

## CITY OF ST. AUGUSTINE

FY 2005/2006 Budget Workshop Meeting  
August 12, 2005

The City Commission met in a workshop session Friday, August 12, 2005, at 9:00 a.m. in the de Aviles room at City Hall. The meeting was called to order by Mayor Gardner, and the following were present:

### 1. Roll Call:

George Gardner, Mayor/City Commissioner  
Susan Burk, City Commissioner  
Joe Boles, City Commissioner  
Donald A. Crichlow, City Commissioner  
Errol D. Jones, 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  
Meredith Little, Financial Services Group Manager  
Robert Leetch, Director of Utilities and Public Works  
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  
Karen Rogers, Recording Secretary

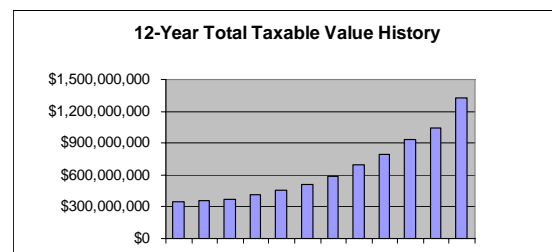
### 2. Presentation and discussion regarding the FY 2005/2006 City of St. Augustine Budget.<sup>1</sup>

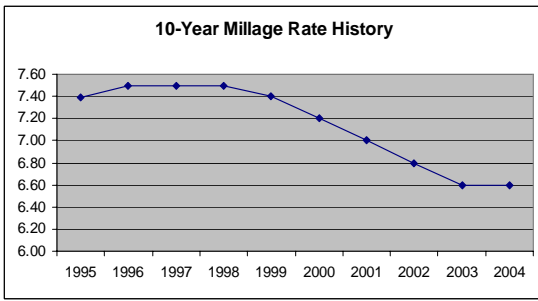
Mr. Harriss welcomed everyone to the executive summary of the budget presentation. He stated that the budget was balanced, but there were some changes that could be made in the revenue area according to projects the Commission chose to focus on. He said that the budget contained a 4% market adjustment on wages driven by St. Johns County's budget workshops that determined the wages for their employees were low. He pointed out that the County was already stealing City employees; therefore, staff proposed a market rate adjustment in addition to the cost of living

increase and potential merit increases. He added that the City had increased fire wages and benefits to retain firefighters, and they were currently negotiating wages and benefits with the police bargaining unit. He stated that they were taking care of the employees, as they were the reason for the City's success; therefore, the City needed to keep the employees they had and be able to attract new ones.

Mark Litzinger, City Comptroller, presented the overview. He stated that they were proposing a \$45 million budget for 2005/2006. He referred to the 12-year total taxable value history graph and stated that in 1994 they were barely over \$300 million and currently they were at \$1.5 billion.

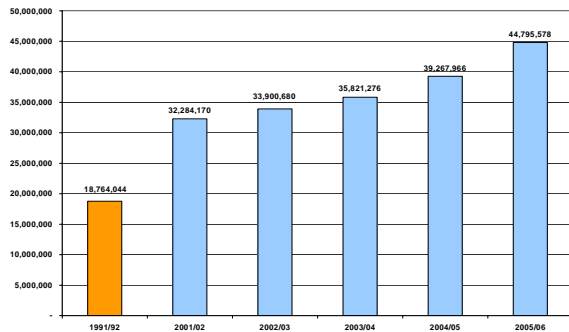
<sup>1</sup> Hard copy of power point presentation attached to original minutes





**PRESENTATION OVERVIEW**

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



**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

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

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 meeting, and the new budget would take affect on October 1<sup>st</sup>. He referred to the Line Item Budget Worksheet and said that there were approximately 50 divisions of the City, of which each division turned in approximately 35-45 worksheets constituting over 2,000 worksheets submitted for review.

**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 2004-05 revenues will exceed expenditures this year by approximately \$680,565 or 3.62%*

**Key Reasons**

- Revenues
- Ad Valorem Taxes
- Earned interest
- Building Permits

- Federal Assistance

**Expenditures**

–Expenditures were projected to be \$88,272 (.46%) and less than budgeted

**San Sebastian Inland Harbor Development Project**

- Completed sale of the property

Mr. Litzinger stated that the ground breaking for the project would take place on September 15, 2005.

**Casa Del Hidalgo**

- Completed renovations to the Casa del Hidalgo

Mr. Litzinger stated that they hoped to have the renovation of the casa completed by September 30, 2005.

**Charlotte Street project**

- Completed a comprehensive rehabilitation

Mr. Litzinger stated that the project was a complete comprehensive rehabilitation that crossed three funds.

**Fleet Operations and Warehouse Facility**

- Completed conceptual design of new facility
- Relocation of three buildings

Mr. Litzinger stated that they anticipated beginning construction by January 2006.

**Kids Care Canine Corral**

- Completed construction of dog park at Pomar Park

**Continued renovations of Davenport Park**

- Constructed fence around Kourtney's Korner (Priority List Item)

Mr. Burchfield stated that the bathroom construction would begin the end of September or early October.

Mr. Harriss announced that the restrooms would be maintained by the person running the carousel.

