



MINUTES

CITY COMMISSION BUDGET MEETING
MONDAY, JULY 31, 2023, AT 5:30 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 5:30 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 Undine C. George, Beth Sweeny, and Virginia Morgan.

Also present were City Manager Max Royle, Police Commander I.G. Harrell, City Clerk Dariana Fitzgerald, Finance Director Patty Douylliez, Building Official Brian Law, Public Works Director Ken Gatchell, and Engineering Director Jason Sparks.

IV. REVIEW OF FISCAL YEAR 2024 BUDGET

A. Introduction: Max Royle, City Manager

City Manager Royle advised that this the normal end of July budget meeting to set the operating/debt millage and the time and date for the first Public Hearing on the budget, which is usually the second Monday in September because the first Monday is Labor Day. He said that typically the millage is set as high as it can go at this meeting and that the Commission could give guidance if it decides to reduce the millage later.

B. Presentation of Budget: Patty Douylliez, Finance Director

Finance Director Douylliez presented a PowerPoint on the Fiscal Year 2024 budget [Exhibit A]. She explained the different millage rates and said that the current millage is 2.4500 and that with a majority vote it could go to 2.500 or with a super majority vote, 2.5324. She said that the budget being presented is based on 2.5324 and that each tenth of a mil is \$194,281. She said that the property valuation went up generously and noted that this budget is based on a 95% collection rate. The City averages a 96% - 97% collection rate, and the State allows us to budget between 95% - 100%, so this is a very modest budget at 95%. She advised that she would continue to receive updates on property valuations over the next few weeks, so if it happens to go down, then we have the flexibility to move it up if we need to.

Finance Director Douylliez presented slides regarding the City's key focuses, such as providing key services at the current levels, retaining and attracting new talent, drainage projects, and to implement maintenance programs; demographic five-year estimates from the US Census website (www.census.gov/programs-surveys/acs); and property value changes from FY 2023, which provided an ad valorem example of a median value home of \$410,717 with the calculations

of the different levels of millage.

Finance Director Douylliez said that we have an opportunity this year because we are coming to the end of what we can collect from residents for the debt service millage. She said that when it was established, it was set at a cap of \$7 million, and that we are roughly \$945,000 short of that cap. She is proposing that the City reduce the debt service millage from 0.50 (or \$1,212) to 0.30 (or \$1,163) and it would take the total current millage to 2.8324, which has been at 2.95 for the previous three years.

Mayor Samora asked how long she anticipated the City would stay at the lower debt service level. Finance Director Douylliez advised that this year she is recommending the 0.30 but that it could be reduced however much the Commission decides. She advised that we can only collect \$945,000 more, so next year we would cap out. She said that given the way that property values have increased, that she believed that we would be lower than 0.30 mills next year, then it would go away, and we would only be on the hook to pay the bonds. She advised that there is a reserve amount that would be sufficient with the addition of \$40,000 per year transferred from the General Fund into the Debt Service Fund and then it would time everything out to be paid off in 2046.

Finance Director Douylliez moved on to the next slide [Exhibit A-9] regarding the total revenue by fund, which has decreased by \$2,651,094 over the prior year budget due to ARPA/Grants/Impact Fees, and the next slide [Exhibit A-10], which recapped the FY 2024 revenue for the General Fund. She advised that she has not received the Communication Services or the Local Option Gas taxes and that the State numbers that she has received are not necessarily firm and do tend to fluctuate in the month of August. She moved on to the next slide regarding the General Fund expenditures and advised that salaries and benefits make up the largest portion at \$6,458,331 [Exhibit A-11]. She moved on to the next slide regarding the salary and benefits proposed in this budget [Exhibit A-12]. Benefits came in lower at only a nine percent increase vs. the twelve percent that she had originally forecasted for a reduction of approximately \$18,109.

She advised that salaries are going up primarily because we have based our increases on five percent across the board with the exception of the Service Worker I and Police Officer positions. She said to be competitive and attract people to work and stay with the City, we raised the Police Officer position to \$55,000 starting pay (just over an eleven percent increase) to be comparable to the County and the City of St. Augustine, and we raised the Service Worker I position from \$15.75 per hour to \$17 per hour, which is about an eight percent increase. She said that inflation is roughly eight percent, that a five percent increase is modest, and that the County had suggested seven percent, which they would be discussing at their meeting tomorrow. She advised that one unfunded mandate by the FR5 and the State are the increases that they send to us each year, ranging from nine to thirteen percent, which would depend on the classification of employment that you are in. She advised that the headcount has increased by 1.25 percent with the addition of a beach patrol officer and by taking a thirty-two hour a week employee position in the City Manager's office and making it a full-time position and to use that additional eight hours a week to take up some of the slack for grant management tracking. She said that in the past the Commission had discussed moving to a grant management service and we feel that we could accomplish a lot of it in-house and that future grants would have the grant management costs built in so that we would be able to hire someone. She advised that with Request for Proposals (RFPs) and the type of tracking that we have to do for appropriations from the State, that vendors fall short of being able to do that and to bring it in-house would help to manage it and afford the City the ability to shift some data entry duties over.

Finance Director Douylliez moved on to the next slide regarding Capital City funded projects such as drainage, sidewalk replacements, Ocean Hammock Boardwalk, generator, radar/weapons,

vehicles, body cameras, etc. [Exhibit A-13]. She advised that since the body cameras would be leased, that the Commission would see one hundred percent in the revenue in the lease agreement and the offset of the \$163,200 in the expense with the first payment of roughly \$53,000 showing in the debt service for this year. She said that other City funded capital would be another Code Enforcement vehicle, City Hall's air conditioning, a security fence at the 11th Street canal, and wind mitigation with the first being the replacement of the Police Department's leaking windows. She moved on to the next slide regarding ARPA funded capital projects such as storm drain maintenance, A Street parking improvements, dune walkovers, and a dump truck that was ordered for \$190k but would not be in use until December and would need to be reallocated into the FY 2024 budget. She advised that the City is pledging \$100,000 for dune walkovers to put towards a matching contribution from the Port and Waterway of \$190,000 to build four additional dune walkovers. Unfortunately, we are short \$90,000 and we may need to carry that over to FY 2025. She moved on to the next slide regarding grant funded projects [Exhibit A-15] such as Ocean Walk and other drainage projects, dune walkovers, a vulnerability assessment, etc.

Finance Director Douylliez moved on to future capital considerations, which are based on the Five-Year Capital Plan, and provided estimates for the next four years from the items that have already been identified to date. She advised that she would continue to update it each year to make sure that we are adding additional funding as we become aware of other projects. She moved on to the next slide regarding the reserve estimates [Exhibit A-17] and advised that they are rough estimates and that we would have made some payments out of the Debt Service for the current bonds and that we would have some excess revenues from this year's receipts. She advised that she is waiting to see whether the revenues net of the expenditures will be up or down in the General Fund and that the current budget was before you take \$320,000 out of reserves just to fund the budget and balance it for this year. Commissioner Sweeny asked if these were the anticipated current fiscal year reserves. Finance Director Douylliez said yes.

