

CITY OF ST. AUGUSTINE

FY 2004/2005 Budget Workshop Meeting
August 26, 2004

The City Commission met in a workshop session Thursday, August 26, 2003, at 9:00 a.m. in the de Aviles room at City Hall. The meeting was called to order by Vice Mayor Burk, and the following were present:

1. Roll Call:

George Gardner, Mayor/City Commissioner
Susan Burk, City Commissioner
Donald A. Crichlow, City Commissioner
Errol D. Jones, City Commissioner

Absent: William Lennon, City Commissioner

William B. Harriss, City Manager
James P. Wilson, City Attorney
Martha V. (Nell) Porter, City Clerk
Timothy A. Burchfield, Chief Administrative Officer
Mark Litzinger, City Comptroller
Mark Simpson, Financial Services Group Manager
William H. Harding, Director, Public Works
Robert Leetch, Director of Utilities
Dr. William Adams, Director, Heritage Tourism
John Regan, Chief Operations Officer
Jason Sheffield, Administrative Services Group Manager
James Owens, Fire Chief
Paul Williamson, Director, Public Affairs
James Whitehouse, Staff Attorney
Karen Rogers, Recording Secretary

Commissioner Burk announced that the Commission would not be inviting public comment during the meeting; however, staff and Commissioners welcomed public input before the September 23rd meeting, at which time there would be public hearing.

Mr. Harriss stated that they were finishing the year on a positive financial note and continued to build and strengthen the City's financial position. He pointed out that there were new players on the financial team. He said that the presentation was a summary of the budget, but

details were public record should anyone require them. He said that the current budget allowed the City to maintain the current level of service. He concluded that there were some problem areas that would be addressed in the presentation.

2. Presentation and discussion regarding the FY 2004/2005 City of St. Augustine Budget. ¹

Mark Litzinger, City Comptroller, presented the overview.

¹ Hard copy of power point presentation attached to original minutes

PRESENTATION OVERVIEW

- Budget Process
- General Fund
- Utility Fund
- Stormwater Fund
- Solid Waste Fund
- Municipal Marina Fund
- Heritage Tourism Fund
- Community Redevelopment Agency Fund

Mr. Litzinger said that when the budget was completed they began making adjustment, sometimes on a daily basis, within the Commission approved budget. He said that if revenues were less than anticipated adjustments had to be made within the expenditures.

BUDGET PROCESS

•Budget Preparation:

-May
•Distribute schedules, materials and assumptions to departments

-June
•Departments submit expenditure projections
•Budget committee conducts philosophical review of proposed budgets
•Revenue estimates completed

Mr. Litzinger said that during that element of the budget process they began looking on the different programs in terms of level of service.

-July
•Certification of taxable values by the St. Johns County Property Appraiser
•Completed review of proposed budgets
•City Commission adopts Resolution establishing a proposed millage rate

Mr. Litzinger stated that the Commission had passed a resolution establishing the millage at 6.6 mills.

-August
•Balance the budgets
•Conduct budget workshop with the City Commission
•Finalize budget

-September
•Conduct two public hearings

Mr. Litzinger said that they would finalize the budget during the September 30th meeting, and the new budget would take affect on October 1st.

GENERAL FUND

•Offices and Departments:

- City Commission
- City Manager
- City Clerk
- City Attorney
- Finance, Budget and Management
- Fire
- Planning and Building
- Police
- Public Affairs
- Public Works

•Projections indicate 2003-04 revenues will exceed expenditures this year by approximately \$182,228

-Key Reasons

- Revenues
- Ad Valorem Taxes
- Franchise Fees
- Building Permits
- Parking Fees

•City Sponsored Events

- Concerts in the Plaza
- Changing of the Guard
- Fireworks - Fourth of July
- Nights of Lights
- Capital for a Day

Mr. Litzinger pointed out that the City had received praise for its intensive trash monitoring and clean-up program for event weekends.

- *San Sebastian Inland Harbor Development Project*
- Finalizing contract negotiations with developer

Mr. Litzinger stated that after many years the San Sebastian project contract would be finalized with the developer and brought to the Commission for approval by the end of the year.

- *Visitor Information Center Multimodal Transportation Facility*
- Finalized the engineering and permitting phase
- Prepared construction documents for bidding
- Passed authorizing resolution for bond issuance

Mr. Litzinger stated that there had been 15 public hearings regarding the project and considerable praise had been expressed about the process and project. He said that the ground breaking for the project would be September 23, 2004, at 4:00 p.m.

Mr. Harriss noted that the ceremony would be significant. ²

- *Casa de Hidalgo*
- Acquired the property
- Reviewed, evaluated and selected proposals for rental use
- Initiated construction of public restrooms
- *50 Bridge Street*
- Began renovations for the relocation of the Customer Service Division
- Design to include a more accessible meeting facility

² Mayor Gardner arrived at 9:13 a.m.

