



## **MINUTES**

**SPECIAL CITY COMMISSION MEETING  
MONDAY, SEPTEMBER 12, 2022, AT 5:01 P.M.**

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

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### **I. CALL TO ORDER**

Mayor Samora called the meeting to order at 5:01 p.m.

### **II. PLEDGE OF ALLEGIANCE**

The Commission recited the Pledge of Allegiance.

### **III. ROLL CALL**

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

Also present were City Manager Max Royle, City Attorney Jacob McCrea, 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. Discussion of Proposed Budget, Millage, and First Reading of Ordinance 22-09 to Adopt Operating and Debt Millage (Presenters: Max Royle, City Manager; Patricia Douylliez, Finance Director)**

City Manager Royle advised that this is a special meeting to review the Fiscal Year 2023 budget, to decide on the millage, to have the first reading of the budget ordinances, and to decide when to have the next and final budget meeting. He said that it is important to have the Public Hearing and allow the public to speak before you make any decisions. He advised that the budget ordinance and millage ordinance must be read in full by the City Attorney.

Mayor Samora asked when the Commission should address the two resolutions. City Manager Royle advised that the two resolutions should be addressed before the Public Hearing. Finance Director Douylliez agreed that the resolutions should be approved ahead of time.

Finance Director Douylliez presented a PowerPoint presentation on the FY 2023 budget [Exhibit A]. She advised that she has kept her presentation short because she has already had individual meetings with each Commissioner, and she has scrubbed the numbers. She said that at the first budget meeting on July 25<sup>th</sup> the Commission set the tentative millage at 2.50 mills and that the millage cannot go higher than that. She said that direction was given to staff to review certain areas of the budget and that those adjustments have been made. She advised that she is also prepared to take the millage down to 2.45 mills.

Finance Director Douylliez moved on to the ARPA Reserves portion of her presentation [Exhibit A-4] and advised that the City has received its final ARPA Funds and now has the full \$3,507,979.

She said that some expenditures were approved for FY 2022 at \$1,960,000, with a projected FY 2023 ARPA funds use of \$1,220,000, which leaves \$327,979 in reserves for future use.

Commissioner Sweeny asked if the mid-year salary adjustments fell into the "Current Approved Use" category. Finance Director Douylliez said yes and that it was fully approved for \$136,000 but that the full amount was not used, which is sitting in the Emergencies and Contingencies Fund for FY 2022.

Mayor Samora asked when the ARPA Funds need to be encumbered. Finance Director Douylliez advised by December 31, 2024. She said that there are some methodology changes to that because we took it as lost revenue, which means that we have taken the full amount and those deadlines may or may not apply. She said that she hesitates to go much farther beyond that in case the Federal Government asks for those funds to be returned. She suggested to try to meet the December 31, 2024, deadline and said that she believes that the City would have some funds left.

Finance Director Douylliez moved on to the Operating Expenses portion of her presentation [Exhibit A-5] and said that the original budget had an approximate 8% increase. She said that the U.S. inflation rate as of July was 8.5%, with gasoline year-on-year at a 44% increase. She advised that she held firm at 8% across the board for all departments. She said that it was suggested to review office supplies and it was found to be at a 30% increase on most items including electricity. She said that 8% is doable and any excess would go back into reserves at the end of next year. She advised that there were reductions made to the fuel line items. She advised that fuel costs had been increasing 4% month after month to a compounded amount that was originally calculated for July numbers. After reviewing it for the last six months, the adjustment was made to each department that amounted to a \$41,393 savings, which will be put into the Emergencies and Contingencies Fund and if not used it will go to Reserves at the end of the year.

Commissioner George asked for a further clarification of the fuel adjustment vs. the 8% increase. Finance Director Douylliez advised that each year she has to look at the expenses and she estimated an 8% increase in things such as operating supplies, utilities, etc. and felt it was a good number to leave in the budget with the exception of fuel. She advised that since July, the average for fuel costs has decreased.

Finance Director Douylliez moved on to the Employee COLA portion of her presentation [Exhibit A-6] and advised that she made an adjustment from the July proposed amount of 10% and reduced it to 5% with a savings of \$124,968. She moved on to the Solid Waste portion of her presentation [Exhibit A-7] and said that some reductions have been made to the non-ad valorem proposal for a savings of \$3,821.04. She said that Page 33 of the budget agenda book has a summary of the Revenues and Expenditures and that there is approximately \$3,800 more in Revenue than in Expenditures for the year. She advised that the auditors will be helping set up a Reserve Balance account just for garbage and recycling.