**Temporary Relocation of the Lion Statues**

- Memorandum of Understanding with the Florida Department of Transportation
- Conservation Process

**Relocation of Mary Peck House**

- Relocation of Mary Peck House
- Cooperative effort by:
  - City of St. Augustine
  - Historic Tours of America
  - Florida Power and Light
  - Bellsouth
  - Time Warner

**Federal Grants and Assistance**

- FEMA Grant for Fire Department
- V. I. C. Multimodal Transportation Facility
- Local Law Enforcement Block Grant
- BYRNE Grant

Mr. Litzinger clarified that the FEMA grant was in the amount of \$58,000 with a 10% match and it would be used for communication, training and safety, the two grants for the VIC were in the amount of \$1.4 million, the law grant was in the amount of \$11,000 for an evidence technician program and the BYRNE grant was in the amount of \$32,000, plus they had received confirmation that they would receive the BYRNE grant again the subsequent year.

**State Grants and Assistance**

- Florida Department of State, Division of Historical Resources Grant for the Alcazar Hotel Window Restoration/Replacement Project

Mr. Litzinger said the state grant was in the amount of \$327,000 for window replacement on the north and east side of the building on the second to the fourth floors.

**Other FY 2004-05 Activities**

- Received 12th Consecutive CAFR Award
- Poured 3,300 LF of sidewalks
- Paved 9,500 LF of streets
- Negotiated improved salaries and benefits with Fire Bargaining Unit
- Completed FDOT local agency certification process

- Received Life Safety Award for Fire Department from the Residential Fire Safety Institute
- Developed a Design-Build policy and procedure
- Completed installation of Mobile Data Terminal Program at Police Department

**Other FY 2004-05 Activities**

- Reduced workers' compensation rates
- Negotiated a reduction in the initial 27% increase to a 17% increase in health insurance premiums
- Successfully secured a bond issue for the construction of the Visitor Information Center Multimodal Transportation Facility and refinanced a previous bond issue resulting in a cost savings to the City
- Expanded "The Nights of Lights" program for the 11th consecutive year
- Successfully prepared for and managed the hosting of the 2005 Super Bowl visitors

Commissioner Jones questioned how staff had negotiated from 27% to 17% for the employee's health insurance premiums

Mr. Litzinger replied that they had gone from a \$300 to a \$500 deductible and changed a few other items that reduced the amount to 17%.

Mr. Harriss referred to the reduced workers compensation rates and stated that staff was always trying to find ways to be safer and when they were successful it reduced their premiums.

Commissioner Jones questioned whether the City had investigated a non smoking program to help with health care.

Mr. Litzinger replied that staff was working on a health fair in which Blue Cross Blue Shield would do an analysis of the employees and consider programs for the City.

**Other FY 2004-05 Activities**

Completely managed the "Hurricane Debris Cleanup," while maintaining all levels of services during the 2004 hurricanes

- Expanded the Interlocal Agreement with St. Augustine Beach, Port and Waterway District for the Derelict Vessel Removal Program

Mr. Litzinger referred to eight different pie charts indicating the proposed revenue categories for intergovernmental, licenses, permits and fees and the proposed expenditure categories for general government, physical environment, public safety and a graph indicating the 216-full time employee equivalents for the fiscal year 2005-06.

Mr. Litzinger continued that for the next year they proposed as follows:

**4 Incremental Positions for FY2005-06:**

- (1) Contracts Administrator
- Centralizes all contract procurement
- Ensures policy and procedure compliance
- Ensures consistency
- Creates less responsibility for the implementing department/division
- (1) Customer Service Representative
- Increase level of service
- Additional utility accounts
- (2) Parks Workers
- Increase level of service
- Downtown Area (St. George Street)
- Special Events

Mr. Litzinger added that in the past year the City had added 750 new utility accounts resulting in the lines at customer service getting longer and telephone calls increasing; therefore, they required more help in the department. He referred to the graph for budget comparison by expenditure types and stated that personal services represented the biggest increase, as well as capital outlays for the new fire truck, yet to be purchased, and transfers had also increased.

**Proposed Budget Highlights**

- Balanced Budget with 6.6 Mills
- Adding 4 incremental employees

**Additional Revenue Sources:**

	2004-05 BUDGET	2004-05 PROJECTED	2005-06 PROPOSED BUDGET

<b>TOTAL REVENUE</b>	<b>\$18,857,546</b>	<b>\$19,449,839</b>	<b>\$21,651,541</b>
<b>TOTAL EXPENDITURES</b>	<b>\$18,857,546</b>	<b>\$ 18,769,274</b>	<b>\$ 21,567,728</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$ 0</b>	<b>\$ 680,565</b>	<b>\$ 83,813</b>

Item No.	Description of Additional Revenue	Projected Net Revenue
1	Increase Millage by .2 Mills to 6.8000 (.01 Mills = \$125,726)	\$ 251,452
2	Increase Fire Assessment Fee by \$.02/Square Foot to \$.03 (\$.01 = \$157,481)	\$ 314,962

Item No.	Calculation Example on Incremental Increase	Projected Net Revenue
1	Increase Millage by .2 Mills (\$200,000 Taxable Value x .0002)	\$ 40
2	Increase Fire Assessment Fee by \$.02 (2,500 Enclosed Building Space x \$.02)	\$ 50

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**Ordinance No. 97-25 (Enacting Fire Assessment Fee Ordinance):  
 "...providing for funds to be generated for fire protection purposes..."**