- Mr. Litzinger noted that the renovation of the old fire station would include a drive-up window, which should help alleviate some of the downtown parking problems. He said that the structure would also house the facility management group, meter maintenance, parking enforcement and a meeting area with kitchen facilities that could be accessed after working hours for public meetings. He explained that the Customer Service Division took care of water bills, parking tickets, established water accounts and provided badges for tour guides. He said that eventually they intended to expand the services in the facility to move as much City Hall foot traffic as possible in that direction.

Mr. Harriss stated that they were well on their way with the renovation.

A brief discussion revealed that the facility would make the meter maid function and maintenance much easier

- *Leonardi Street Project*
 - Completed the intersection realignment of Leonardi and Davis Streets, Pellicer Lane and South Dixie Highway
 - *Major Developments*
 - The Record Building
 - Hilton Hotel
 - Tremerton Street
 - Anastasia Condominiums
 - San Marco Avenue Hotels
 - Marriott's Laundry Facility/Car Wash
 - U. S. 1 North Retail Complex
 - Vista Cove Phase V
 - Showboat Car Wash
 - SR 312 Area Developments
- Mr. Harriss noted that the major developments represented a cross

section of all the development in the City.

Mr. Litzinger noted that the SR 312 development was becoming a busy corridor.

- *Federal Grants and Assistance*
- FEMA Grant for Fire Department
- V. I. C. Multimodal Transportation Facility
- Local Law Enforcement Block Grant
- BYRNE Grant

Mr. Litzinger reported that the City had appropriated \$561,000 in Federal funds for the VIC project and \$22,000 in Law Enforcement Block Grant during the 2003/2004 fiscal year. He said that next year the City would receive approximately \$10,000 more for the Law Enforcement Block Grant. He said the BYRNE Grant was approximately \$40,000 with a 10% match, which was used for one particular officer and specifically for crime prevention.

- *State Grants and Assistance*
- Alcazar Hotel Window Restoration/Replacement Project

Mr. Litzinger stated that the City had received a \$327,000 grant to replace windows in the Lightner Museum.

Mr. Harriss pointed out that the existing windows were installed in 1971, they were single pane windows, and they were inadequate for the building. He said that the replacement windows were terrific; they were historically accurate and termite resistant.

Mayor Gardner questioned how many windows the grant would cover.

Jason Sheffield, Administrative Services Group Manager, replied that they intended to start with the outside

of the building first, because it was a requirement of the state. He said that they would start on the north side of the building and work around to the east side, and if there was further funding available they would work on the west side. He said that the windows would go from the second floor to the fourth floor, as they did not want to mess with the first floor windows or any of the original windows that were installed in 1888. He noted that the choice of windows was the result of research to replicate the original windows.

- *Other FY 2003-04 Activities*
- Initiated the design of a new Fleet Operations and Warehouse Facility.
- Received 11th Consecutive CAFR Award.
- Reorganized several divisions and consolidated two departments (Financial Services and General Services)
- Enhanced custodial services during special events and holiday weekends.

Mr. Harriss noted that the Comprehensive Annual Financial Report (CAFR) award was a prestigious award and difficult to achieve.

- *Other FY 2003-04 Activities*
- Assisted in the construction and renovations of Davenport Park, Kourtney's Korner
- Handicap accessible

Mr. Harriss noted that the people involved with renovating Davenport Park had not quite finished and one of the *wish list* items was an appropriate fence in front of the park along San Marco Avenue.

Commissioner Burk clarified that she was interested in fencing that was open, served a purpose and did not invade the space.

Seven graphs were displayed regarding the following:

- Proposed Revenue Categories
- Intergovernmental Revenue Detail
- Licenses, Permits & Fees Revenue Detail
- Proposed Expenditure Categories
- General Government Expenditure Detail
- Physical Environment Expenditure Detail
- Public Safety Expenditure Detail

GENERAL FUND SUMMARY

Mr. Litzinger said that the proposed budget was \$18,857,546 with total expenditures of \$18,711,143 leaving \$146,403 for the Commissioners to determine distribution.

A discussion resulted regarding the breakdown of the budget for the General Fund.

Mr. Litzinger noted that some of the cause for the budget increase of \$1.2 million was the addition of a Code Enforcement Officer, a truck for the Ponce Development, and two labor employees.

Mr. Harriss continued that one of the requirements directed by the Commission was for the City to conduct a close inspection on the Ponce development; therefore, the City would add a building inspector that specialized in large developments.

Mr. Harriss pointed out the *wish list* and suggested that the Commission discuss it at the end of the presentation, and he added that the numbers were not concrete. He read the *wish list*.

