:
  - Equipment - \$95k
  - Vehicles - \$235k
  - 2<sup>nd</sup> Street Improvements - \$100k
  - Parking Improvements - \$470k
  - Dune Walkovers - \$187.5k
  - Ocean Hammock Park Ph 2 - \$300k
- Other:
  - Building C Improvements - \$40k
- IT Department:
  - Audio Visual System Improvements - \$75k
  - ID Cards/MFA - \$45k

13

## FY 22 Capital Grant Funded

- Federal:
  - CR A1A/Pope Rd Storm Surge - \$30k
  - Ocean Hammock Park Ph 3 - \$60k
- Port & Waterway:
  - Dune Walkovers - \$187.5k
- State:
  - Ocean Walk Drainage Improvements - \$638k
  - 7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup> Street Drainage Impr - \$90k
  - Magnolia Dunes/Atlantic Oaks Cir Drainage-\$200k
  - Ocean Hammock Park Ph 2 - \$106.5k

14

Exhibit A-7  
Date 7-25-2022

## FY 22 Capital Impact Fee Funded

- Oceanside Circle Improvements - \$500k
- 2<sup>nd</sup> Street Improvements - \$625k
- Hammock Dunes Park Concept Plan - \$25k
- Ocean Hammock Park Ph 3 - \$90k
- Ocean Hammock Park Ph 2 - \$93.5k

15

## *Future Capital Considerations*

- Based on the Five-Year Capital Plan presented in March, the following are the estimates for the next four years:

- FY 24 – \$3,788,500
- FY 25 – \$2,057,000
- FY 26 – \$2,743,500
- FY 27 – \$1,636,000



16

Exhibit A-8  
Date 7-25-2022



## Reserve Estimates

|                |             |
|----------------|-------------|
| • General Fund | \$2,343,828 |
| • Impact Fees  | \$1,349,610 |
| • Debt Service | \$2,577,183 |

17

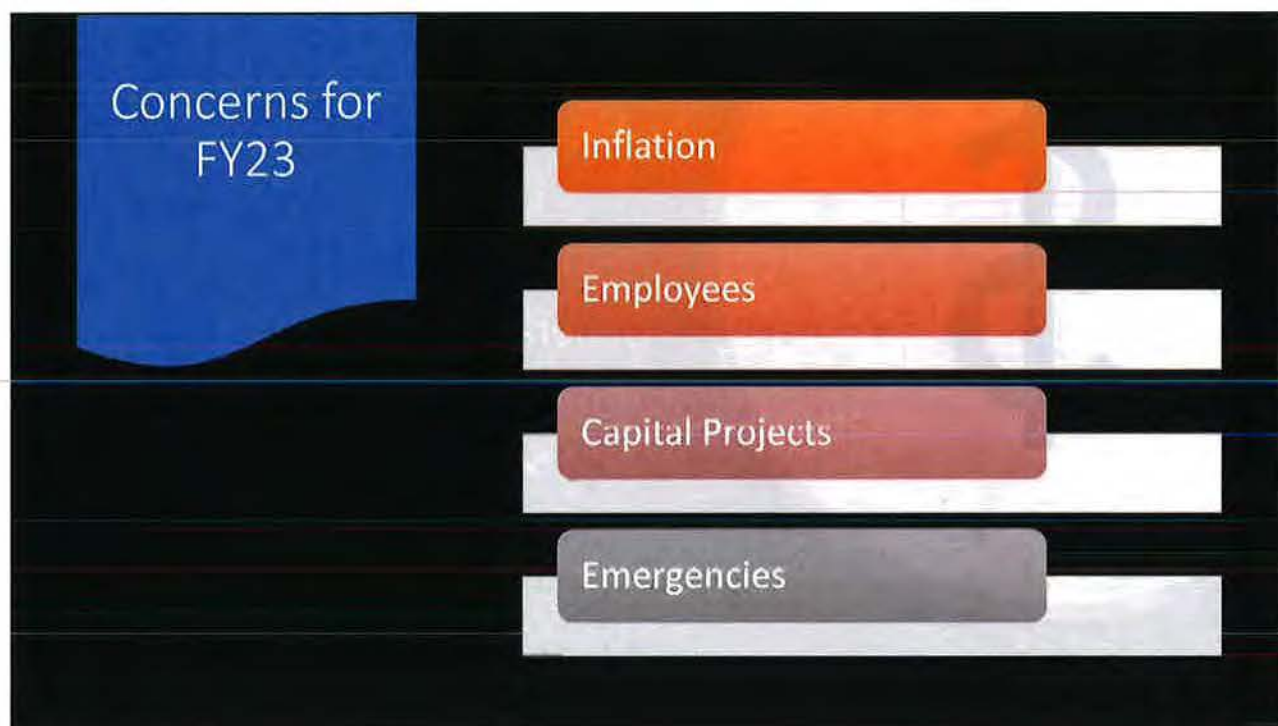
## Debt Review

- Road & Bridge Debt - \$1,587,750
  - Bond payments end 2032
- Operating Lease Debt - \$477,903
- Debt Service Fund Balance - \$6,952,187
  - Bond payments end 2044
  - .5000 Millage continues through 2028
  - Balance due after \$.50 millage expires –\$3,216,567
  - City must have funds in reserves to pay for remaining years.