Item No.	Description of Priority Item	Projected Cost
1A	Zoning Code review (continuation)	\$ 30,000
1B	Architectural overlay review	\$ 30,000
1C	Sign Code review	\$ 30,000
2	Increase sidewalk replacement	\$ 50,000
3	Increase street resurfacing	\$ 50,000
4	Increase street surfacing/paving	\$ 50,000
5	Neighborhood Association Grants	\$ 10,000
6	Employee Incentive Program: Pay minimum utility bill for city resident employees	\$ 32,298
7	Coquina concreting of streets adjacent to St. George Street	\$ 10,000
8	Curator/Historian	\$ 37,269
9	Funds available to implement findings of various City-hired consultants	\$ 50,000
10	Rehabilitation of brick streets	\$ 15,000
11	Maria Sanchez Lake bank stabilization and cleanup	\$ 25,000
12	West Garden (Plaza) Fountain	\$ 10,000
13	Relocate "File Display" in West Garden	\$ 500
14	Implement electronic plans submittal program for all building plans and permits	\$ 100,000
15	Update the Florida Master Site Files	\$ 10,000
16	Skate Park Infrastructure	\$ 30,000
<b>Total Cost of Priority Items</b>		<b>\$ 570,067</b>

Item No.	Description of Deferred Maintenance Item	Projected Cost
1	Underground utilities repair/replacement City-wide	\$ 40,000,000
2	Water/Wastewater transmission and distribution improvements	\$ 23,000,000
3	Environmentally sensitive land acquisition	\$ 16,000,000
4	City street repair/repaving	\$ 15,000,000
5	Additional parking inventory structures	\$ 14,000,000
6	Water plant upgrades	\$ 12,000,000
7	Historic properties endowment	\$ 10,000,000
8	Wastewater plant upgrades	\$ 10,000,000
9	Sidewalk repair/installation - City-wide	\$ 8,000,000
10	Stormwater system replacement and improvements	\$ 8,000,000
11	Rehabilitation of Riberia Street	\$ 7,000,000
12	Parking and transportation issues	\$ 6,000,000
13	Fleet and equipment upgrade/replacement	\$ 5,000,000
14	Historic District brick and coquina street repair and replacement	\$ 5,000,000
15	Rehabilitation of Lightner roof & waterproofing, and windows	\$ 4,000,000
16	Construction of the S. Avenida Menendez Seawall project	\$ 3,000,000
17	Police station replacement	\$ 3,000,000
18	Utility/Public Works building replacement	\$ 3,000,000
19	Marina expansion	\$ 2,000,000
20	Upgrades to City-owned recreational facilities	\$ 1,000,000
21	Mooring fields	\$ 600,000
22	Historic signage	\$ 500,000
23	Rehabilitation of the North City Waterworks building	\$ 475,000
24	Upgrades to the IT hardware and software	\$ 250,000
<b>Total Cost of Deferred Maintenance Items</b>		<b>\$ 196,825,000</b>

Mr. Harriss stated that the proposed budget was based on the same level of service at the same level of millage as the previous year, which left \$80,000 to use for some of the Commissioners priorities.

Mayor Gardner questioned whether the same level of service included the increased wages.

Mr. Harriss said that the proposed budget included the 4% market wage adjustment for employees below the executive level, because he felt uncomfortable including the executive level. He said that the level of service would be the same as the previous year; however, the proposed budget did not address the Commissioner's priority list in the amount of \$570,067 or the deferred maintenance list in the amount of \$196,825,000. He stated that they could increase revenue by increasing millage or increasing the Fire Assessment, which would include churches and institutions and was based on a penny per square foot. He said that the assessment could be increased one or two pennies, which was approximately \$157,000 net per penny or \$314,000 for two pennies. He said that they could justify the increase on the basis of improvements for the fire department over the previous years, as there was approximately \$450,000 in new costs in the fire department. He explained that the fire department was currently funded by the General fund, but some of the revenue could be shifted from the General Fund to the

Fire Assessment fee and free-up advalorem money for some of the things on the aforementioned lists.

Commissioner Crichlow questioned the deferred maintenance list.

Mr. Harriss explained that it was a list of larger ongoing projects such as repaving streets or a new roof on the Lightner Museum that would be nice to do, but the City could get by another year without further addressing them.

A brief discussion determined that deferred maintenance sounded as though they were not being good stewards, and they decided to set the list aside for the moment.

Commissioner Burk questioned why the 4% market wage adjustment was just from the executive level down.

Mr. Harriss replied that there had been a theft of key City employees from other agencies. He said he found out that the County had a human resource company do a study revealing that the wages in the whole area were low for the prevailing wage rate. He said the County determined to do a general wage increase for everyone to be competitive in the market.

Commissioner Burk questioned the County's increase.

Mr. Harriss replied that the total wage increase and cost of living increase amounted to 8%. He added that the County had also experienced a loss of key employees to other agencies.

A discussion resulted, and it was determined to add the \$50,000, for a 4% market wage adjustment across the board to include executive employees, to the priority list for the Commissioners to consider.

Commissioner Crichlow questioned whether the discrepancies in the Fire Department regarding salary to rank had been rectified, and he was assured that the compression matter had been addressed.

A brief discussion followed regarding the shortage in the utility crews, and it was determined that the City had not been able to fill the positions because of the low salaries, which was rectified with the wage adjustment in the proposed budget.

Commissioner Burk questioned whether the City could enact impact fees.

