

 CITY OF ST. AUGUSTINE

City Commission Budget Workshop
July 27, 2009

The City Commission met in a formal session Monday, July 27, 2009 at 3:30 P.M. in the Alcazar Room at City Hall. The meeting was called to order by Mayor Boles, and the following were present:

1. Roll Call:

Joe Boles, Mayor/City Commissioner
Errol D. Jones, Vice Mayor/City Commissioner
Donald A. Crichlow, City Commissioner
Leanna Freeman, City Commissioner
Nancy Sikes-Kline, City Commissioner

William B. Harriss, City Manager
Ron Brown, City Attorney
Karen Rogers, City Clerk
Timothy A. Burchfield, Chief Administrative Officer
John Regan, Chief Operating Officer
Mark Litzinger, City Comptroller
Jim Piggott, General Services Director
Tim Fleming, Deputy Director, General Services/Purchasing Manager
Paul K. Williamson, Director, Public Affairs
Darlene Kirkland, Recording Secretary

2. Presentation and discussion regarding the FY 2009-2010 City of St. Augustine Budget.

Tim Burchfield stated that the City budget for the FY 2009-2010 would be \$1.38 million under budget. He noted that the City would see a decline in revenue for 2010 as follows:

- \$1.65 million less in Ad Valorem taxes
- \$350,000 less in State revenue
- \$200,000 less in building permits and fees
- \$200,000 less in interest revenue

Mr. Burchfield stated that the current format included \$1.74 million in cuts. He noted that the services would be comparable with current services with cuts in place. He stated that three possible revenue sources were identified as follows:

- Fire assessment fee - \$162,500 per penny increase
- Electric utility tax – \$20,000 in revenue per every 1% increase
- Increased millage rate - \$125,000 additional revenue for every .1% increase

Mr. Burchfield stated that according to recording requirements by the State of Florida, fire assessment and utility tax fees had be passed by the end of August. He presented the budget committee recommendations as follows:

- Increase fire assessment fees by 2 cents per square foot
- Adjust electric utility tax to 8% flat rate
- Increase Ad Valorem millage rate by .6768 to 7.5 mills

Mr. Burchfield stated that certain state exemptions allowed federal agencies and certain schools to opt-out of paying fire assessment fees; however, all other non-profit organizations and churches paid electric utility taxes and fire assessment fees.

William Harriss, City Manager, stated that the increase in taxes and fees would depend on total square footage of homes or businesses. He remarked that raised fire assessment fees and electric utility taxes provided a way for everyone in the City to share the cost of local government.

Mr. Burchfield stated that approximately \$6 million had been cut from the budget over the past three years, but citizens had not seen any reduction in services provided by the City.

Mayor Boles stated that he appreciated the City staff for putting the budget together prior to the Budget workshop.

Mr. Harriss stated that regarding budget cuts, requests were made by department heads and after review by the budget committee, a decision for approval had been made. He stated that employees understood the cut in raises. He noted that the water and sewer fund would be addressed separately. He noted that there would be a full report available for the next meeting.

Mayor Boles questioned when the mooring fields would be completed.

Mr. Harriss replied that the City was in the permitting process, and the fields should be operating in the next fiscal year.

Mayor Boles noted that the Port and Waterway Authority assisted the City with the expense of removing derelict boats.

Commissioner Crichlow questioned the derelict boats and funding available to remove them. He stated that the City was rated highly by the Port and Waterway Authority. He noted that Carl Blow was a district Commissioner for the Port Authority, and there might be grant possibilities.

Commissioner Sikes-Kline stated that the budget recommendations were appropriate; however, she remained concerned about deferred maintenance on City equipment.

Mr. Burchfield replied that if a problem occurred it would be addressed on a case-by-case basis. He noted that there were surplus reserves in the following budgets:

- Utility fund
- Marina fund
- Storm water fund



Mr. Burchfield stated that based on consensus of the Commission, the Ordinances would be ready for first reading during the August 10, 2009 Commission meeting.

3 Adjournment

There being no further business, the meeting was adjourned at 4:05 P.M.¹

MAYOR

CITY CLERK, CMC

¹ Transcribed by Darlene Kirkland