Mayor Samora thanked Finance Director Douylliez and the staff for a great job addressing the Commission's concerns. He asked for any further Commissioner questions.

Commissioner Sweeny asked where the cuts would come from if the millage rate is reduced to the 2.45 mills. Finance Director Douylliez advised that it would be a reduction from one line item, the Road & Bridge Department – Drainage, on Page 17 of the budget agenda books. She said that over the past year the project costs have been coming in higher and the extra revenue was put in that fund to cover those costs. Vice Mayor Rumrell wanted to make sure that the salaries would not be affected if the millage goes back to 2.45 mills. Finance Director Douylliez advised that they would not be affected.

Commissioner Sweeny asked Director Tredik if he anticipated tipping fees to be reduced. Director Tredik advised that the base fee is about \$45 per ton with an added fuel surcharge and if fuel costs drop, then the overall cost to the City will go down. He said that on the flip side, if fuel costs go up again, then the City would pay more, and it is uncertain. Vice Mayor Rumrell asked if Director Tredik looked into bringing it back to St. Johns County vs. Bunnell. Director Tredik advised that it is break-even right now but if fuel goes up again, it becomes a more attractive option. Vice Mayor Rumrell asked about the wear-and-tear on the vehicles. Director Tredik said that it would be less miles to keep it in St. Johns County but the trip to Bunnell is highway miles vs. stop-and-go traffic.

Mayor Samora asked to address the percentage increase over the rollback millage rate. He said the rate of 2.50 mills would be an increase of 7.04% and a rate of 2.45 mills would be 4.90% increase. Finance Director Douylliez said correct.

Mayor Samora moved on to the discussion of the two solid waste resolutions and asked Public Works Director Tredik for his presentation for Resolution 22-08.

Public Works Director Tredik advised that in 2020 the Commission established the range for the non-ad valorem assessment from \$125-\$370 annually, in August of 2021 the Commission set the current fee of \$315 annually for residential, and in August 2022 he recommended an increase to \$345. He advised that he redid the analysis at approximately \$335 per residence to run the program, which is a \$20 increase. He said that staff recommends passing Resolution 22-08 to set the FY 2023 residential solid waste and recycling non-ad valorem rate to \$335. He said that the \$20 increase adds up to approximately \$60,000 per year that would need to be made up out of the General Fund if not in a non-ad valorem assessment.

Mayor Samora asked if the City has enhanced the accounting to dial in on the costs. Director Tredik advised that he believes it is getting better each year and that changing over to the current timesheet format has allowed him to hone in on the accurate number of hours, etc. He said that there is always going to be a certain level of estimation, but that he believes the numbers are solid. He said that it was approached from two different directions and his numbers were close to the Finance Director's numbers.

Mayor Samora asked if that part of the operations could be accurately monitored. Finance Director Douylliez advised that the managers receive a copy of each of their department's expenditures for the month with the year-to-date included and they can monitor where they see deficiencies and make corrections as needed.

Vice Mayor Rumrell asked what St. Johns County's fee is. Director Tredik advised that he did not know their current fee, but he believed it was around \$245. Vice Mayor Rumrell said that they are renegotiating right now.

Mayor Samora moved on to the discussion of Resolution 22-09 and asked Director Tredik for his presentation.

Director Tredik advised that the commercial fee structure was based on how much the actual cost was to collect the commercial pickups, which included both condo and non-condo units at \$315. The same percentage increases were used to try to keep it even across the board for both residential and commercial. He advised that staff is recommending a 6.3% increase with the 64-gallon carts increasing from \$6.25 to \$6.60 per week and the 96-gallon carts increasing from \$9.30 to \$9.90. He said that the unauthorized container fee would increase from \$11.00 to \$11.88, which was not adjusted the last time. He is requesting that the Commission pass Resolution 22-09 to modify the commercial solid waste and recycling fees.

Commissioner Sweeny said that she understands the logic of trying to keep the numbers the same and she asked if the actual workload was the same. Director Tredik said that it is challenging to differentiate between them at times, which is the main reason for keeping it simple and a flat percentage rate. He said that it is more challenging to calculate the cost for commercial and that he does not have the data to do the same level of analysis.

