

## CITY OF ST. AUGUSTINE

FY 2008/2009 Budget Workshop Meeting  
August 19, 2008

The City Commission met in a formal session Tuesday, August 19, 2008 at 9:00 A.M. in the Alcazar Room at City Hall. The meeting was called to order by Mayor Boles, and the following were present:

### **Roll Call:**

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

William B. Harriss, City Manager  
Ron Brown, City Attorney  
Timothy A. Burchfield, Chief Administrative Officer  
John Regan, Chief Operations Officer  
Mark Knight, Director, Planning and Building  
Robin Upchurch, Assistant City Attorney  
Jim Piggott, General Services Director  
Tim Fleming, Deputy Director, General Services/Purchasing Manager  
Mark Litzinger, City Comptroller  
Meredith Breidenstein, Financial Services Group Manager  
Dr. William Adams, Director, Heritage Tourism  
Paul K. Williamson, Director, Public Affairs  
Michael Arnold, Fire Chief  
Loran Lueders, Police Chief  
Susan Goins, Recording Secretary

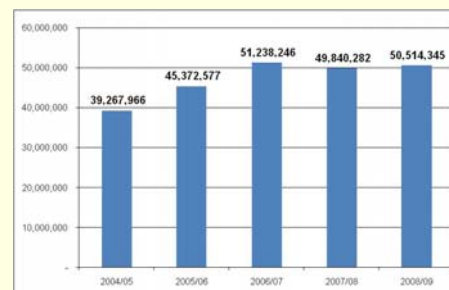
### **2. Presentation and discussion regarding the FY 2008/2009 City of St. Augustine Budget.<sup>1</sup>**

William B. Harriss, City Manager, stated that the FY 2008/2009 budget had been the most challenging since he worked for the city. He pointed out that there was good news in some expense areas; however, fuel related products and inflation had an adverse effect on the budget. He added that several programs had been cut that they could not perform efficiently.

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

Mark Litzinger, City Comptroller, provided an overview of the budget process and stated that the proposed roll back rate was 6.8232 mils.

### **BUDGET HISTORY** (INCLUDING ALL PROPRIETARY FUNDS)



## **General Fund**

### **Offices and Departments**

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

*Projections indicate 2007-2008 revenues would exceed expenditures by \$107,920 and the key reasons were revenues from parking fees, rental income, franchise fees and sale of fixed assets.<sup>2</sup>*

### ***FY 2007/2008 Expenditures***

#### ***Fleet Operations and Warehouse Facility***

#### ***Hypolita Street Improvements***

- Completed major utility work
- Replaced the pavement with Coquina
- Removed parking spaces

#### ***Cedar Street & Castillo Drive Improvements***

- Emergency repair paving

#### ***Twine Street & Sevilla Street Improvements***

- Paved both streets in conjunction with major utility upgrade on Twine Street and opening of the Flagler College Student Center on Sevilla Street

#### ***Madeira & Old Sebastian Point Development***

#### ***Whispering Creek & Walgreens Development***

#### ***Completed Historic Gas Light Replica Replacement in the Plaza***

- Kiosk stations in the Plaza

#### ***Baas Lot Improvements***

- Installed pay station

#### ***Lightner Roof Repairs***

- \$90,000 of roof repairs completed at the Lightner Museum

#### ***Thermostreet Names***

- Street identification

#### ***Trash Can & Bench Replacements***

- Trash cans made of long lasting composite wood

#### ***Fullerwood Park***

- Completed upgrades

#### ***Davis Shores Neighborhood Park***

- Completed design and construction would begin in November

#### ***Pomar Park***

- Kayak launching area
- Installed bathrooms

#### ***Lighthouse Area Improvements***

- Completed public restrooms
- Completed dredging of area and installed floating dock

#### ***Francis Field Improvements***

#### ***Federal Grants and Assistance***

- Justice Assistance Grant
- Castillo Drive Crossing
- Federal Firefighters Grant – FEMA
- DHS Fire Assistance Grant – FEMA

#### ***St. Augustine Port, Waterway & Beach Authority***

- Derelict Vessel removal
- Fire Boat
- Overtime for patrol of waterways

#### ***State Grants and Assistance***

- Florida Department of State, Division of Historical Resources Grant for the

<sup>2</sup> Commissioner Burk left the room 9:17 A.M.