Mr. Harriss replied that if the City signed on to the County's impact fees the City would collect and the County would get the majority of it, but they could make an agreement with the County to give the City more. He explained that by law impact fees had to be used specifically.

Commissioner Burk questioned whether the City had the authority to enact impact fees.

Mr. Harriss replied that he believed so, but they would have to demonstrate the impact and what the revenue would be used for. He added that they collected school impact fees.

Commissioner Burk suggested that staff research the matter as an additional source of revenue, and it was agreed.

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

### **UTILITY FUND**

- Divisions
- Administration
- Water Treatment
- Meter Maintenance
- Wastewater Treatment
- Transmission and Distribution
- Pump Stations

*•Projections indicate 2004/2005 revenues will exceed expenditures this year by \$209,968 or by 1.72%*

### ***Key Reasons***

- Revenues
- Income from connection and construction fees are higher than budgeted
- Expenses

- Expenses are less than budget due to unfilled laborer positions

Mr. Leetch said expenses were less than budgeted due to being down 14 positions for half the year and he added that they were still down about 10 positions.

### **Charlotte Street**

- Completed a comprehensive rehabilitation of utilities

### **Water Treatment Plant**

- Completed pilot plant study
- Initiated design of low pressure reverse osmosis plant

Mr. Leetch stated that they were still in the design phase for the plant, as the existing shallow wells could not be used; therefore, staff would drill some deep wells next year.

### **Wastewater Treatment Plant**

- Completed initial system evaluation
- Initiated design for treatment modifications and capacity increase

Mr. Leetch stated that they were running into capacity problems in the wastewater treatment plant due to inflow and infiltration, and they were in the process of conducting a more comprehensive evaluation to meet future capacity and permitting needs. He explained inflow and infiltration to the Commissioners, as well as methods of dealing with the situations.

### **FY 2004-05 Activities**

- Continued with preliminary design for a 2.0 MGD LPRO plant
- Treated and distributed in excess of 1.0 billion gallons of water
- Treated in excess of 1.612 billion gallons of wastewater
- Reused approximately 122.4 million gallons of treated wastewater
- Installed over 48,000 LF of new water lines
- Slip-lined approximately 15,000 LF of gravity sewer mains to reduce I/I load
- Installed over 25,400 LF of new sewer gravity mains

- Installed over 13,700 LF of new sewer force mains
- Added 750 new water accounts and 510 new sewer accounts
- Successfully refinanced a bond issue that will result in an approximate \$1.0 million savings to the Utility Fund

Mayor Gardner questioned the percentage of the total new lines the City would install and whether they were doing enough.

Mr. Leetch replied approximately 13%, and he said they could probably do more if they had the money.

Commissioner Boles questioned whether the City would rank average to other cities.

Mr. Harriss pointed out that the City was old and the system was old; therefore, they would be behind average. He added that they were handling the situation better every year.

Mayor Gardner whether it would be good if they found \$.5 million to put into the matter for a one shot deal.

Mr. Leetch pointed out that the City had signed an agreement with the DEP to spend \$200,000 annually; moreover, the DEP was working with the City to facilitate the situation.

A discussion regarding slip-lines ensued, and it was clarified that there were lines in the City that could not be slip-lined.

### **Proposed FY 2005-06 Activities**

- Continue with preliminary design and permitting for 2.0 MGD LPRO plant
- Convert from sulfur dioxide gas to sodium bisulfite to completely reduce risk exposure at WWTP
- Continue with design and permitting of WWTP process modifications and capacity increase
- Continue to reduce the I/I load to the Wastewater Treatment Plant

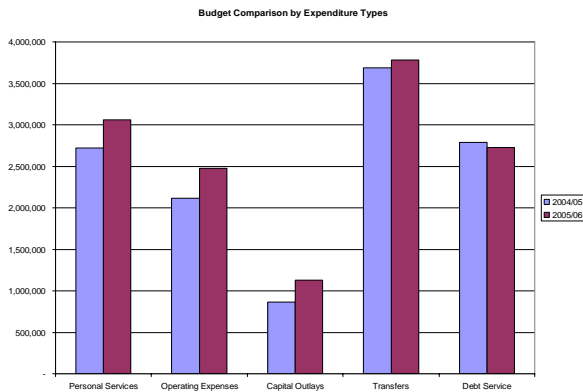
Mr. Harriss said that the modifications reduced risk of exposure and terrorism.

Mr. Leetch addressed three pie charts demonstrating the proposed revenue sources, expenditure sources and the 64-full time equivalents for the fiscal year.

**2 Incremental Positions for FY2005-06:**

- (2) Meter Maintenance Technicians
- Increase water accounts

Mr. Leetch explained that they currently had five people in the division with two employees reading 9,700 meters a month. He added that since 1995 the City had added 45% more meters without additional staff, and they just could not continue without more employees.



**Proposed Budget Highlights**

- 15% Increase on Water and Sewer Connection Fee
- 1.75% Increase on Water and Sewer Rates
- Adding 2 Incremental Positions

Mr. Leetch stated that the connection fees had to pay for themselves; hence the 15% increased connection fees. He said that the 1.75% increase on water and sewer rates would increase the base rate .54¢ a month.

Mr. Harriss pointed out that water and sewer fees were a form of legally defensible impact fees that made new growth pay for itself.

Commissioner Boles questioned how much it would cost for a new home in the City.