Finance Director Douylliez moved on to the next slide regarding debt review [Exhibit A-18] and said that we have a \$7 million dollar cap on what we can collect and that we have already collected \$6,054,036 to date and that she does not anticipate any large changes to it because for the most part we have stopped receiving tax revenue from the County for this year. She advised that the FY 2024 debt service millage reduced to 0.30 mils will give us \$553,701 with a balance in FY 2025 of roughly \$392,263. She said that the bond payments end in 2046 but that the bonds would not all time out at the same time because they are staggered. She advised that going forward we are going to set aside \$40,300 from the General Fund to help pay the bond payments so that by 2046 we are ready to pay off our final bond payment. She moved on to the next slide regarding concerns for FY 2024 such as capital project funding, employees, a stormwater utility fee, and emergencies. She advised that the City was at a comfortable place with its reserves and now we are starting to go back down and that our mandate according to the City Charter is twenty percent reserves and that we would be left close to twenty-eight or twenty-nine percent with this reduction. She said that she and the City Manager have discussed whether twenty percent is a good number or whether we need to go to thirty percent since we are a coastal city and that there are a lot of needs in the City that revenue is not covering, which a stormwater utility fee would help. She concluded her presentation and advised that the Department Heads are here to answer any specific questions for their department.

Mayor Samora thanked the Finance Director for her presentation and said that overall, it is roughly an \$11.1 million budget. Finance Director Douylliez agreed. Mayor Samora said that the proposed millage is 2.5324 with the debt service millage down to 0.30, so it is a proposed 2.8324. He said that this is actually a reduction from last year's overall millage of 2.95 or a 4.15 percent reduction. Finance Director Douylliez agreed.

Commissioner George advised that she had two questions that did not get covered in her private meeting. She said that the 11th Street canal security fence at \$120,000 seemed very high and she asked what it entailed. Public Works Director Gatchell advised that the outfall canal that goes from State Road A1A to Mizell Road, which is about 3,400 feet long, would normally have had a FDOT fence put up because it was a right-of-way at that time. He said that we are looking at a six-foot chain link fence such as the one that is on the south side of the Mizell pond, which was about \$25 per foot and that is what they based this figure on. Commissioner George asked if there was anything there now. Director Gatchell said that there is a four-foot cattle fence with two rows of barbed wire on top, which is gone in some places, some of the wooden poles are rotted out, and that the Commodore's Club has built their property up, which has pushed against the fence. Commissioner George asked if there were any other ideas for repairing the fence, which would be more feasible and less costly. Director Gatchell advised that we could replace it with the same fencing that is there but that it would not last because the weather would just destroy the wood posts again. Mayor Samora asked how old the existing fence was. Director Gatchell said probably from 1998-1999. Mayor Samora said that the chain link fence that is budgeted for \$120,000 is only for the north side of that canal and not the south side. Director Gatchell said yes. Mayor Samora asked what condition the south side fence was in, which does not abut a community. Director Gatchell advised that it does abut two City communities, Marsh Creek and Sea Grove as well as some of the County area on Oleander at 11th Street. He said that the condition of the south side fence is not as bad and could probably go another year.

Commissioner Morgan asked if there would be any advantage to waiting a year to try to do it all at once and possibly get a better deal. Director Gatchell said that he did not believe that there would be any advantage because it would be priced by square footage. Commissioner George asked if the abutting communities have any responsibility for it. Director Gatchell said that he believed that it was the City's responsibility. He said that the Commodore's Club owns the property on the north side but that the City has an easement over it. Commissioner Morgan asked if we would need another fence if the Commodore's Club already had a fence. Director Gatchell advised that the existing fence is the City's, and that the Commodore's Club was not built out yet when the canal, the roads, and the fence were all put in.

Vice Mayor Rumrell said that Director Gatchell mentioned that there was a fence abutting the City's fence. Director Gatchell advised that the Commodore's Club owns the property, and the City has the easement. Commissioner Sweeny said that the Commodore's Club built up the land, which impacted the fence. Director Gatchell advised that FEMA required that some of the properties needed to be built up to that level for elevation, which caused the yards to be elevated two feet up the fence. Commissioner Morgan asked if that would still be a problem with the new fence. Director Gatchell said yes and no because we would probably have to shore up the road a little bit.

Commissioner George asked if there was a different style fence that would be more affordable. Director Gatchell advised that a chain link fence is about as affordable as you are going to get unless you go with the cattle fence that is there now. Commissioner George said that a cattle fence may be worth considering since it lasted since 1998. Director Gatchell advised that he did not think that the Commodore's Club would want a cattle fence again and they may not even want a chain link fence. Commissioner George suggested that maybe the Commodore's Club would want to pay towards the cost for a more aesthetically pleasing fence. Director Gatchell said that it is possible. Commissioner Sweeny asked what the cost difference would be for a wood fence. Director Gatchell said that he did not know and that most of the Commodore's Club fencing is white vinyl, which is probably something that they would want to stick with.

Engineering Director Sparks advised that a cattle fence would probably be around \$20 a foot.

Public Works Director Gatchell said that most of the cost would be for the labor to install it. Commissioner Morgan asked if a chain link fence would last longer. Director Gatchell advised that the City has had a chain link fence on two sides of the Mizell pond since it was built with the remaining sides added over the years to encompass the entire pond. He advised that the fence is a commercial grade, heavy duty eight-gauge wire, and that is why it has lasted so long. He said that it could be downsized to a residential grade wire, which may be cheaper. Mayor Samora said that for budgetary purposes we would still be in the same ballpark. Director Gatchell agreed. Commissioner George asked to obtain a hard estimate per linear foot on the other options before our next meeting, which would be worth considering so that we know the difference. Director Gatchell agreed.

Commissioner George asked if the windstorm mitigation pricing was an over-estimation for the windows and how many windows are being replaced. Assistant Public Works Director Adams advised that it was an overall estimate and that we would start at the Police Department first and see where that gets us, then move to City Hall. Commissioner George asked if they would be commercial grade windows. Assistant Director Adams advised that they would be impact resistant windows and that they got a quote for the storefront window in the Public Meeting Room, which was around \$35,000. Building Official Law advised that the storefront glass also included the two doors because of the mag locks, which would have needed to be replaced with electric police push bars that cost \$35,000, so he pulled it and said that it would need to be done Citywide. He said that his recommendation for the lower third portion of the plate glass with the bar and no glazing in it, would be that it should have aluminum panels. Assistant Director Adams advised that we originally had \$25,000 included for the soffit on the west side of the building, which is also part of the windstorm mitigation and that they would not know how involved it would be with rot, etc. until they pull it out. He said that the \$100,000 was an estimated cost for a portion for Phase 1. Commissioner George asked if he thought that the projects would reach that dollar amount within this fiscal year. Assistant Director Adams said yes. Commissioner Morgan said that we would do whatever we could with the \$100,000 and plan again for next year. Assistant Director Adams advised that they would like to hire someone to put together a bid packet, create a spec sheet, go out to bid, pick a standard window, and use it for budgetary purposes so that we could have better and more firm numbers next year.

Vice Mayor Rumrell said that the glaring thing for him is the Police Department body cameras because the City is a small jurisdiction. He advised that the County and the City of St. Augustine have started using them, but that the City of St. Augustine is dealing with a different situation with homelessness downtown and so they are able to document it. He said that \$163,200 is just to get us into the ball game and that we would need extra storage, need to hire another employee, etc., which would probably bloom into \$250,000 to \$300,000 over time and then you would need to update everything. He said that he may be in the minority but that he did not know if there was a need for them at the beach. Commissioner George agreed and said that the City does not have a history of the issues that would normally necessitate the need for body cameras. She said that it would be a hornet's nest trying to deal with the public records, the storage, etc. but that it would only reduce our budget this year by \$53,000 because they were a leased product. Vice Mayor Rumrell said that he was thinking of the long term extra cost of it.