1. Zoning code Review and Evaluation:

- a. Advertising and signage - \$40,000
 - b. Neighborhood Overlay District - \$40,000
 - c. Commercial Overlay District - \$40,000
 - d. Miscellaneous - \$40,000
2. Reduce City Millage Rate by .1 Mills (Current Millage Rate 6.6000) - \$101,975
 3. Davenport Park - Kourtney's Korner Fence - \$14,000
 4. Completion of Dog Park at Pomar Park - \$8,000
 5. Sidewalk- Plantation Island Drive - \$25,000
 6. Sidewalk - New/Replacement (per 500 Linear Feet) - \$7,700
 7. Davis Shores Fire Station: 2 Employees per Shift for 3 Shifts (\$49,000/Emp.) - \$294,000
 8. Street Paving - New (per 1000 Linear Feet) - \$18,000
 9. Street Paving - Resurfacing (per 1000 Linear Feet) - \$17,500
 10. West King Street Park Improvements - Gary Lee Park - \$7,000
 11. Restoration of Brick streets (Removing and Replacing - Cost per 1000 Square Feet) - \$7,000
 12. Neighborhood Association Grants - \$10,000
 13. Coquina Concreting of Streets adjacent to St. George Street - \$9,000
 14. Curator, Historian and/or Additional Spanish Quarter Museum Staff - \$38,000
 15. Hire Business Consultant to Review/Advise on Heritage Tourism Resources - \$10,000
 16. Aviles Street: Underground Power and New Light Poles - \$210,000

Mr. Harriss said that the City fire department was negotiating a merge with the County fire department and the amount mentioned in item number seven on the *wish list* for the

fire department would be necessary if the merge was unsuccessful.

Commissioner Burk questioned whether the City could enter into a matching grant with the neighborhoods for restoration of brick streets

Mr. Harriss said that was possible. He referred to item 12 on the *wish list* and said that the \$10,000 for the neighborhood association grants could be used for capital projects to create a park, additional landscaping or benches etc. with an in kind match with the City's parks employees and engineers, but it could also be put into street restoration. He said that staff would put together a policy for the proposed funding for the Commission's approval.

Commissioner Crichlow questioned what coquina concreting of streets amounted to.

Mr. Harriss said that there were some asphalt streets that could be coquina concreted and be more historically appropriate. He noted that some streets did not lend themselves historically to brick, as the Spaniards did not have brick.

Mayor Gardner questioned the comparative price between brick and coquina.

Mr. Harriss replied that brick would always cost more as the discussed coquina surface was poured concrete. He noted that brick streets required an underlay of concrete.

Commissioner Crichlow stated that he represented the Commission on the VCB, and their mission statement of goals described St. Augustine with the invitation to "come walk our brick streets". He suggested that what

people expected to find in the city was important; therefore, he recommended that they encourage brick streets. He said that perhaps historically it was not correct, but history was an evolving thing, and during the Flagler era the streets had evolved to brick. He concluded that it was just a thought.

Mayor Gardner noted that expanding the pedestrian experience off St. George Street would expand the City's economy, and he pointed out that anything would be more inviting than asphalt.

Commissioner Burk questioned whether the County Commissioners decided where the TDC dollars were spent, and the response was affirmative.

Mayor Gardner stated that bed tax money could be used for sports arenas, but it could not be used for visitor services. He suggested that they petition the County Commission to petition the state about the matter.

Commissioner Burk clarified that she would like the freedom to budget the money the City currently received.

Mayor Gardner noted that 1% of the bed tax was dedicated, by law, to advertising and the balance went into the beach and recreation events etc.

Mr. Harriss stated that staff had recently approached the TDC.

Mr. Sheffield continued that they had presented a plan to the council a few months earlier requesting an upgrade of \$200,000 funding annually. He said that since 1992 the City had received an annual allotment of \$50,000 from the TDC for specific things in the VIC, but there had been no increases. He said that the first

presentation had gone well with a 5/0 vote to start modifying the existing contract to \$200,000. He said that they structured the modification around the construction of the VIC transportation facility and managing visitor services and the board members concluded that they would try to find \$100,000 for 2005 and in 2006 increase the amount to \$200,000. He said that at the subsequent meeting they were not as successful, and currently they were working on the contract with the executive director of the TDC.

Mr. Harriss stated that the City had been politically taken out at the knees.

Commissioner Burk suggested lobbying the County Commissioners.

Mayor Gardner noted that other counties had been petitioning the State Legislature for infrastructure funding from TDC funding, but the league of counties was against the proposal. However, he said that the City had to keep trying.

A brief discussion ensued regarding the power lines on Aviles Street.

Mr. Harriss announced that the Mary Peck House would not be moved as scheduled due to Hurricane Charley, because a number of employees for FPL had gone to help the victims of the storm.

Mayor Gardner questioned whether there were any grant opportunities for the power lines on Aviles Street.

Mr. Harriss said that they would have to expect a 50/50 match on that type of grant.

Mayor Gardner questioned whether it was possible to have the property

owners share in the cost, with their cooperation.

Mr. Harriss replied that the City could do a special assessment with the property owners along with grant and City funds and make it do-able.