Mr. Leetch replied that for a single family residence the amount would increase from \$3,830 to \$4,509 and outside of the City the

amount increased 25%, and there were two districts that were further out that paid a little bit more.

Commissioner Burk stated that it was not enough.

A discussion regarding the amount that would be charged for larger homes, restaurants and businesses ensued, and it was clarified that the commercial amount was based on square footage.

	2004-05 BUDGET	2004-05 PROJECTED	2005-06 PROPOSED BUDGET
TOTAL REVENUE	\$ 12,175,166	\$12,004,998	\$13,179,173
TOTAL EXPENDITURES	\$ 12,175,166	\$11,795,030	\$13,179,173
SURPLUS/ DEFICIT	\$ 0	\$ 209,968	\$ 0

**Stormwater Fund**

- Projections indicate 2004-05 revenues will exceed expenditures this year by approximately \$1,417 (.13%)

**Oviedo Street**

- Completed a comprehensive replacement of the stormwater system and street

Mr. Leetch stated that they put in dual 16" lines on the south side of the street, put in new catch basins and relayed bricks on both sides of the streets, and the project should be finished the following week.

**Charlotte Street**

- Completed a comprehensive replacement of the stormwater system and street

**Artillery Lane**

- Completed a comprehensive replacement of the stormwater system and street

Mr. Leetch said that Artillery Lane had been a good project, as they laid new storm pipe

from St. George Street to Avenida Menendez and put in new brick.

**Maria Sanchez Lake**

- Replaced outfall structure that will allow improved water quality monitoring <sup>2</sup>

Mr. Leetch stated that they were putting in a state of the arts system to regulate the lakes water levels and quality. He added that the system would be electronic and radio controlled with stainless steel valves.

Mr. Harriss added that it would help the health of the lake, because the City would be able to flush the lake during the night, allow the incoming tide to fill the lake when no one could see the level dropping and all by computer.

**Willie Galimore**

- Completed stormwater improvements and paved lot

**•1995 Stormwater Master Plan Progress Report**

▪ 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.	Completed
▪ Orange St. Basin	Completed
▪ Treasury St. Area	Completed
▪ Riberia St. and Lincolnville Area	Preliminary Design Underway
▪ Oyster Creek Outfall	Future Project

Mr. Leetch stated that there were items on the master plan that should be removed because some of them, such as Oyster Creek and San Carlos Avenue, were not the City's responsibility.

**Proposed FY 2005-06 Activities**

- Increase activity related to stormwater maintenance
- Evaluate the 1995 stormwater master plan and its projects

<sup>2</sup> End of audio tape one

- Design and construct stormwater system replacement for Valencia Street
- Continue to maintain compliance with the NPDES stormwater permit
- Design Phase I stormwater improvements for Riberia Street
- Continue design and engineering of the S. Avenida Seawall project

**S. Avenida Menendez Seawall Project**

- Conceptual design

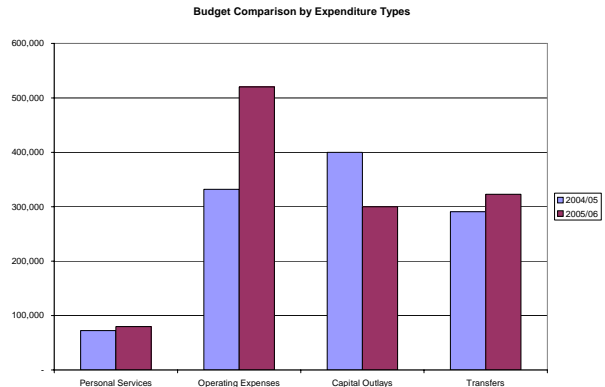
Mr. Leetch stated that the City had all the permits for the seawall project, and they were working on the final design.

Commissioner Jones pointed out that they did not have the money for the project.

**S. Avenida Menendez Seawall Project**

- Confirmed Funding Sources
- Community Redevelopment Block Grant \$750,000
- Florida Inland Navigation District Grant \$240,000
- Potential Funding Sources
- Congressman Mica – Federal Appropriation
- FEMA – Flood Mitigation

Mr. Leetch said that they would talk with Congressman Mica about seeking federal money, and they would try to get some FEMA funds, as the total project cost approximately \$3 million.



Mr. Leetch referred to the operating expenses and stated that the cost had to do with the project on Riberia Street that would be funded from the Stormwater Fund. He

said that there would be new stormwater, curbs, sidewalks and gutters. He said that the project would go from King Street to Bridge Street; they would be evaluating the underground utilities and possibly replace some mains. He said that it would be an expensive and lengthy project.

Commissioner Jones suggested that they survey the area in a timely fashion to determine whether the City would need any right-of-way, as that would allow others to plan their construction accordingly.

Mr. Leetch pointed out that the surveying should be completed within the next three months.