Mayor Samora asked for clarification of the additional costs because he was going into this with a budget impact of \$53,000. Commissioner Sweeny asked for the background history of the initial discussion regarding going to body cameras. Commander Harrell advised that they have been discussing body cameras for about three years and that it has finally come down to talking about the real numbers. He advised that the Police Department has not had any Use of Force complaints over the past two years so it would be the Commission's decision whether to get them or not. Commissioner Sweeny asked if there was any guidance from State, National

associations, or any other entities, encouraging police departments to use them, or is it considered "best practices". Commander Harrell said that it is considered best practice if the City can afford it because they are very expensive. He said that the surrounding jurisdictions have them and that they are on the scene a lot of times with our officers. He said that it is basically just like a weapon, you do not need it until you need it.

Vice Mayor Rumrell asked what other costs are associated with it once it is in production. Commander Harrell advised that the \$163,000 is from this budget until October of 2027 and within that price is redaction software and storage, but that it would most likely generate the need for another employee at some point to handle public records requests, redactions, etc. Mayor Samora said that it is not in the budget this year. Commander Harrell agreed and said that it would not necessitate the hiring of a new person right now.

Commissioner Sweeny asked when they would begin using the cameras if this gets approved. Commander Harrell advised that he would have to reach out to Axon because there are a lot of things that go on behind the scenes, a lot of infrastructure that would need to be built, and that the body cameras and the tasers would be integrated with it. He said that they would need to build a room, wire it, power it, determine where it is going to be stored, and how to pull it, etc. Mayor Samora asked if the City's IT Department has been involved with any of the discussions or if they have identified any costs associated with it. Commander Harrell advised that IT has been involved but that they have not gotten into specifics at this point. Commissioner Morgan said that this is just the estimated startup costs for the first year. Commander Harrell said that this cost is projected out through October of 2027. Commissioner Sweeny said that it would be \$54,000 for this fiscal year. Commander Harrell said yes.

Commissioner George advised that she is comfortable saying that we do not have the data to justify the need at this point. Commissioner Morgan said that if we put it off this year that we should plan to reconsider it again at some point because it is something that the public is going to want us to have for transparency, which extends to body cameras. She said that she is comfortable putting it off this year because she believed that the money could be better used elsewhere.

Commander Harrell advised that if the Commission wants to implement the cameras, that they already have policies in place and they are ready to move forward. Mayor Samora asked how the Police Department staff feels about the cameras such as being like "big brother", or a way to protect themselves, etc. Commander Harrell advised that they have not really articulated that per say, but that they are fine with wearing body cameras and that a lot of them came from other jurisdictions that used body cameras.

Commissioner Sweeny asked if the police cars had dash cameras. Commander Harrell said no. Commissioner Morgan asked for a cost comparison for dash cameras. Commander Harrell advised that they would probably be a little less expensive, but the issue is that the cameras would be completely down when the car is in for maintenance because they are not portable whereas the body cameras are portable and there would also be spare body cameras. He said that downloading it from a vehicle would also be more complicated than the body cameras because they could just be put into a docking station, downloaded, and stored. Commissioner Morgan asked if his preference would be for the body cameras over the dash cameras. Commander Harrell said that he believed that body cameras would be their preference because they are easier to use, and more cost efficient. He said that when a vehicle is taken out of service, all the wiring and hubs would have to be removed from the vehicle. Commissioner George said that the administrative costs would probably be the same because of the same issues of storing, redacting, etc. Commander Harrell agreed that it would likely be the same.

Vice Mayor Rumrell advised that he and Assistant Public Works Director Adams talked about the repairs for the Ocean Hammock Park boardwalk and that the City Manager gave him an update this evening. He said that we are going to get a full number and then discuss it with the Tourist Development Council (TDC) or the Port and Waterway to cover the cost. Assistant Director Adams advised that we discussed stepping back from the \$25,000 that we originally put in and potentially having \$5,000 in operating costs and \$5,000 in contract costs for an assessment of the condition of the current boardwalk before we ask for money. He said the \$5,000 in operating costs would replace the wooden handrails and any 2x6 boards that need to be replaced, then we would get the assessment before we approach the TDC or Port and Waterway for any additional funds. Vice Mayor Rumrell said that the reason that he brought it up is because Port and Waterway gives grants for beach access and that this is probably the most contentious and beloved beach access in the City. He said that during his meeting he recommended finding out what the full cost would be to repair the entire thing to get it done all at once so that we could potentially get another twenty to twenty-five years of life expectancy out of it. Commissioner Sweeny advised that she also discussed it in her meeting and that she felt better about that plan.

Commissioner George said that Law Enforcement Education and Training increased substantially in part because of the cost of the supplies, but that there was an additional allotment for Other Education, and it sounded like there was a possibility of reducing that by \$20,000. She said that normally she is all about funding education and training for employees that are seeking degrees, but the recommended millage we are looking at is the maximum statutorily allowed for an increase, so cutting \$20,000 here and there might be worth considering. Commander Harrell said that if it does not get funded, then they would not continue their education. Mayor Samora asked if it was for continuing education or training. Commander Harrell advised that the bulk of it would be for continuing education for two graduate degrees masters programs.

Commissioner Sweeny asked if it paid the entire cost of the program or if the City had a tuition reimbursement policy. Finance Director Douylliez advised that we have a tuition reimbursement policy predicated upon their grades such as a grade of A would be reimbursed at one hundred percent, a B at eighty percent, a C at sixty percent, and nothing reimbursed for any lower grade. The reimbursement would also need to be approved by the manager as being valuable for their Department. Commissioner Sweeny asked if there were any limitations such as the type of degree, the institutions they must use, etc. Finance Director Douylliez advised that it has to have some sort of basis in the public administration realm such as Flagler College's Computer Aided Design (CAD) Program and that we pay based upon the State's average rates. Commissioner Sweeny asked what that rate was and if it was per year or for the overall program. Finance Director Douylliez advised that it would be for the entire program and that it was roughly \$15,000 at Barry University.

Mayor Samora asked how this program compared with the County's and the City of St. Augustine's. Commander Harrell advised that our policy is fantastic compared to the Sheriff's Office. Commissioner Sweeny said that other places have a certain amount per year that they will reimburse, and that she has seen it up to \$8,000 per year reimbursement for a master's program. Finance Director Douylliez advised that the City also has a portion of the policy that specifies that you would have to remain employed by the City for a certain number of years or you would be on the hook for reimbursing the City. Commissioner Sweeny asked if an employee had to be employed by the City for a certain amount of time before they could qualify. Finance Director Douylliez said that she believed that the employee would just need to be out of the probationary period. City Clerk Fitzgerald advised that use of these funds is subject to supervisor approval, so employees would not be able to access this funding on their own. Commissioner Sweeny said that we would not be able to deny it since it is our policy that employees are eligible. Finance Director Douylliez said that the policy stipulates that it is subject to manager approval.