Commissioner Burk stated that she had some items that she wanted to add to the *wish list*. She stated that the San Marco area merchants wanted a budget for Christmas lights or decorations in the area. She said that the City also needed more bike racks. She added that the San Marco area had also requested some trash barrels.

Mr. Harriss said that it was easy to put the trash cans out, but someone had to empty them; therefore, there was a cost involved with the increased service. He said that he would look into the matter.

Robert Leetch, Director of Utilities, delivered the presentation for the Utility Fund.

UTILITY FUND

•Divisions

•Administration

•Water Treatment

•Meter Maintenance

•Wastewater Treatment

•Transmission and Distribution

•Pump Stations

•Projections indicate 2003/2004 revenues will exceed expenditures this year by approximately \$190,995

-Key Reasons

• Revenues

•Water Connection, Tapping and Construction Fees

•Sewer Connection and Construction Fees

Mayor Gardner questioned whether revenues exceeding expenditures was normal.

Mr. Harriss replied not necessarily, but the City had experienced more construction than anticipated. He pointed out that the Utility Fund was an enterprise fund or a business, but the City was not trying to make a profit, they wanted to break even. He said that if the City made any money it went into the savings account and was used for other things, but it remained in the Utility Fund and could only be spent with Commission direction.

Mayor Gardner questioned whether the figures included any interest payments on the bond for improvement of the water treatment plant, and the response was affirmative.

- FY 2003-04 Activities*
- Initiated Reverse Osmosis Pilot Plant to determine effectiveness and efficiency for plant expansion
- Treated and distributed in excess of 1.208 billion gallons of water
- Treated in excess of 1.697 billion gallons of wastewater
- Reused approximately 129 million gallons of treated wastewater
- Installed over 57,000 LF of new water lines
- Slip-lined approximately 6,400 LF of gravity sewer mains to reduce I/I load.
- Installed over 16,000 LF of new sewer gravity and force mains.
- Installed one Floridian Aquifer and one Surficial well.

Mr. Harriss stated that the City was treating stormwater that they should not be treating.

Mr. Leetch said that the City had an aggressive program to reduce the infiltration.

A brief discussion resulted regarding the matter considering the age of the City, and it was determined that the City would continue to search out old connections.

Mr. Leetch stated that they were treating approximately 4.65 million gallons a day at the wastewater plant, and they intended on doing some upgrades at the plant. He said that the DEP required that the City spend a certain amount of money a year for slip-line sewer lines.

Mr. Harriss continued that the process provided additional capacity without additional infrastructure at the wastewater plant.

- FY 2003-04 Growth and Development*
- Vista Cove Phase V
- Heritage Park
- Holmes Boulevard
- Presidential Gardens
- Sunset Point

Mr. Harriss pointed out that Heritage Park was not within the City limits. He explained that the City's utility service area was three times the size of the City limits.

- Proposed FY 2004-05 Activities*
- Initiate Water Treatment Plant upgrade and expansion
- Convert from chlorine gas to sodium hypochlorite to reduce risk exposure employees and community
- Initiate Wastewater Treatment Plant modifications and upgrades
- Continue to reduce the I/I load to the Wastewater Treatment Plant

Two graphs were displayed regarding:

- Proposed Revenue Sources
- Proposed Expenditure Sources

UTILITY FUND SUMMARY

Mr. Leetch stated that the proposed budget was for \$12,175,166 to maintain the same high level of service. He said that based on the CPI of 2.7% they were asking for a 2% increase in the water/sewer rates and a 2.7% increase for connection fees.

Mr. Harriss explained that the City used to have an automatic adjustment on rates based on the cost of living increase, but the Commission had requested that the City research the matter more; therefore, upon review they were able to reduce the proposed rate by .7%, but he recommended maintaining the 2.7% increase for connections fees, as it was growth driven and an appropriate rate.

Mayor Gardner questioned the difference between the budget figure and projected figure.

Mr. Harriss replied that the budget had been approved by the Commission the previous year, and the projected budget was an estimated actual that they would end the 2004 fiscal year with. He said that the Commission should not compare it with the budget from previous years, but compare it to the closest indication of where they currently were. He said that they were going from a total expenditure of \$11 million up to \$12.1 million, and he had asked how they intended spending the difference.

Mr. Litzinger stated that the budget ordinance allowed staff to over expend expenditures up to the point that they brought in more revenue; therefore, staff could make those adjustments without going to the Commission.

Mr. Leetch stated that the additional money would be spent on general wage increases, pipe replacements and additional improvements. ³

Commissioner Burk questioned the amount the increase would represent for the 2% increase in water/sewer rates.

Mr. Leetch replied that it would amount to .66 cents on a minimum bill.

Mr. Litzinger continued that it would be roughly \$150,000.