**UTILITY FUND SUMMARY**

	2004-05 BUDGET	2004-05 PROJECTD	2005-06 PROPOSED BUDGET
TOTAL REVENUE	\$2,946,083	\$ 2,997,196	\$ 3,012,938
TOTAL EXPENDITURES	\$2,946,083	\$ 2,938,914	\$ 3,012,938
SURPLUS/(DEFICIT)	\$ 0	\$ 58,282	\$ 0

**Proposed Budget Highlights**

- No increase in rates

**SOLID WASTE FUND**

- Projections indicate 2004-05 revenues will exceed expenses this year by approximately \$58,282 (1.97%)

**FY 2004-05 Activities**

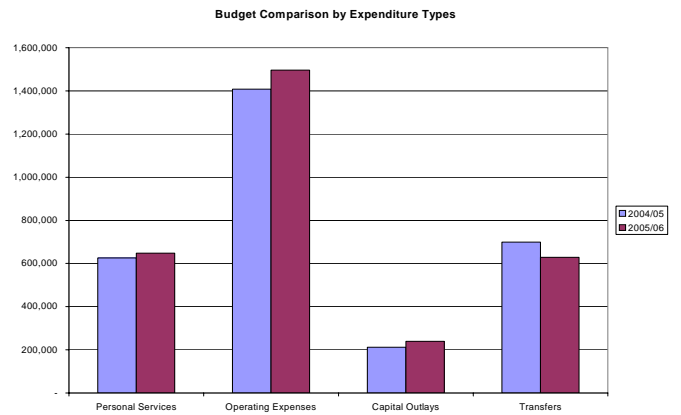
- Provided collection of more than 19,070 tons of solid waste
- Provided collection of more than 8,520 cubic yards of yard debris
- Provided collection of more than 2,650 tons of construction and demolition materials
- Continued oversight and management of the recycling program

- Implemented commercial account auditing program

**Proposed FY 2005-06 Activities**

- Continue expansion of open-top containers
- Comprehensive audit of all commercial accounts
- Continue to expand residential C & D dumpsters
- Continue expansion of compactor service for large developments and concentrated commercial areas

Commissioner Boles pointed out that the City offered many services that other communities did not.



	2004-05 BUDGET	2004-05 PROJECTED	2005-06 PROPOSED BUDGET
TOTAL REVENUE	\$ 2,946,083	\$ 2,997,196	\$ 3,012,938
TOTAL EXPENDITURES	\$ 2,946,083	\$ 2,938,914	\$ 3,012,938
SURPLUS/(DEFICIT)	\$ 0	\$ 58,282	\$ 0

**Proposed Budget Highlights**

- No increase in rates

A brief discussion clarified that only the water and sewer would be increased.<sup>3</sup>

**MUNICIPAL MARINA FUND**

<sup>3</sup> A brief recess from 10:50 until 11:00 a.m.

**Projections indicate 2004-05 revenues will exceed expenses this year by \$22,433 or by 1.45%**

**Key Reasons**

- Revenues
- Increased dockage sales (Record Year)
- Increased fuel sales (Record Year)

**•FY 2004-05 Activities**

- Received the Florida Department of Environmental Protection *Clean Marina Certification*
- Completed renovations to the boaters' restroom facilities
- Hosted the 13th Annual King Buster Classic Fishing Tournament
- Hosted the 11th Annual King Fish Challenge Fishing Tournament
- Hosted the "St. Augustine Boat Show"
- Initiated customer service training program
- Initiated the underground storage tank replacement project

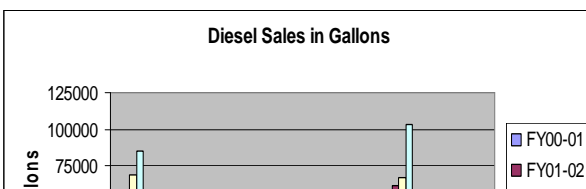
Mr. Sheffield clarified that the EPA had mandated that any diesel underground storage tanks had to be replaced by 2009. He added that they would also install a better fueling system as diesel sales were higher than ever.

- Increasing fuel capacity from 24K to 30K
- Better fueling service
- 1-High speed dispenser (60-GPM)
- Successfully implemented a sales and marketing position
- Installed a new fire suppression system on north and south docks
- Initiated the rehabilitation of the north dock

**FY 2004-05 Activities**

- Established new revenue records in fuel and dockage sales

Mr. Sheffield stated that they had increased the dockage rate last year and currently they were \$100,000 above the budgeted revenues with two more months left in the fiscal year.

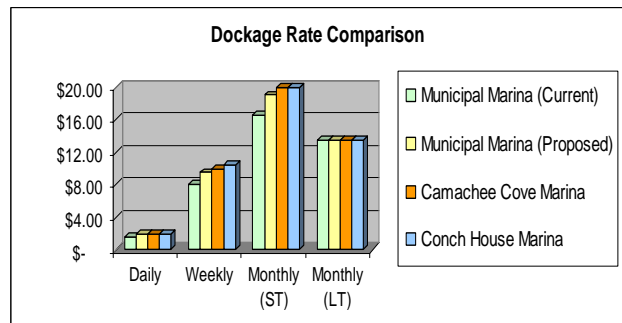


Mr. Sheffield said that for the current year they had budgeted 315,000 gallons of diesel, but to date they had sold 475,000 gallons. He pointed out that the City Marina rates remained equal to or lower than surrounding marina rates.