Commissioner George said that it required a hard look but that she would not want to target one Department over another and that she is usually very much in favor of educational funds when they are requested. She suggested that the City's policy may need to be reexamined as well. She said that we try to have incentives to keep people in the City and to recruit but that we have a better than average health insurance plan as well as other benefits. She said that it is a real red flag that this is the highest statutory allowed because what if there is an emergency next year. She said that we cannot keep adding employees and benefits and then not make any changes when we have these increasing environmental hazards causing perpetual costs. She said that our solution is to create a stormwater utility fee, which is just taxing our residents more and that she has concerns for this runaway train of expectations. She said that everyone that works for the City does a great job and we give top-quality service, and we need to pay top-quality salaries, but we also have to balance that with what our finances can bear.

Commissioner Sweeny said that she requested that we reevaluate our leave payout policies, which are incredibly generous based on others that she has seen. She agreed that the City has incredible employees and that she would not want to take a benefit away from any employee that has that expectation but to possibly change it for new employees.

Vice Mayor Rumrell pointed out that this budget has some pay outs that would not be reoccurring but eventually there would be others for retirement. He said that another thing that he discussed and wanted to bring to the Commission was that he is still bullish about selling Hammock Dunes Park to either the County or to Forever Florida and to keep it as conservation, which could net several million dollars back to the City. He said that the City does not have the funding to do anything with that Park and there have been some drainage issues into surrounding neighborhoods potentially from the Park. He said that the City Manager advised him that this suggestion would need Commission approval and probably a referendum, but that he did not think that the citizens would be against it since it would remain as conservation forever. Commissioner Sweeny asked if there was any benefit to the City owning it. Vice Mayor Rumrell said that he and the City Manager could not find any benefit, it is just an asset that we are never going to do anything with, and that we should capitalize on that asset to get paid back for it while still keeping it in conservation. Commissioner George said that this Commission may not be able to do anything with it, but if the City owns it, then it has control over it for the future. She said that her initial feeling about transferring it is that it would be a bad idea but that she would like to learn more about it. Mayor Samora asked if there was any debt service on the Park. City Manager Royle said no.

Commissioner Morgan said that she had concerns about selling it because then it would not be available to the City in the future. She said that the City might need the money now, but it may not serve us well in the future. She said that she did not believe that we could ever develop the Park but that there could be some improvements such as a walking path but not much more than that and that she agreed that it should be for conservation.

Mayor Samora said that it is an interesting concept to move it from the balance sheet to more liquid capital. Vice Mayor Rumrell advised to put it into reserves to go towards the thirty or forty percent. He said that we are at a point with this budget and that they are only going to get harder as time goes on, but that his hope is that property values will continue to rise so that the City gets more revenue. He said that after the 2024 Presidential Election it will be interesting to see where things sit because it could tailspin and we could lose assets. Commissioner George said that that is short-term, and the City is perpetual. Vice Mayor Rumrell said that he agreed but said that we need to start looking at what we have because he does not want the City to turn into another Hastings where we run out of money or have to continue to raise millage.

Commissioner George said that there is a reverter clause in our deed that the land cannot be sold

or used for any commercial purpose and that she did not know what conservation organization would pay market rate to buy the property. Vice Mayor Rummell advised that he has had conversations with North Florida Land Trust who has shown an interest in the Park as well as the County to potentially do a passive park.

Mayor Samora advised that we have gone well beyond the scope of this budget, it is not going to impact this year's budget, and to stay on track. He said that he was glad that it was brought up, that it has some merit, and to possibly add it to an upcoming agenda.

Commissioner Morgan said that it was suggested in her individual meeting to consider reallocating the money for the body cameras and to use it to help implement the stormwater utility fee next year, which she thought was a great suggestion. She said that having body cameras is something that we would eventually need to do but maybe not this year and that the \$163,200 could be better spent. She said that we have some money to help establish the stormwater utility fee but not enough and if we want to get it onto the FY 2025 budget, that we would need to work on it now.

Mayor Samora asked what the City currently had allocated in the budget for implementation of the stormwater utility fee. Finance Director Douylliez advised \$25,000, which is short. She said that we have talked about reducing the amount in the budget for the Ocean Hammock boardwalk repairs to \$10,000, which would give us another \$15,000 towards the utility fee along with other changes such as removing the body cameras to give us another \$53,000.

Commissioner Sweeny said that there was some discussion about possibly using funds from the Road Emergencies and Contingencies Fund to pay for that study and she asked if that was possible. Finance Director Douylliez advised that we receive Local Option Gas Tax that goes towards roads and that she did not believe that it would be able to be used for drainage.

Mayor Samora asked how much funds would be needed to get the stormwater utility fee implemented. Finance Director Douylliez advised that they looked at other areas such as the City of St. Augustine, Orange Park, and Vero Beach and that it would be at least \$100,000. She said that a stormwater group in Florida produces a report that shows what people are using across the State to allocate that fee and that an overwhelming number of them use Impervious Surface Ratio (ISR), which would have to be developed for all the properties in the City. She advised that whatever we implement should be justifiable and defensible in a court of law and the ISR is tried and true. Mayor Samora asked if this budgetary number was based on what we have seen from other jurisdictions. Finance Director Douylliez said yes and that they are working on a Request for Proposals (RFP) that would go out and be ready for review in October. She said that this is going to be a very long-term project to try to push it through so that we have everything ready to go for the FY 2025 budget, and if we do not start in October, then we would fall behind very quickly. She said that sometime in April or May we would need to have the fees set so that we can send out mailers to all the residents alerting them to the change and the upcoming Public Hearing. She advised that the tax roll certification would need to happen no later than September 15th and that adding all those calculations in for every property would be time consuming.

Mayor Samora asked if we could reallocate money from somewhere else even though we are still capped out on the millage. Commissioner Sweeny asked what other potential sources could be used to fill the gap if we do not reallocate the body camera funds. Finance Director Douylliez advised that it had been discussed to make the change to the Ocean Hammock Park funds and to reduce the Police Department's training budget, which would give us \$20,000 and it would leave the Police Department with some budget for education but not enough to cover the two employees that want to further their education. That would give us another \$35,000 and we have roughly another \$29,000 sitting in Emergencies and Contingencies but she would hesitate to use

that because every year something always comes up. She advised that she would need to go through the operating expenses a little bit harder and instead of a five percent increase, reduce it to three percent to make up the difference and everyone would have to monitor their spending extremely well over the next year. She advised that there is roughly \$18,000 coming back into the budget because the benefits increased by only nine percent instead of the twelve percent that she estimated. She said that she is ultra conservative when budgeting for new hires and replacements, that she tends to base it on the highest cost out there, and that she could reduce it by only hiring single people, which would save the City money. She said that there are some capital items that she would hesitate to remove but that we have talked about possibly pushing the 11th Street canal fence into FY 2025. She said that she did not know if it would fall under drainage but if so, it might be able to be partially funded by the stormwater utility fee. Or because the stormwater utility fee would be funding other areas, it would reduce the expenses in that category freeing up funds to put the entire fence in the following year.

Commissioner Morgan said that the capital improvement budget is small this year and that next year has a lot more so she would be hesitant to shift something into next year. Mayor Samora agreed unless you were shifting something that could be funded by that stormwater utility fee in the future. He said that he would stay away from secondary education because he believed that it would be a policy change and that he also would not want to single out one department.