18

Exhibit A-8  
 Date 7-28-2022





19



20

Exhibit A-10  
Date 7-25-2022

|                       |                       |
|-----------------------|-----------------------|
| <b>ARPA Worksheet</b> | <b>\$3,507,979.00</b> |
|-----------------------|-----------------------|

**APPROVED TO SPEND**

| Approval Date                 | Police Department ARPA List |  |          |               |                       |
|-------------------------------|-----------------------------|--|----------|---------------|-----------------------|
|                               | Item                        |  | Quantity | Cost Estimate |                       |
| 4/19/2022                     | Detective's Vehicle         |  | 1        | \$ 40,000.00  |                       |
| 4/19/2022                     | Administrative Vehicle      |  | 1        | \$ 50,000.00  |                       |
| 4/19/2022                     | Commander Vehicle           |  | 1        | \$ 50,000.00  |                       |
| 4/19/2022                     | Chief Vehicle               |  | 1        | \$ 50,000.00  |                       |
| 4/19/2022                     | Vehicle Radars              |  | 3        | \$ 25,000.00  | \$ 215,000.00         |
| <b>Public Works ARPA List</b> |                             |  |          |               |                       |
| 7/11/2022                     | Claw Truck                  |  | 1        | \$162,000.00  |                       |
| 6/6/2022                      | Trailer 12 ton deckover 22' |  | 1        | \$12,000.00   |                       |
| 4/19/2022                     | Refuse truck 25cy           | replacing 77                             | 1        | \$250,000.00  |                       |
| 4/19/2022                     | Refuse truck 25cy           | replacing 79                             | 1        | \$250,000.00  | \$674,000.00          |
| <b>Other Suggestions</b>      |                             |  |          |               |                       |
| 4/19/2022                     | Pipe Ditch-Vacant Alley     | 2nd/3rd Street-West of 2nd Ave           |          | \$100,000.00  |                       |
| 5/2/2022                      | Ocean Hammock Park          | Restroom completion-in addition to grant |          | \$300,000.00  |                       |
| 6/6/2022                      | Beach Access Walkovers      | \$67k in FY22, remainder in FY23         |          | \$335,000.00  |                       |
| 6/6/2022                      | Paving Projects             | Needed paving throughout the city        |          | \$200,000.00  | \$935,000.00          |
| <b>Pay Increases</b>          |                             |  |          |               |                       |
| 4/19/2022                     | Pay Increases-FY22          | Increase pay to \$15/hr minimum or bonus |          | \$136,000.00  | \$136,000.00          |
| <b>Total Approved</b>         |                             |  |          |               | <b>\$1,960,000.00</b> |

**ADOPTED BY COMMISSION**

| Public Works ARPA List   |  |  |   |              |              |
|--------------------------|--|--|---|--------------|--------------|
| Dump truck               | replacing 56   |  | 1 | \$130,000.00 |              |
| Water tanker             | **REMOVED**  |  | 1 | \$0.00       |              |
| Pickup                   | replacing 66   |  | 1 | \$30,000.00  |              |
| Pickup                   | replacing 67   |  | 1 | \$30,000.00  |              |
| Pickup                   | replacing 64   |  | 1 | \$30,000.00  |              |
| 6" dewater pump DBA      |  |  | 1 | \$75,000.00  |              |
| Concrete grinder         |  |  | 1 | \$10,000.00  |              |
| Storm drain cleaning     |  |  | 1 | \$100,000.00 |              |
| 48" mower                | replacing scag   |  | 1 | \$10,000.00  | \$415,000.00 |
| <b>IT ARPA List</b>      |  |  |   |              |              |
| Directional Bore         | Building C to PD-Fiber Installation to complete redundant loop through parking lot   |  | 1 | \$20,000.00  |              |
| PWD Surveillance Refresh | PWD camera system is due for replacement   |  | 1 | \$15,000.00  |              |
| Locking Rack Enclosures  | Enclosures to secure communication equip   |  | 1 | \$2,000.00   |              |
| Secure Bldg C            | Block in front glass, block in W & N PTAC units, place flooring over concrete  |  | 1 | \$40,000.00  |              |
| MFA Citywide             | Add multifactor authentication for entire city. According to Homeland Security CISA, cyberinsurance underwriters are going to be requiring this. |  | 1 | \$40,000.00  |              |
| Video Production Impr    | Cameras/Captioning equipment for city meetings, addition of wiring & technology to dais.   |  | 1 | \$75,000.00  |              |
| ID Cards                 | ID Card equipment, cards, printers, supplies   |  | 1 | \$20,000.00  |              |
| Electronic Message Board | Stationary full-matrix, full-color, led, variable message board for City Hall sign replacement   |  | 1 | \$40,000.00  | \$252,000.00 |
| <b>Other Suggestions</b> |  |  |   |              |              |
| Parking Improvements     | North Side of 5th St Between Blvd & 2nd Ave  |  |   | \$150,000.00 |              |
| Parking Improvements     | N Side of 4th St Between Blvd and Beach  |  |   | \$100,000.00 |              |
| Parking Improvements     | Dirt Lot Paving W Side of Blvd Between A & 1st St  |  |   | \$200,000.00 |              |
| Parking Improvements     | Dirt Lot Paving SW Corner of Blvd & 8th St   |  |   | \$180,000.00 |              |
|                          |  |  |   |              | \$630,000.00 |
| <b>Pay Increases</b>     |  |  |   |              |              |
| Pay Increases-FY22-FY24  | **REMOVED**  |  |   | \$0.00       | \$0.00       |

Exhibit

B

Total Adopted

\$1,297,000.00

Date

7-25-2022