Commissioner Burk questioned whether the City was limited on the amount that they could increase the water/sewer connection fees, and the response was negative. Therefore, she suggested making the difference up in the connection fees rather than with an increase in water/sewage to the existing consumers.

Mr. Harriss stated that they could do that. He explained that the 2% increase would raise a certain amount of money and the connection fees would raise a certain amount of money, but for the subsequent year they could keep the rates the same for water/sewer and raise the connection fees by the amount necessary to balance the budget.

Commissioner Crichlow pointed out that new development would pay for the increase.

Mr. Litzinger stated that there would be a lot of connection fees in the subsequent year, but eventually those fees would not be as abundant. He said that the cost of living increase allowed the rate increase to be moderate as opposed to spiking the rates and then not raising them for 2-3 years. He added that the 2% was making up for the cost of operations; however, they could do it the way the Commission desired.

³ End of audio tape one

Commissioner Burk stated that her intention was to keep the resident's rates as low as possible.

Mr. Harriss said that they would research the numbers and give the information to the Commissioners before the next budget meeting.

Mr. Leetch continued the presentation.

STORMWATER FUND

•*Projections indicate 2003-04 revenues will exceed expenditures this year by approximately \$37,191*

Mr. Leetch reviewed the proposed projects as follows:

- Josiah Street Basin - *completed*
- Bayfront Area - *partially completed*
- Comares Ave. & Herada St. *completed*
- Maria Sanchez Basin - *in-progress*
- San Carlos Ave. - *future project*
- Oviedo St. - *in-progress*
- Orange St. Basin - *completed*
- Treasury St. Area - *completed*
- Riberia St. and Lincolnville Area - *preliminary design underway*
- Oyster Creek Outfall - *future project*

Mr. Harriss stated that the City had been successful with the stormwater fund, as it raised the necessary revenue for stormwater. He said that it had been taken out of the general fund and an ad valorem tax program, but currently it was paid by everyone as a utility. He explained that it was a utility with a user fee and paid by those organizations that did not pay ad valorem taxes.

A discussion regarding Riberia Street followed, and it was indicated that the program would commence when the San Sebastian project was underway, but it was a major project that would definitely be addressed.

•*FY 2003-04 Activities*

- Completed the Artillery Lane Stormwater project
- Continued design revisions to the Maria Sanchez Lake project
- Prepared and secured the NPDES stormwater permit
- Designed Tideflex Valve Structures for the South Avenida Menendez Seawall project
- Designed stormwater improvements for Coquina Avenue

•*Proposed FY 2004-05 Activities*

- Implement a crew dedicated to stormwater maintenance
 - Finalize permitting and engineering and initiate construction of the S. Avenida Seawall project
 - Initiate the Maria Sanchez Stormwater project
 - Complete the Oviedo Street Stormwater project
-
- State Grants and Assistance*
 - Maria Sanchez Stormwater Project
 - S. Avenida Menendez Seawall Project

Mr. Leetch stated that staff was trying to get the Maria Sanchez stormwater project moving, as the grant would expire at the end of October.

STORMWATER FUND SUMMARY

Mr. Leetch pointed out that the proposed budget had increased, because the surplus that was being carried over. He noted that there would be no residential or commercial rate increases.

William H. Harding, Director, Public Works, presented the solid waste fund information as follows:

SOLID WASTE FUND

•*Projections indicate 2003-04 expenditures will exceed revenues this year by approximately \$64,248*

Mr. Harding explained that it cost money to dispose of waste and the operation expenses increased with increased waste.

-Key Reasons

- Revenues
- Residential Collection
- Expenses
- Tipping Fees
- Tonnage Increase

Mr. Harding said that the City's historical rates for residential solid waste had been held at \$13.34 from 1995 until 2003, and in 2004 there was an increase of .22 cents for the inflation index making the current rate of \$13.66.

Three graphs were displayed regarding:

- 10-year History on Monthly Residential Rates
- Monthly Rate Comparison to Local Governments
- 5-year History on Tipping Fees

Mr. Harding pointed out that the City rates were lower than the City of St. Augustine Beach and higher than St. Johns County. He said that the current rate covered the trash trucks collecting five times a week, which included two pick-ups of residential household trash, one pick-up for yard trash, one pick-up for large item trash and one pick-up for recycle. He noted that St. Augustine Beach offered comparable service with a rate of \$19.59 and St. Johns County only had one household trash pick-up a week and charged \$12.44. He noted that the annual tipping fees had increased from \$200,000 in 2000 to \$900,000 in 2004.

Mr. Harriss stated that one option was to increase the residential rate. He

noted that they held the line on solid waste for almost 10-years, but currently something had to be done or the City would have to cut back the level of service.

•*Proposed FY 2004-05 Activities*

- Continue expansion of open-top containers
- Continue expansion of compactor service for large developments and concentrated commercial areas

Mr. Harding said that there were actually four options, as one would be to do nothing.