Finance Director Douylliez advised that it seemed like the overwhelming majority of the cities that have a utility fee are utilizing ISR, but it does not mean that it is the only option that we have. She said that there is data available to us from the Property Appraiser regarding the lot sizes and that we could investigate other cities that are using a different methodology to see if it is something that we could develop in-house instead of needing an outside source to help us develop it. Commissioner Sweeny said that she would like to see what other options there are for the next budget meeting and to hold off on making a final decision.

Mayor Samora said that the requested millage is the maximum allowable, which is scary because we have \$2 million in Capital Expenses this year and \$6 million next year and it is not going away. And with inflation, hopefully it will not be eight, nine, or ten percent next year, but by kicking the can down the road we cost ourselves more money. He said that we need to figure out how to get an operating budget that works and that he appreciated bringing other ideas to the table such as moving things from the balance sheet and selling it to get the money, but those funds do not keep regenerating. He said that we could spend \$6 million next year just to cover our Capital Expenses and then we are in another hole the following year. He advised that stormwater utilities are a reoccurring revenue and that we need to look at things like that and also look outside the box for other ways of doing it. He said that he talked to the City Manager about annexing undeveloped properties to make our City bigger because we are getting built out and we need to start looking into that. City Manager Royle advised that he did not know how we could practically do that.

Commissioner Sweeny advised that she is not a fan of raising taxes, but she is encouraged that we are able to at least lower the debt millage so that residents would be paying less and that she did not want that to get lost in this conversation. She asked the Finance Director if she could pull information showing what our millage rates have been for the last ten years. She said that unfortunately we are in a world where inflation is out of the roof and we have to pay our employees more or we are going to lose them, so there are some things that are out of our control, and we lived with the same millage rate for many years. Commissioner George said that those values generated a larger revenue, so it was not like we were stagnant. Commissioner Sweeny said that she did not think that this was a bloated budget, and it is really difficult to cut anything, which puts us in a hard place. She said that she agreed with the Mayor that we need

to figure out a path forward operationally. Commissioner George said that any time we are talking about a \$12 million budget and pulling out \$10,000 and \$20,000 increments, that it is not a bloated budget, these are real capital improvements and maintenance costs, etc.

Mayor Samora opened Public Comment.

V. PUBLIC COMMENTS

Nick Binder, 232 Big Magnolia Court, St. Augustine Beach, FL, did not see an increase in non-ad valorem for solid waste; encouraged the City to get a copy of the discussion that happened at the County regarding Hammock Dunes Park that had certain requirements such as \$2.5 million for the cost and the City paid \$1.25 million plus interest; the County did not charge the City for their \$1.25 million, they just gave it to the City with a condition that required a four to one vote, super majority, and back to the public for their determination; before you get into it again, to go back to the history fifteen years ago when it was done; the walkways and Hammock Dunes Park, he has been there a number of times and has stressed to them that Ocean Hammock Park needs to be maintained and encouraged them not to give the City a dime until it takes care of the Park; encouraged the City to do something with Splash Park for the kids; he said that there is \$48,000 for another Code Enforcement vehicle and that the Police are retiring a vehicle that could possibly be used; Code Enforcement costs usually come from the Building Office, which are not part of the general budget; there were no grants this year and he encouraged the City to go back to the State and show them the unanticipated cost increases and ask for supplemental dollars because you will need it to finish the projects that you want to start; the stormwater utility fee is not going to be the solution to finish existing projects; kids playing on the concrete surface at Splash Park are going to get hurt and other places provide the rubberized surface and to use the \$48,000 for another Code Enforcement vehicle because they can get a used vehicle.

Commissioner Sweeny said that she has a young child, they use Splash Park, and that she has heard the requests for a rubberized surface at several meetings. She asked the Commander if he was aware of any incidents of children getting hurt at Splash Park. Commander Harrell advised that he was not aware of any. Commissioner Sweeny advised that she has taken her daughter there too many times to count, that she has never seen anyone get hurt, and that she would not want anyone to get hurt there. She said that she mentioned this at her individual meeting and that she would like the City to look into the cost but that it would probably not be feasible in this fiscal year. She said that the County has already made some repairs to the playground and a new sunshade. She wanted to let the public know that she has heard their requests and that it is something that she has asked staff to look into and that she would like to know if there are injury reports that we were not aware of.

Vice Mayor Rumrell agreed with Commissioner Sweeny's comments. He said that he is prepared to discuss it with the Tourist Development Council (TDC) if the Commission gives him approval to do so because it is not just for the residents, we have a lot of visitors that use it as well, which may be something that they could fund. He also wanted to address Mr. Binder's point and said that we went back to the State last year and they denied us and that we will go every year that he sits on the Commission. He said that the comments are usually about how the City would fund the maintenance, so the stormwater utility fee is more for maintenance and not for new projects.

Commissioner Sweeny said that Engineering Director Sparks has given us a list of new projects to take to the legislature this year, which is starting in January. She advised that typically you do not see the legislature going back to provide supplemental funding for a previously funded project. She said that we are trying to be very cognizant of what we ask for and we are overestimating instead of underestimating, which we may not have done as well in the past and we would also build in the grant management costs.

Mayor Samora asked who funds the improvements and maintenance for Splash Park. City Manager Royle advised that the City does because we have leased the land to put Splash Park there.

Mayor Samora asked the Finance Director to address Mr. Binder's non-ad valorem solid waste question. Finance Director Douylliez advised that there is no increase recommended for this fiscal year, which would be reevaluated ahead of the FY 2025 budget meeting to see which way we need to go with it.

Commissioner George asked if the Code Enforcement vehicle was part of an internal budget, which would not impact the General Fund. Building Official Law advised that Code Enforcement is actually funded by the General Fund. He said that a long time ago it was under the Building Department, which is not exactly legal because it enforces City Codes, Land Development Codes, Right-of-Ways, etc. and potentially even building permits but they were struck from it. Starting next year, the truck that Code Enforcement is borrowing from the Building Department will be deployed to Mr. Fowler who will be acting as a permit enforcer out in the field because there is an enormous amount of unpermitted work going on. There are a lot of property sales in the City and when these properties are turning over, it comes up in the sales. The realtors know the system, they are asking for the permits, and then they cannot generate them. We are hoping to encapsulate a lot of that because usually unpermitted work is unsafe.

Commissioner George asked if the purchase of the Code Enforcement vehicle would impact the General Fund. Building Official Law said yes. Commissioner George asked if the police vehicle could be looked into. Building Official Law advised that if they are going to surplus a vehicle, then it is at its end of life. He said to keep in mind that the Commission raised the transient rental inspection fees from \$150 to \$450 to fund the Code Enforcement position and they are driving a Building Department truck that I do not have available to me now. He said that we funded this to get us through the first ten months of the year and in October we will be looking for a government white pickup truck through the Sheriff's contract pricing. He said that this is not to repurpose a vehicle or to keep from outfitting staff that were hired because of public outcry and with the Commission's blessing. Commissioner George asked if there was any other source that he would recommend to obtain a used vehicle. Building Official Law advised that we would be looking at purchasing a vehicle now and keep it for eight to ten years.

Mayor Samora moved on to Item VI.