Finance Director Douylliez advised that next year the Commission will see presentations to move the transient rentals from manual billing and put them into a standard non-ad valorem just for transient rentals, which allows it to be adjusted with one line item annually. She said that the tracking, the excess billing, the overages, etc. would go away and she would ask to set the rate and move forward with a motion later in FY 2023. Commissioner George asked if that was because there are more transient rentals than commercial. Finance Director Douylliez said yes, but the problem with the cart system happens when a person sells their transient rental and takes the commercial cart that they purchased with them to their new residence within the City. She said that it makes it very confusing for those on the garbage trucks to try to determine why those carts are there and not on their route sheet. She advised that there is also the challenge of the overages being calculated and that there must be an easier mechanism. She said that the point of trying to right-size the commercial garbage has created another level of challenges with trying to track it, how much they are billed for, disagreements with the overages, etc. and the City does not have the workforce to take photos of every overage. Commissioner George said that there would still be that issue with the commercial. Finance Director Douylliez said yes, but that it would be to a lesser degree because there are only approximately twenty-five commercial customers with fewer overages than the transient rentals. Director Tredik agreed that the transient rentals pose more of a problem than the commercial customers because the commercial customers tend to have a consistent amount of refuse that they generate. He said that there was progress made by switching over to the cart system but that he did not foresee the number of overages to account for and that the non-ad valorem would be a simpler approach. Commissioner England said that only twenty-five commercial customers is a significant decrease. Finance Director Douylliez advised that the majority has always been the transient rentals that are billed per month. She said that there were approximately 40 commercial customers that the City helped move to their own private services, but there were others with the inability for a dumpster, etc. that remained under City services. Director Tredik said that Ponce Landing and Makarios are examples of areas that did not have a place for a dumpster. Commissioner England asked if the Commission could be presented with a comparison of any income that the City may be losing by going to a flat rate. Finance Director Douylliez said that she could run the numbers for the billing including the overages for the last year with the use of the carts and isolate the transient rentals from the commercial.

Mayor Samora asked for the math to be checked for the 64-gallon cart because he calculates it to be at 5.6%. Director Tredik agreed to do the recalculation during Public Comments.

Mayor Samora opened Public Comment.

Sgt. Natalie Gillespie, SABPD, 2300 A1A South, St. Augustine Beach, FL, said that rent, car, fuel expenses, etc. are averaging about \$2,870 a month/\$34,000 per year, which leaves employees that make \$51,000 with only \$16,000 left for things such as diapers, phone, food, etc. She said that the City needs to keep up with the surrounding agencies; St. Johns County estimated 273,000 residents in the 2020 census and the growth is anticipated to continue; if each of the roughly 3,500 City households paid twenty-five cents more per day it would be roughly \$319,000 more for the City; Trip Advisor shows St. Augustine Beach as #14 on the list of Best Beaches for 2022 in the entire U.S., including Hawaii; A Street and Ocean Trace Road toll booths have sold more than 28,000 beach passes between March 1<sup>st</sup> and July of 2022, which equates to \$467,000; asked to

keep up with inflation to retain high caliber employees; the City is dead-last for salaries within the County and the employees are the heartbeat of the town; why would employees invest themselves in a City that does not appreciate them; retention is the biggest problem because they cannot afford it; only four sworn officers have more than ten years of service.

Nick Binder, 232 Big Magnolia Court, St. Augustine Beach, FL, understands where the Police Department is coming from; seniors are also being stressed with high costs; suggested meeting with the County to try to get supplemental money from beach passes; four years ago the non-ad valorem was \$74, then to \$178, then to \$315 to balance the budget; some should be in the ad valorem and balanced over the community; there are around 2,100 homesteads in the City with another 1,200 that are not; the biggest increase over the last three years has been non-ad valorem; asked to consider balancing off in the ad valorem; stormwater fees should be put aside right now.

Mayor Samora closed the Public Comments. He said that Sgt. Gillespie had very powerful words and he asked Chief Carswell or Commander Harrell for their comments regarding pay increases, retention issues, etc.

Chief Carswell advised that the Department has not been fully staffed for over a year and that retention has been a problem. He said that Sgt. Gillespie is accurate in stating that the more seasoned officers are going places where they can make more money. He advised that they also have an issue hiring new experienced officers because they would be taking a pay cut to come here and that they just lost another officer a month ago. Mayor Samora said that it is important to the Commission to make sure that the Police Department has the resources it needs, and he asked what the pay scale percentage differences were. Chief Carswell said that he did not know the percentage but that it is a couple thousand dollars a year, which is a lot for someone that is making \$45,000-\$50,000 a year. Commissioner George asked if that figure was across the board for each pay rate or if there are certain positions that are impacted more. Chief Carswell said that the entry level positions are impacted more, but the Beach Police supervisors are making about \$10,000 less than those supervisors in St. Johns County. Commissioner George asked if a pay and benefits survey is needed for the Police Department. Chief Carswell said that the most recent survey that was done showed that we were pretty far behind.