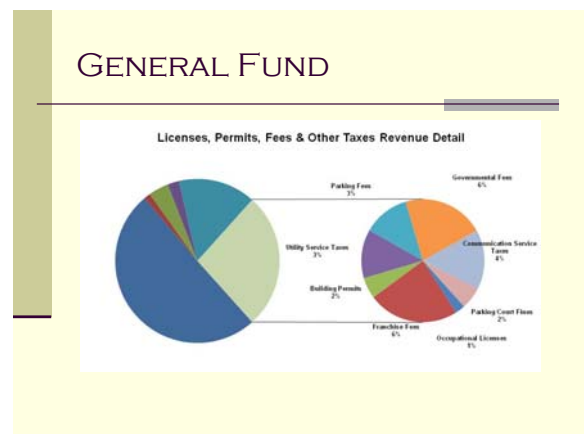
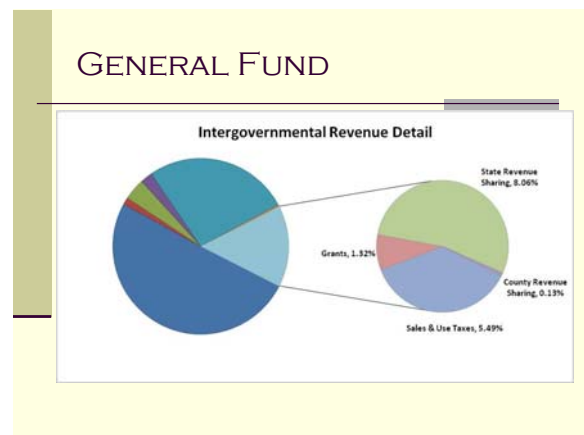
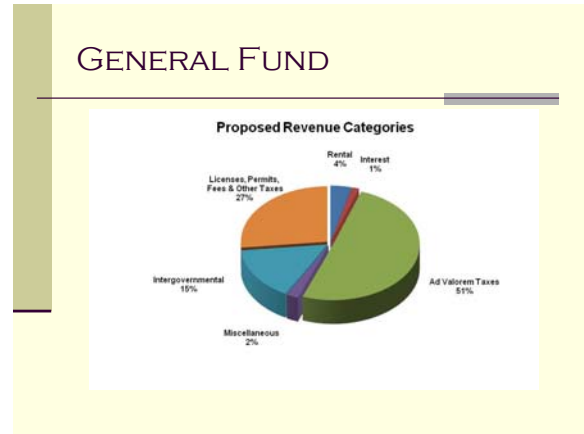
Alcazar Hotel Window restoration/replacement project