•*Restructuring rates and/or services*

- Option No. 1
- Abate the Recycling Program
- Increase Monthly Residential Rate:
 - Current: \$13.66
 - Option: \$14.62 (\$.96 Increase)

Mr. Harding noted that if they cut recycling it would amount to an \$80,000 annual savings, but the City would still have to increase rates by approximately .96 cent.

- Option No. 2
- Decrease Weekly Residential Collection:
 - Current: 2 Collections per Week
 - Option: 1-Collection per Week
- Increase Monthly Residential Rate:
 - Current: \$13.66
 - Option: \$14.32 (\$.66 Increase)

Mayor Gardner noted that if they cut the service the City would still have to increase the rates.

Mr. Harriss stated that in order to avoid any rate increase the City would have to cut service and eliminate recycling.

- Option No. 3 (Staff Recommendation)
- Increase Monthly Residential Rate:
 - Current: \$13.66

-Option: \$15.66

Mr. Harriss stated that solid waste had been a stellar fund for 10-years. He said that previous Commissioners had determined that the commercial side of the equation should bear a larger burden than the residential, and staff had continued that program. However, he said that there was no suggestion for increased rates for commercial, as they currently carried a substantial brunt of the overall cost. He said that the fund was \$64,248 in deficit for the current fiscal year.

Commissioner Jones pointed out that with options one and two the City would still have to increase rates, but provide less service.

Commissioner Burk stated that the question was whether the Citizens wanted to pay an additional \$1.30 a month for two pick-ups instead of one.

Mayor Gardner questioned how many households actually used recycling, and the response was approximately 30%.

Mr. Harriss pointed out that 30% was a high percentage comparatively.

SOLID WASTE FUND SUMMARY

Mr. Harding noted that they could not run the solid waste fund with a deficit. He said that the proposed budget for the 2004/2005 fiscal year incorporated option number three to increase rates by \$2.00 monthly.

Mr. Harriss requested the Commissioner's consensus. He noted that the City paid \$1.65 a month per household for recycling whether the household used it or not.

A discussion resulted and it was determined that the Commissioners

would seek public input regarding the matter, and any determination would be made during the subsequent budget meeting.

Jason Sheffield, Administrative Services Group Manager, delivered the municipal marina fund presentation as follows:

MUNICIPAL MARINA FUND

•Projections indicate 2003-04 revenues will exceed expenditures by approximately \$19,138

•FY 2003-04 Activities

- Implemented a "Marina Survey" (which had been 90% good)
- Began renovations to the boaters' restroom facilities
- Developed a Long-Term Capital Improvement Plan
- Hosted the "Nina" during the Menendez Birthday Festival
- Hosted the 12th Annual King Buster Classic Fishing Tournament
- Hosted the 10th Annual King Fish Challenge Fishing Tournament
- Initiated upgraded marketing and promotion campaign
- Hosted the "St. Augustine Boat Show"

•Proposed FY 2004-05 Activities

- Continue to enhance the daily operations of the Marina
- Continue the efforts to attract and host major events
- Expand marketing program to seek more transient boaters
- Expand the Marina office
- Continue the Preventive Maintenance Program for the North and South Docks
- Initiate the permitting, designing and engineering of the dock expansion and breakwater system

Mr. Sheffield stated that he had acquired a \$12,500 grant from the Florida Inland Navigation District to

partially fund phase one of the dock expansion project for permitting, designing and engineering.

Two graphs were displayed regarding the proposed Dockage Rate Increase.

Mr. Sheffield said that they were proposing two types of rate increases. He said that one was driven by transient visitors, and he referred to the graphs noting the comparisons between rates for the Conch House and Camachee Cove. He said that the City daily rates were currently \$1.50 per foot and they proposed to increase the rate to \$1.60, which would still make the City's rate lower than the other two local marinas. He said that the weekly rate was currently \$7.50 per foot, and they proposed to increase the amount to \$8.00. He said that currently the monthly fee was \$12.50 per foot, and they proposed to increase the amount to \$14.50.

Mayor Gardner questioned whether the monthly fee could be increased another dollar.

Mr. Sheffield replied that they could do that; however, they wanted to avoid a large initial increase, and then increase the amount further for the subsequent fiscal year.

Mr. Harriss stated that the marina was mostly transient; therefore, increasing the monthly fee would be appropriate.

Mayor Gardner suggested that the City rates should be higher than the local private marinas in order to benefit the private marinas.

Mr. Sheffield pointed out that the local marinas functioned to capacity.

A brief discussion resulted, and it was determined that the City would increase the monthly charge to \$16.50 per foot.

Mr. Sheffield referred to the second graph indicating the commercial rate that had been charged for the past 10-years. He said that the City charged \$12 per foot per month for commercial users, and they would like to increase that rate to \$14 per foot per month. He explained that the reason for the increase was to further the implementation of the capital improvement plan, and the first thing they wanted to do was expand the marina office.