VI. SETTING PRELIMINARY PROPERTY TAX MILLAGE FOR FISCAL YEAR 2024, AND DATE, TIME, AND PLACE FOR FIRST PUBLIC HEARING ON THE BUDGET

Mayor Samora said that there really are no changes, just some things to explore. Commissioner George said that there have been some good ideas, which sounded like there was some consensus on and she asked where everyone was at on the body cameras and the Ocean Hammock Park reallocation. Mayor Samora asked how much the Ocean Hammock Park reallocation was. Finance Director Douylliez advised that they would pull \$15,000 out and leave \$5,000 for the analysis and \$5,000 for the handrail repairs.

It was the consensus of the Commission to go ahead with the Ocean Hammock Park reallocation and pull \$15,000 out.

Mayor Samora said that the body cameras are approximately \$53,000 this year and he asked where it would be reallocated to. Finance Director Douylliez advised that it would be best suited for the stormwater utility fee and entertaining a consultant to help develop and implement it for FY 2025. Mayor Samora asked if she was looking for a total of another \$75,000 for the consultant. Finance Director Douylliez said yes.

Commissioner Sweeny said that she was not in favor of moving the money from the body cameras

because she sees it as an inevitability, it is a transparency issue for the public, and it also works to benefit our employees. She said that she would hate to see the day come that we needed them and did not have them. She said that the budget is not going to get any easier and she is concerned that if we push it to the next year that it will never get done. Mayor Samora said that we have been talking about them for a few years and that he believed it came to a head this year because the Sheriff and the City of St. Augustine have implemented them. He said that he could be swayed one way or the other if it is that tough of a budget item. He said that he would like to see the body camera option stay in for now and try to find the \$50,000 somewhere else. He said that we have two more readings on the budget. Finance Director Douylliez said that maybe there would be some State revenue numbers potentially by next Monday for the regular Commission meeting, which may be above what she had anticipated. She said that she would ask each Department to look at their operating expenses to see if there was anything else that they could scrub from their budget. She advised that there is always the opportunity for another budget meeting to review any other findings before September 11th.

Commissioner Morgan said that if we are not going to reallocate the money from the body cameras to the stormwater utility fee, that there is \$18,000 in savings from the benefits coming in lower that she would like to see go to the stormwater utility fee, which would help put something towards the amount that is needed. Commissioner Sweeny said that she could also be swayed and if there are no other options, that she could live with pulling the money from the body cameras but that she would like to explore other options first. She said that she also liked what the Finance Director said about exploring other legally viable options of calculating the stormwater utility fee and that she would like to see those options before pulling it from the body cameras. Commissioner George said that she did not like the idea of spending that much money on the stormwater utility fee. Finance Director Douylliez said that not having the experience of how they get implemented that there may be an opportunity to implement if and as we go along, we could reevaluate it and possibly change the methodology. She said that maybe we could go to the ISR in five or ten years and that we are hearing that it needs to be updated on a continual basis. Commissioner Sweeny said that she wanted us to do it right and stand the test of time but to look at all the options.

Mayor Samora said that staff has already heard his frustration regarding paying for all this design work up front. He said that whether it is for drainage projects, that we now do not have the money to implement, or this consulting fee for something that we hope to implement. He said that he had suggested to try to contractually pay them in increments as we get towards implementation. He said that this is budgeted at ninety-five percent collection and that going up to one hundred percent would not be wise, but that every one percent of collection equals another \$50,000. He said that if we go up to ninety-six percent collection then you may have your money for that consultant but that he did not necessarily want this change made right now. Finance Director Douylliez agreed and said that over the few weeks as we receive our second round of data from the Property Appraiser regarding home values and the firm data from the State on revenue estimates that she would be able to fine tune the budget. She said that FY 2023's collection rate was roughly ninety-six percent and the trend seemed to be between ninety-six and ninety-seven percent in our recent past.

Mayor Samora asked if the motion to set the millage would need to include any of the changes that we just made. City Manager Royle said no.

Motion: To approve a preliminary property tax millage of 2.5324 and a debt millage of 0.3 for fiscal year 2024 and to set the first public hearing on September 11, 2023, at 5:01 p.m. **Moved by:** Commissioner Morgan. **Seconded by:** Commissioner Sweeny.

Mayor Samora

Yes

Vice Mayor Rumrell Yes

Commissioner George Yes

Commissioner Sweeny Yes

Commissioner Morgan Yes

Motion passes unanimously.

Mayor Samora moved on to Item VII.

VII. ADJOURNMENT

Mayor Samora asked for a motion to adjourn.

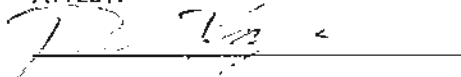
Motion: to adjourn. **Moved by** Commissioner George, **Seconded by** Vice Mayor Rumrell. Motion passed unanimously.

Mayor Samora adjourned the meeting at 7:17 p.m.



Donald Samora, Mayor

ATTEST:



Dariana Fitzgerald, City Clerk



FY 24 Budget

City of St. Augustine Beach
Special Budget Meeting
July 31, 2023

Exhibit A-1
Date 7-31-2023



FY24 Millage Options

Millage @ 2.5324 (Super Majority)

Millage @ 2.500 (Majority)

Current Millage @ 2.4500

Roll Back Millage @ 2.2386

Each Tenth of a Mill is \$194,281

Exhibit A-2
Date 7-31-2023



FY 24 Proposed Ad Valorem

Property Valuation

- FY 23 - \$1,726,532,495
- FY 24 - \$1,942,812,004

Millage Rate

- FY 23 Current – 2.4500
- FY 24 Proposed – 2.5324

Each Tenth of a Mill

- \$194,281 @ 100%
- \$184,567 @ 95%

Exhibit A-3

Date 7-31-2023

Key Focus In This Years Budget



Continue to provide key services at the current levels

Retain current talent and attract new talent to fill open positions

Capital Drainage Project completion to eliminate future issues

Implement maintenance program for completed projects to ensure proper operations without future issues

Exhibit A-4

Date 7-31-2023



City of St. Augustine Beach
Demographics-2017-2021 ACS 5-Year Estimate
(www.census.gov/programs-surveys/acs/)

Median Value-
Owner-
Occupied Units
\$460,717

Mean
Household
Income
\$121,306

Mean Family
Income
\$150,060

Median Age
49.2

Exhibit A-5
Date 7-31-2023



Property Value Changes from FY23

- Prior Year FINAL Gross Taxable Value \$1,726,532,495
- Current Year Gross Taxable Value \$1,942,812,004
- Amount of Change \$ 216,279,509
- Less Current Year Net New Taxable Value \$ 31,072,833
- Total Net Change \$ 185,206,676
- Total % Change 10.73%
- 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 2,224



Exhibit A-6

Date 7-31-2023



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

EXAMPLE:

Median Home Value	\$460,717
Less Homestead Exemption	-\$50,000
Taxable Value	\$410,717



	Ad Valorem Taxes	Amount Over Roll-back	Percent Over Roll-back
Roll-back Millage 2.2386	\$ 919		
Current Millage 2.45	\$1,006	\$ 87	9.47%
Majority Vote Maximum Millage 2.500	\$1,026	\$107	11.64%
Two-Thirds Vote Maximum Millage 2.5324	\$1,040	\$121	13.17%

Exhibit A-7
Date 7-31-2023

Total Ad Valorem Including Debt Service Millage FY23 to FY24

Based on Current Median Value Home (less
homestead) @ rollback rate & proposed millage

EXAMPLE:

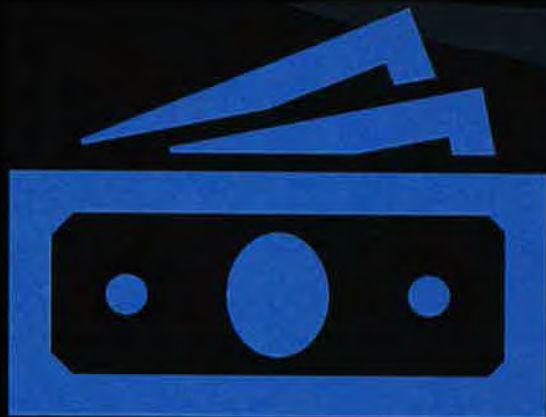
Median Home Value	\$460,717
Less Homestead Exemption	-\$50,000
Taxable Value	\$410,717

Ad Valorem Taxes

FY23 Millage 2.45 + .50 Debt Service	\$1,212	
FY24 Millage 2.5324 + .30 Debt Service	\$1,163	Proposed



Exhibit A-8
Date 7-31-2023



FY24 Total Revenue By Fund

• General Fund	\$11,104,062
• Road Bridge Fund	\$ 377,566
• Impact Fee Fund	\$ 125,404
• Debt Service Fund	\$ 594,001
• <u>ARPA Fund</u>	<u>\$ 677,000</u>
• Total Revenue	\$12,878,033

- Decrease over prior year budget \$2,651,094 (Changes due to ARPA/Grants/Impact Fees)

Exhibit A-9
Date 7-31-2023

FY 24 Revenue General Fund

- Ad Valorem @ 2.5324
 - Based on 95% Collection
 - Estimated \$4,673,978
 - Increased est. over prior year actual \$606,424
- State Revenues \$1,317,010
 - Estimates Available at time of preparation
 - 11.86% of General Fund Revenue
- Electric Utility Tax & Franchise Fees
 - Total \$1,115M



Exhibit A-10
Date 7-31-2023

FY 24 General Fund Expenditures

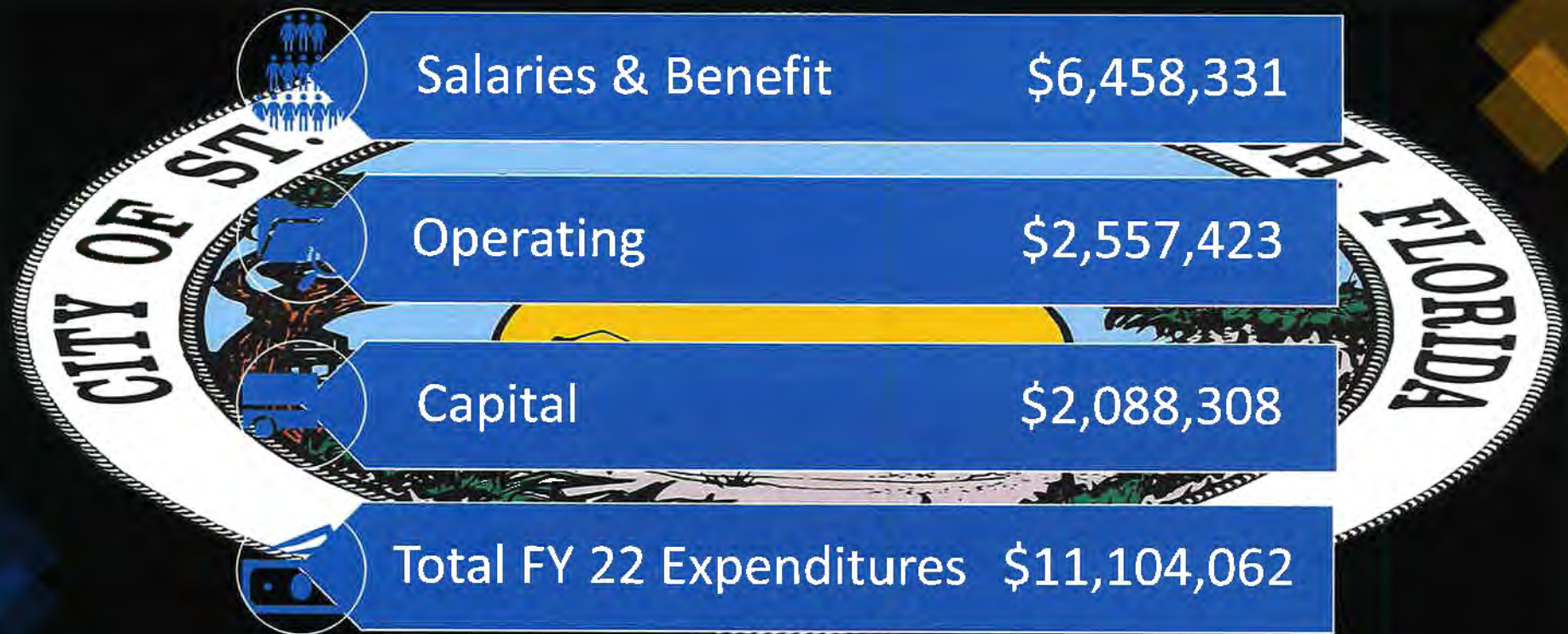


Exhibit A-11
Date 7-31-2023



FY 24 Salary & Benefit Summary

- FY 23 Salaries \$3,712,468
- FY 24 Proposed Salaries \$4,181,941
- Increase of \$132,517 based on 5% plus additional increases for Service Worker I and Police Officer positions.
- Increase is necessary to combat inflation, retain current talent, compete with surrounding agencies for staff.
- FY23 Benefits \$1,875,563
- FY24 Benefits \$2,276,390
- Est. Increase in health insurance cost 12%, increased FRS per State
- Headcount Changes – Increased 1.25

Exhibit A-12
Date 7-31-2023

FY 24 Capital City Funded



Public Works:

- 7th, 8th, 9th St Drainage - \$35k
- Ocean Walk Drainage - \$271k
- Sidewalk Replacement - \$15k
- Ocean Hammock Boardwalk - \$25k
- PWD Generator - \$80k
- 11th St Drainage - \$100k



Police Department:

- Radars, Weapons-\$16k
- 1 Vehicles-\$65k
- Body Cameras-\$163.2k



Other:

- Code Enforcement Vehicle - \$48k
- City Hall A/C - \$28k
- Security Fence 11th St - \$120k
- Canal-\$120k
- Windstorm Mitigation-\$100k



JUL 26/2023
29 84601N
15 5500E
St. Augustine
FL 32080

FY 24 Capital ARPA Funded

- Public Works:
 - Storm Drain Maintenance - \$100k
 - Vehicles - \$190k
 - A Street Parking Improvements - \$187k
 - Dune Walkovers - \$100k