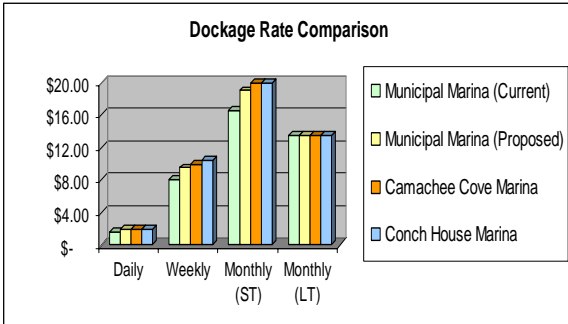
**Proposed FY 2005-06 Activities**

- Strive to be the best marina on the East Coast
- 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
- Complete the permitting, design and engineering of the breakwater and dock expansion project
- Rehabilitate the south dock
- Continue the Preventive Maintenance Program for the north and south docks

Mr. Sheffield stated that they wanted to institute another dockage increase to be more comparable with the local marinas, because the City marina had the best location. He proposed to change the daily, weekly, and short-term monthly rates. He referred to the following graph:



Mr. Sheffield said that if they were allowed to increase rates they would still be somewhat below competitors, with the exception of the long-term monthly rates.



	Daily	Weekly	Monthly (ST)	Monthly (LT)
Municipal Marina (Current)	\$1.60	\$ 8.00	\$16.50	\$13.50
Municipal Marina (Proposed)	\$1.90	\$9.50	\$19.00	\$ 13.50
Camachee Cove Marina	\$2.00	\$10.50	\$20.00	\$13.50
Conch House Marina	\$1.95	\$9.95	\$19.95	\$13.50

A discussion determined that the City would increase dockage fees in order to provide more and better services at the marina, and they would increase the dinghy fee to ten dollars a day.

**Reason for Dockage Rate Increase**

- To further the implementation of the Capital Improvement Plan/Long-Term Goals
- Expansion of the Marina Office
- Expansion of the Floating Dock
- Construction of a Breakwater System

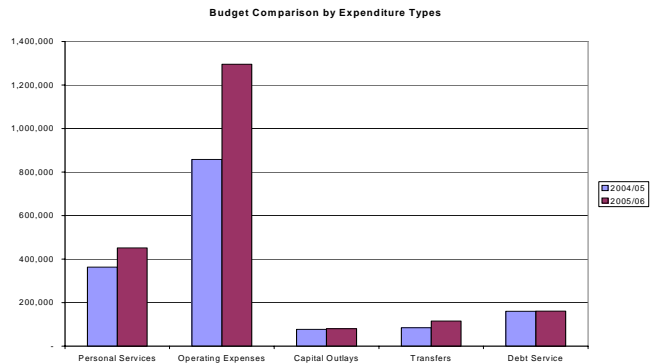
Mr. Sheffield referred to two pie charts regarding the proposed revenue sources and the full time employee equivalents for the 2005/2006 fiscal year.

**1 Incremental Position for FY2005-06:**

- (1) Marina Attendant
- Increased level of service

- Customer Service is top priority
- Increased levels of clients/business

Mr. Sheffield said that the new marina attendant position was necessary to maintain the level of service, because they did not foresee business at the marina slowing down.



	2004-05 BUDGET	2004-05 PROJECTED	2005-06 PROPOSED BUDGET
TOTAL REVENUE	\$ 1,543,501	\$ 2,272,307	\$ 2,103,924
TOTAL EXPENDITURES	\$ 1,543,501	\$ 2,249,874	\$ 2,103,924
SURPLUS/(DEFICIT)	\$ 0	\$ 22,433	\$ 0

Mr. Sheffield explained that the proposed budget was less than the previous year, because they received FEMA assistance for the damages that had occurred during the hurricanes of 2004. He said that the marina had made additional profit, and they planned to use the money for the underground storage tank rather than borrowing money as well as paying for the damages to the north dock. He concluded that he expected good business to continue and get better.

**Proposed Budget Highlights**

- Increase Dockage Rates

Dr. William Adams, Director, Heritage Tourism delivered the projections for the 2005/2006 fiscal year as follows:

**HERITAGE TOURISM FUND**

- Projections indicate 2004-05 revenues would exceed expenditures by \$22,438 or by .99%

Dr. Adams said that they had an increased visitor services operations allocation from St. Johns County rising from \$50,000 to \$100,000 and upon completion of the garage the amount would increase to \$200,000.

**Key Reasons**

- Revenues
- Increased allocation from the St. Johns County Tourist Development Council
- Expenditures
- Expenditures are projected to be less than budgeted

**Divisions**

- Administration
- Facilities Maintenance
- Spanish Quarter Museum
- Museum Store
- Support Organization
- Visitor Information Center

**FY 2004-05 Activities**

- Conducted a successful Menendez Grand Ball
- Conducted a building assessment survey on all State-owned buildings
- Maintained buildings and services that hosted over one million visitors
- Continued regular operation of the tavern
- Continued discussions with a local foundation and the Castillo to establish a joint interpretive program
- Initiated a marketing survey

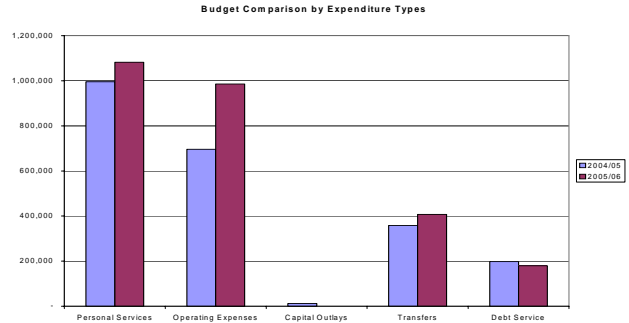
**Proposed FY 2005-06 Activities**

- 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
- Initiate deferred building-maintenance program
- 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
- Initiate deferred building-maintenance program

**State Grants and Assistance**

- Colonial Spanish Quarter General Operating Support Grant
- V.I.C. Window Restoration Project
- State-owned Buildings Grant
- Eleven Buildings
- Government House
- Florencia House
- Salcedo House
- Benet House
- Gallegos House
- De Mesa House
- Paredes-Dodge House
- Sanchez de Ortigosa House
- Spanish Military Hospital
- Arrivas House
- Old Blacksmith Shop

Dr. Adams referred to three pie charts regarding proposed revenue sources, proposed expense categories and the full time employee equivalents for the 2005/2006 fiscal year.