- *Reason for Dockage Rate Increase*
- To further the implementation of the Capital Improvement Plan
- Expansion of the Marina Office
- Expansion of the Floating Dock
- Construction of a Breakwater System

Commissioner Burk stated that she did not see the need for an expansion of the marina office.

Mr. Sheffield said that if there were one or two people at the counter it was a squeeze, and simple restructuring would not improve the situation.

Commissioner Burk questioned the cost of the proposal.

Mr. Sheffield replied approximately \$100,000. He said that they intended on expanding to the walk-around, or depending on the design, they might want to drive in some pilings for expansion.

Mr. Harriss stated that the ultimate expansion had not been determined, but they felt improvement was necessary.

Commissioner Crichlow agreed that the situation was cramped.

A brief discussion followed, and it was determined that the most efficient expansion would be to the walk-around.

Mr. Sheffield said that \$100,000 would be for expansion probably to the south; therefore, the cost could go down.

Mr. Sheffield continued that the commercial rates had been \$12 for approximately 10-years and staff would like to increase the rate to \$14. He added that the increase was intended to better the facility.

Mayor Gardner stated that it sounded reasonable to him.

One Graph was displayed regarding:
•Proposed Revenue Sources

Mr. Sheffield said that the largest percentage of revenue was from the sale of diesel and gas. He said that during the current year the City had expanded its market program for the marina and employed a reservation and marketing specialist to get more people into the marina.

MUNICIPAL MARINA FUND
SUMMARY

Mr. Sheffield said that the City had budgeted \$1,317,580 for the 2003/2004 fiscal year, but they had \$1,609,623 on the projected numbers, because they had a record year sales in gas, diesel and dockage. He said that they were taking a conservative approach for the 2004/2005 fiscal year with a proposed budget of \$1,543,501, because they were not certain how the Bridge of Lions renovation would affect the marina.

Commissioner Crichlow questioned whether they could do the dock expansion during the bridge construction.

Mr. Sheffield replied that they would do the expansion as soon as possible; however, the state had a construction easement making it necessary to wait until the easement was lifted. He concluded that the consensus was for the monthly rate to be increased to \$16.50.

Dr. William Adams, Director, Heritage Tourism, delivered the heritage tourist fund presentation as follows:

HERITAGE TOURISM FUND

•*Projections indicate 2003-04 revenues will exceed expenditures this year by approximately \$8,153*

- - Divisions*
 - Administration
 - Facilities Maintenance
 - Spanish Quarter Museum
 - Museum Store
 - Support Organization
 - Visitor Information Center
- Heritage Tourism Fund

•*FY 2003-04 Activities*

- Conducted a successful Menendez Birthday Festival and Grand Ball
- Maintained buildings and services that host over one million visitors annually
- Initiated an "Ambassador in the Street" program to assist visitors
- Added calligraphy, coopering and husbandry to the interpretive program
- Developed financial support opportunities with the Yuengling Corporation
- Continued regular operation of an 18th century tavern
- Continued discussions with a local foundation and the Castillo to establish a joint interpretive program

- Scheduled the relocation of the Mary Peck House

A brief discussion ensued regarding the *Ambassador in the Street* program.

- Proposed FY 2004-05 Activities*
- Expand the Colonial Spanish Quarter operations (Mary Peck House area)
- Restructure interior of the V.I.C., removing theaters and replacing with improved visitor services facility

Dr. Adams stated that they intended on making the information booth at the VIC more obvious to better assist visitors.

- Continue cooperative efforts with the Colonial St. Augustine Preservation Foundation and the National Park Service to develop an orientation center for the Castillo de San Marcos

- State Grants and Assistance*
- Colonial Spanish Quarter General Operating Support
Heritage Tourism Fund
- Menendez Birthday Festival
Heritage Tourism Fund
- V.I.C. Window Restoration Project

Two graphs were displayed regarding:

- Proposed Revenue Sources
- Proposed Expense Categories

Dr. Adams noted that the tavern had yielded five times more revenue than the state provided to support the 33 state owned buildings in the City.

HERITAGE TOURISM FUND
SUMMARY

Dr. Adams stated that they were proposing a slightly smaller budget for the 2004/2005 fiscal year at \$2,259,946 compared to the 2003/2004 budget at \$2,360,463.

Mr. Litzinger said that there would be adjustments with the VIC parking garage.

Mr. Sheffield noted the two aerial photos of the identified CRA area that had been defined in 2001, and he said the CRA area had been based on a transportation and parking blight within the historic downtown area. He delivered the presentation as follows:

COMMUNITY REDEVELOPMENT
AGENCY FUND

•*Historic Area Transportation and Parking Community Redevelopment Area*

•*Eight-Item Improvement Plan (Long-Term)*

- Construct and maintain parking garages at strategic locations
- Maintain and improve existing sidewalks
- Enhance pedestrian areas and streetscapes
- Study changes to traffic patterns and implement as appropriate
- Implement Heritage Tourism Signage Program
- Encourage and enhance bicycle usage
- Periodically evaluate transit needs
- Implement transit system(s) when practical

•*FY 2003-04 Activities*

- Finalized plans and specifications for the Visitor Information Center Multimodal Transportation Facility.
- Furthered the development of the Heritage Tourism Signage Program.
- Continued to accumulate funds for use within the CRA.