Commissioner England said for employees that are at their limit for their salary range and others that are in the first quartile, that managers could adjust the increase by looking at the department as a whole and reduce for some in the fourth quartile and increase for some in the first quartile for exceptional performance. Finance Director Douylliez advised that the majority of the Police Department employees are already below the first quartile. She said that if you look at pages 28 and 29 of the budget agenda books, the analysis shows that the majority of City staff is below mid-range. She said that for basic employees there are twenty steps, and the Police Department is based on fifteen steps.

Commissioner Sweeny asked to walk through the step schedule and how it correlates to the market. Finance Director Douylliez advised that when the City did the most recent analysis eighteen months ago, we analyzed across the surrounding counties, looked at the ranges, and set the City ranges for the departments at that time with the minimum being step one and the maximum being step fifteen, for the Police Department, and twenty, for the other departments. She said to divide it by fifteen steps, which goes up approximately 3% per step but that inflation has gone up significantly over the past eighteen months. She said that she believes that St. Johns County Sheriff's Department was approved for starting pay at \$52,000 for FY 2023. Commissioner Sweeny said that it would be helpful to have a list of the surrounding jurisdictions' starting pay for comparison. Finance Director Douylliez advised that a pay analysis is a lengthy process that

was done eighteen months ago but probably has changed given the nature of the economy right now and that she would look into doing another analysis again.

Commissioner George said that the starting pay for the current unfilled positions with the proposed budget would be \$51,717.12, which is pretty close to the County's at \$52,000. Finance Director Douylliez advised that she could not speak to the number of hours that it is based on for the Sheriff's Office but that the City's is based on eighty-four hour shift work every two weeks instead of the eighty hours for regular employees. Commissioner George said maybe there is something in the step program that could be reconsidered to encourage retention but that the City has a small Department, and it is always going to be fighting against the lack of opportunity that a larger agency might be able to offer as well as the finances. She said that the Commission wants to support the Police Department.

Commissioner Sweeny suggested that Chief Carswell should provide the Commission with a proposal or an outline. She said that the July ARPA discussion in particular was very vocal regarding the salary increases and that she would need that information to be brought forward. Chief Carswell said that there was a step program implemented a year ago, which is not just a COLA, but it gives the ability to reward the officers with additional money to keep them. He said that there are employees getting perfect scores on their evaluations and there is no incentive. Commissioner England asked why he could not reward the exceptional performers based on their quartile or where they are in their salary range. Chief Carswell said that if the Commission would allow it that he would love to be able to do that but right now the budget is to pay the salaries with no excess money to do that. Mayor Samora said that this budget is all COLA money and nothing for the step program. Chief Carswell said yes.

Commissioner Sweeny asked what other agencies are doing, if their pay structure is similar, and are they paying COLA and step increases, etc. She asked if it better to give a smaller COLA increase and use the money to reward those exceptional performers. Chief Carswell said that he would personally like to have the money to be able to pay the officers based on their merit.

Vice Mayor Rumrell advised that whether the millage is based on 2.50 or 2.45 mills, that no salaries would change for the Police Department. Finance Director Douylliez said correct, that as it is proposed right now every employee across the City is estimated to receive a 5% COLA.

Mayor Samora said that from a salary, COLA, and inflation perspective, that this has been an unprecedented year, which has been seen across the County. He said that he has attended County Commission meetings to address affordable housing because most employees cannot afford to live in the City. He said that the City is trying its best to keep up during these challenging times. He said that the City has limited funds but does want to recognize top performers, retain them, and attract new talent. He advised that the millage cannot go any higher but that things could possibly be changed within the budget, but he did not think that it could be solved tonight. He asked the Police Chief, the Commander, and the Finance Director if there was anything that they wanted to change to try to address this before the final reading.

Mayor Samora asked for any further Commissioner discussion.

Commissioner England said that the Commission had discussed doing a mid-year look at salaries based on expenses and inflation and hopefully it can be done. Mayor Samora asked if there were still ARPA funds in reserves for salaries. Finance Director Douylliez said that there might be something in the current budget that gets reallocated.

Mayor Samora asked Director Tredik if he had recalculated the numbers for Resolution 22-09. Director Tredik said that the 6.3% was rounded to the nearest ten-cents for the residential, the 64-gallon, and the 96-gallon cart service. He said that it would have been \$6.64 for the 64-gallon

and \$9.89 for the 96-gallon and to make it consistent with the percentage, he just set it at \$6.60 and \$9.90, which makes it the same ratio.