	2004-05 BUDGET	2004-05 PROJECTED	2005-06 PROPOSED BUDGET
TOTAL REVENUE	\$ 2,259,946	\$ 2,191,930	\$ 2,654,820
TOTAL EXPENDITURES	\$ 2,259,946	\$ 2,169,492	\$ 2,654,820
SURPLUS/(DEFICIT)	\$ 0	\$ 22,438	\$ 0

**Proposed Budget Highlights**

- No Adjustments

**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 2004-05 Activities**

- Began construction of 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 2005-06 Activities**

- 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)
- Replace sidewalks

	2004-05 BUDGET	2004-05 PROJECTED	2005-06 PROPOSED BUDGET
TOTAL REVENUE	\$ 390,386	\$ 429,930	\$ 967,682
TOTAL EXPENDITURES	\$ 390,386	\$ 429,930	\$ 967,682
SURPLUS/ (DEFICIT)	\$ 0	\$ 0	\$ 0

**Proposed Budget Highlights**

- All revenues received from the fund are designated toward transportation and parking improvements within the indicated area.

Mayor Gardner suggested that the City could use a portion of the CRA money for the \$700,000 Riberia Street project.

Mr. Harriss agreed that staff would go before the Commission requesting to use CRA money for the project. He added that although staff was working on the project

they would not implement it until the San Sebastian project was well under way.

Commissioner Jones suggested that the priority list was not as important as the deferred maintenance list. Passionately speaking, he stated that they were behind on improvements to the City that were critical, therefore more important, and they should put forth a plan rather than focus attention on cosmetics.

Commissioner Burk noted that the items on the deferred maintenance were being planned for, and she disagreed that the priority list was not important.

Mr. Harriss stated that if the Commissioners dedicated money for the deferred maintenance fund staff would appreciate the help. He continued that an increase in the current level of service to address some of the items on the list would be appropriate. Commissioner Boles agreed that a long term plan would be appropriate.

A brief discussion regarding the fire assessment ensued.

Commissioner Crichlow said that he would agree to the \$.04 fire assessment increase.

Mr. Sheffield stated that should they adopt the \$.04 fire assessment increase, institutions containing 10,000 square feet would have an incremental increase of \$300.

Commissioner Jones disagreed with raising the fire assessment only, and he suggested that they increase the fire assessment \$.02 and the millage to 6.8%, because it would be less impact on the less fortunate and make the financial burden more fair.

Commissioner Boles disagreed stating that raising taxes always hurt the middle class the most.

Mayor Gardner suggested a program that would assist the less fortunate with the proposed increased fire assessment; however, it was determined that legally the City could not offer assistance.

The Commissioners discussed the millage rate and the fire assessment tax and consensus was to maintain the millage rate at 6.6% and increase the fire assessment a total of \$.04, which provided \$556,000 for the Commissioners to allocate.

Commissioner Boles questioned whether the Commissioners would agree to putting \$100,000 from each budget for the deferred maintenance list.

Commissioner Burk replied that if everyone agreed to give her the skate park she would agree to the \$100,000 for deferred maintenance.

The Commissioners entered into discussion regarding the priority and deferred maintenance lists and the determination was as follows: <sup>4</sup>

- \$50,000 for the salary adjustment at the executive level
- \$30,000 – Davis Shores Park infrastructure
- \$20,000 - Rehabilitation of brick streets
- \$10,000 - Neighborhood Association Grant

Mr. Harriss pointed out that the Commissioners would have to appoint one person each for representation on a grants review panel, and the Commissioners agreed.

- \$10,000 - Coquina concreting of the streets adjacent to St. George Street
- \$30,000 - Zoning Code review
- \$500 - Relocate tile display in West Garden
- \$10,000 - Maria Sanchez Lake bank stabilization and cleanup
- \$10,000 – West garden (Plaza) fountain
- \$32,298 - Employee Incentive Program: Pay minimum utility bill for city resident employees

<sup>4</sup> End of audio tape two

- \$10,000 - Update the Florida Master Site Files
- \$100,000 – for Increased sidewalk replacement, street resurfacing and street surfacing/paving
- \$100,000 – Historic properties endowment
- \$143,000 - Contingency Fund for projects that came up
- Should the state turn the historic buildings over to the City they would need a Curator/Historian to monitor the condition of the buildings, and the cost would be taken from the contingency fund

A brief discussion determined that the budget would be put online.

### 3. Adjournment

There being no further business, the meeting was adjourned at 1.15 p.m. <sup>5</sup>

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MAYOR

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CITY CLERK

<sup>5</sup> Transcribed by Karen Rogers, Recording Secretary