•*Proposed FY 2004-05 Activities*

- Begin construction of the V.I.C. Multimodal Transportation Facility.

- Initiate implementation of the St. Augustine Heritage Tourism Signage Program.
- Further plan and design of the other integral components of the V.I.C. Multimodal Transportation Facility (i.e. Shuttle System).

COMMUNITY REDEVELOPMENT
AGENCY FUND SUMMARY

Mr. Sheffield said that the current budget was in line, and they proposed \$390,386 for the 2004/2005 fiscal year. He recapitulated that the money derived from the CRA had to be used to assist in the redevelopment.

Mayor Gardner stated that it was his understanding that a year and a half earlier there was \$100,000 in state money for the signage program.

Mr. Harriss acknowledged that it was funds from the FDOT.

Mr. Sheffield clarified that it was a \$50,000 matching grant.

Mayor Gardner questioned whether the funds were still secure for the City's signage program, and he was assured that it was still available to the City. He said that the proposed signage was meant to begin at I-95, and he stated that he could not understand why the program had not begun.

Mr. Sheffield said that typically the state would carry through with the implementation process; however, the City was going through a certification program to be responsible for the money and do a turn key project on the implementation of a signage program, because the City wanted to be responsible. ⁴

A brief discussion ensued regarding the CRA.

DESCRIPTION OF WISH LIST ITEMS

1. Zoning Code Review and Evaluation:
 - a. Advertising and signage - \$40,000
 - b. Neighborhood Overlay District - \$40,000
 - c. Commercial Overlay District - \$40,000
 - d. Miscellaneous - \$40,000
2. Reduce City Millage Rate by .1 Mills (Current Millage Rate 6.6000) - \$101,975
3. Davenport Park/Kourtney's Korner Fence - \$14,000
4. Completion of Dog Park at Pomar Park - \$8,000
5. Sidewalk- Plantation Island Drive - \$25,000
6. Sidewalk - New/Replacement (per 500 Linear Feet) - \$7,700
7. Davis Shores Fire Station: 2 Employees per Shift for 3 Shifts (\$49,000/Emp.) - \$294,000
8. Street Paving - New (per 1000 Linear Feet) - \$18,000
9. Street Paving - Resurfacing (per 1000 Linear Feet) - \$17,500
10. West King Street Park Improvements - Gary Lee Park - \$7,000
11. Restoration of Brick streets (Removing and Replacing - Cost per 1000 Square Feet) - \$7,000
12. Neighborhood Association Grants - \$10,000
13. Coquina Concreting of Streets adjacent to St. George Street - \$9,000
14. Curator, Historian and/or Additional Spanish Quarter Museum Staff - \$38,000
15. Hire Business Consultant to Review/Advise on Heritage Tourism Resources - \$10,000

⁴ End of audio tape two

16. Aviles Street: Underground Power and New Light Poles - \$210,000

The Commissioners entered into a discussion regarding the wish list items and after consideration it was determined to distribute the surplus funds in the amount of \$146,403 as follows:

1. Zoning Code Review - \$60,000
2. Davenport Park/Kourtney's Korner Fence - \$10,000
3. Completion of Dog Park at Pomar Park - \$5,000
4. Gary Lee Park - \$7,000
5. Neighborhood Association Grants - \$10,000
6. Bike racks - \$3,403
7. Maria Sanchez Lake - \$10,000
8. Christmas Lights on San Marco Avenue and King Street - \$10,000
9. Brick Streets - \$15,000
10. Coquina Concreting of Streets - \$10,000
11. Aviles Street beautification - \$6,000

Mr. Harriss noted that some of the revenues from the Casa Del Hidalgo could be used for a consultant to review/advise on heritage tourism resources, but it would not happen until later in 2005.

Commissioner Burk suggested that Cathy Dupont might have the time to function as a coordinator for heritage tourism related groups. She said that perhaps Ms. Dupont could work half the time with Paul Williamson and half the time with Dr. Adams.

A brief discussion was held regarding trash cans on San Marco Avenue, and it was considered that the neighborhood association could take on the responsibility of emptying the cans or that an adopt a trash can program could be initiated.

Mr. Harriss noted that it had been one of the best budget discussions to date. He requested that the Commission report to him regarding the proposed increase in solid waste rates or a decrease in service.

3. Adjournment

There being no further business, the meeting was adjourned at 12.37 a.m.

⁵

MAYOR

CITY CLERK