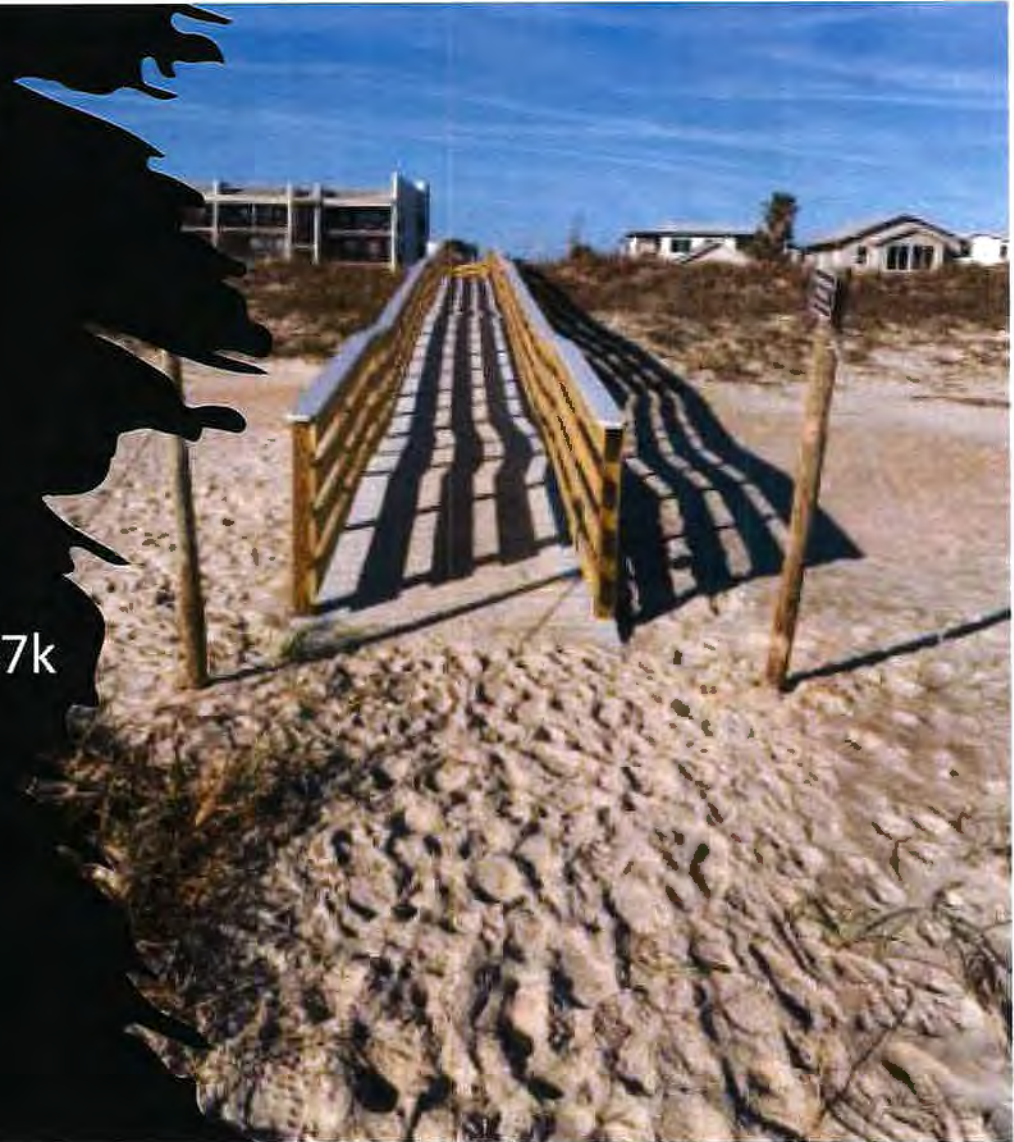


Exhibit A-14
Date 7-31-2023

FY 24 Capital Grant Funded

- SJRWMD
 - Ocean Walk Drainage Improvements - \$177k
- Port & Waterway:
 - Dune Walkovers - \$100k
- State:
 - Vulnerability Assessment - \$250k
 - Ocean Walk Drainage Improvements - \$305.1k
 - 7th, 8th, 9th Street Drainage Improvements - \$90k
 - Magnolia Dunes/Atlantic Oaks Cir Drainage-\$200k



Exhibit A-15
Date 7-31-2023



Future Capital Considerations

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

- FY 25 – \$6,715,000
- FY 26 – \$4,722,000
- FY 27 – \$2,835,750
- FY 28 – \$2,430,288



Exhibit A-16
Date 7-31-2023



Reserve Estimates

- General Fund \$3,709,218
- Impact Fees \$ 967,676
- Debt Service \$3,577,727



Exhibit A-17
Date 7-31-2023

Debt Review



- Debt Service Funding from Residents Caps Out at \$7Million
- YTD Collected is \$6,054,036
- Balance remaining \$945,964

- FY24 Millage reduced from .50 Mils to .30 Mils, \$553,701
 - Millage collection will end in FY25, balance \$392,263
 - Bond Payments end 2046
 - Current Reserve \$3,090,727 + FY23 Estimate \$487,000
 - Annual funding of \$40,300 from General Fund going forward

Exhibit A-18
Date 7-31-2023

Concerns for FY24



Capital Project Funding

Employees

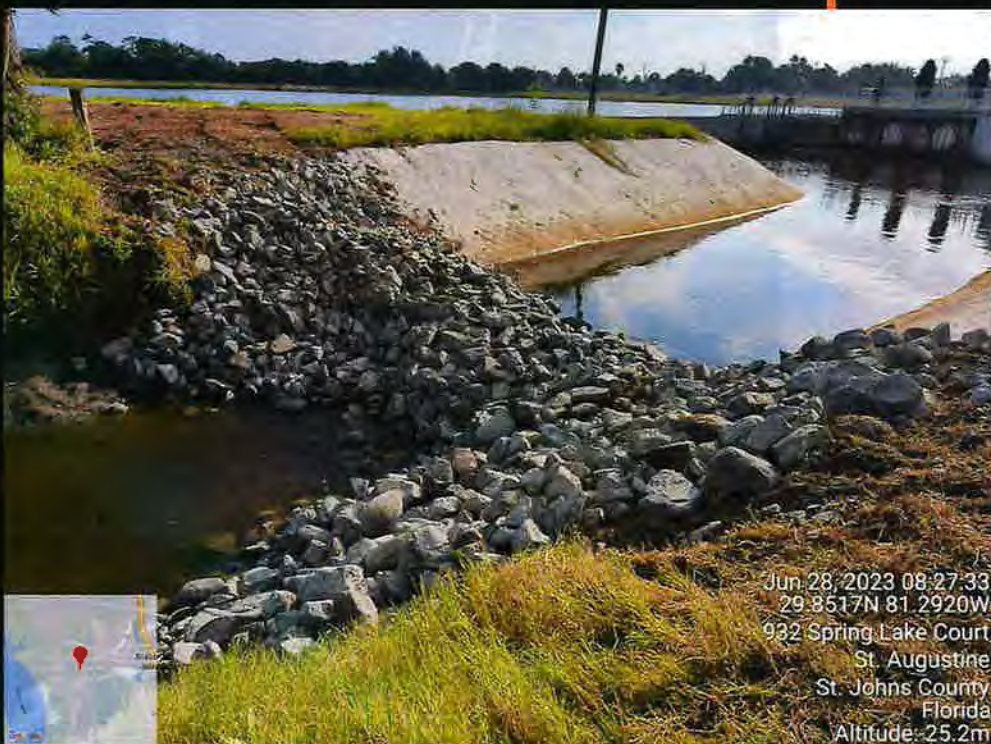
Storm Water Utility Fee

Emergencies

Exhibit A-19

Date 7-31-2023

Questions?



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Exhibit A-20

Date 7-31-2023