Mayor Samora asked for a motion for Resolution 22-08, to set the residential non-ad valorem for waste collection at \$160, waste disposal at \$130, and recycling at \$45, for a total of \$335.

**Motion:** To approve Resolution 22-08 to set the non-ad valorem fees as previously stated. **Moved by Mayor Samora, Seconded by Commissioner England.** Mayor Samora asked for a roll call vote.

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

**Motion passed 4-1.**

**Motion:** To approve Resolution 22-09 as outlined by the recommendation of staff. **Moved by Mayor Samora, Seconded by Commissioner England.** Mayor Samora asked for a roll call vote.

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

**Motion passed 4-1.**

Mayor Samora asked for a motion to approve the millage rate.

**Motion:** To approve Ordinance 22-09 to set the millage rate of 2.45 and a debt millage rate of 0.50. **Moved by Commissioner Sweeny, Seconded by Vice Mayor Rumrell.**

Mayor Samora asked the City Attorney to read the full ordinance. City Attorney McCrea read Ordinance 22-09 in full. Mayor Samora asked for a roll call vote.

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

**Motion passed unanimously.**

- B. Ordinance 22-10, First Reading, to Adopt FY 2023 Budget as proposed at 2.45 mills (Presenter: Patricia Douylliez, Finance Director)

**Motion:** To approve Ordinance 22-10. **Moved by** Commissioner Samora, **Seconded by** Commissioner Sweeny.

Mayor Samora asked the City Attorney to read the ordinance in full. City Attorney McCrea read Ordinance 22-10 in full. Mayor Samora asked for a roll call vote.

Commissioner George                      Yes

Vice Mayor Rumrell                      Yes

Mayor Samora                              Yes

Commissioner Sweeny                      Yes

Commissioner England                      Yes

**Motion passed unanimously.**

- C. Confirmation of Date and Time for Second Public Hearing and Final Reading of Millage and Budget Ordinances for FY 23 on Monday, September 26, 2022, at 5:01 p.m. (Presenter: Max Royle, City Manager)

It was the consensus of the Commission to set the second public hearing for September 26<sup>th</sup>, 2022, at 5:01 p.m.

V. ADJOURNMENT

Mayor Samora asked for a motion to adjourn.


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

Mayor Samora adjourned the meeting at 6:07 p.m.



Donald Samora, Mayor

ATTEST:

  
Dariana Fitzgerald, City Clerk

# FY 23 Budget

**City of St. Augustine Beach  
Special Budget Meeting  
September 12, 2022, 5:01pm**

Exhibit A-1  
Date 9-12-2022

# FY 23 Budget Overview

- First Meeting 7/25/22, Commission set Millage at 2.50
- Requested Staff to review the budget in the following areas:
  - Review ARPA use to allow some to be held in reserve for end of year
  - Review Operating Costs for savings
  - Reduce Employee COLA to 5%
  - Review proposed Garbage Non-Ad Valorem increase for savings
  - Review proposed Commercial Garbage increase

Exhibit A-2

Date 9-12-2022

# FY 23 Adjusted Budget

The Management Team has exercised their fiduciary responsibility in making the requested adjustments to the budget before you. We are also prepared to be able to reduce the millage to 2.45, should this be the will of the Commission.

Exhibit A-3

Date 9-12-2022

# Review ARPA Reserves



Total ARPA Receipts  
\$3,507,979

Current Approved Use  
\$1,960,000

Projected FY 23 Use  
\$1,220,000

Balance remaining  
\$327,979

Exhibit A-4  
Date 9-12-2022

# Review Operating Expenses


- 
- Operating expenses were reviewed
  - 8% increase due to inflation
  - US Inflation as of July 2022
    - 8.5% increase overall
    - Gasoline, year-on-year 44% increase
  - Decision to hold at 8% increase in operating expenses
  - Adjustments made to fuel
    - Original estimate reduced in all departments \$41,393
    - Savings put into Emergencies & Contingencies to be used if needed

Exhibit A-5  
Date 9-12-2022

Employee COLA  
Reduced



Adjustment  
made to reflect  
5% COLA

Savings of  
\$124,968

# Solid Waste/Recycle Review

- Original proposal – increase non-ad valorem \$30/year & Commercial increase of 9%
- Adjusted proposal – increase non-ad valorem \$20/year & Commercial increase of 6.3%
- Based on analysis on page 33:
  - Revenue \$1,104,771.50
  - Expenditures \$1,100,950.46
- Net difference of \$3,821.04 to be held in reserves for Garbage use only

Exhibit A-7  
Date 9-12-2022

# Questions for the Managers?



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Exhibit A-8  
Date 9-12-2022