**Other FY 2007-2008 Activities**

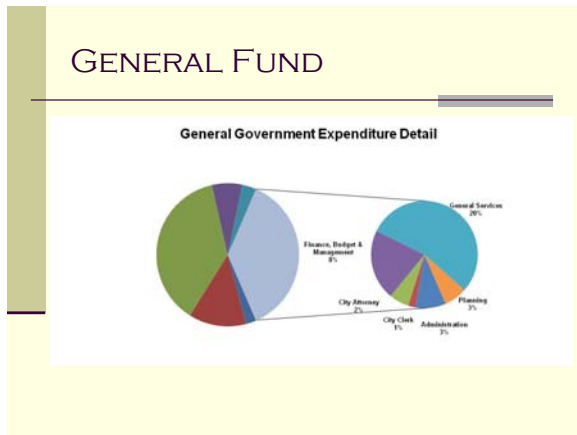
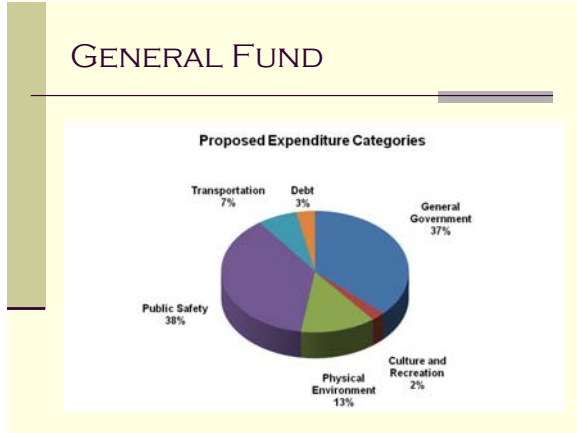
- Received 15<sup>th</sup> consecutive CAFR Award
- Poured 5,500 LF of sidewalks
- Conducted Third Annual City Employee's Health Fair
- Continued working with UF to transfer the management of historic properties
- Committed to support the "America's Road Home Statement of Principles and Action"
- Began preliminary planning and preparation of the city's 450<sup>th</sup> celebration
- Expanded "The Nights of Lights" program for the 14<sup>th</sup> consecutive year
- Continued negotiating a new franchise renewal agreement with Florida Power & Light
- Hosted a public records management seminar presented by the Florida Department of State
- Completed various Alcazar Hotel Renovations
- Successfully managed a comprehensive sales tax audit by the State of Florida
- Began preparing for the acceptance of on-line utility payments
- Contracted for dredging & Bank stabilization of Maria Sanchez Lake
- Completed 18<sup>th</sup> season of concerts in the Plaza
- Streamlined public auction process with Govdeals.com
- Expanded the COSA fiber optic network to the new fleet maintenance building and water treatment plant expansion building
- Implemented a fire truck laptop mapping and fire plan system
- Implemented digital recording system for use in all official city meetings

- Managed broadcast of over 200 hours of government meetings through government TV
- Reorganized, reformatted and launched the New City Website

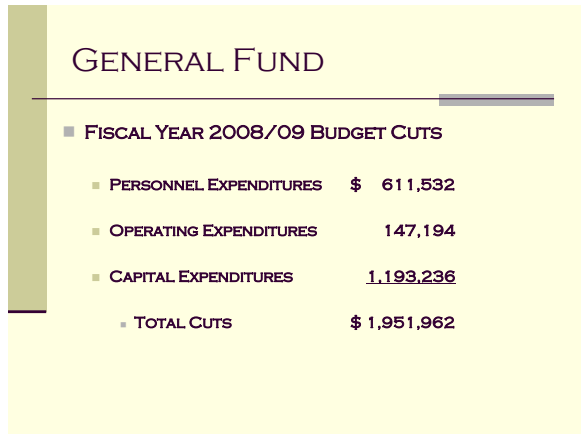
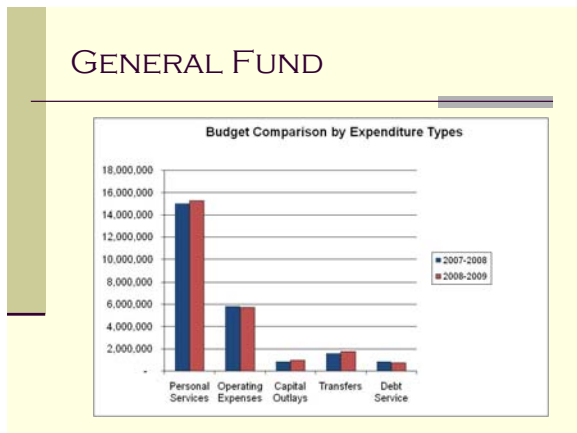
Mr. Litzinger detailed the proposed revenue categories including intergovernmental revenue, license permits fees and other tax revenues and referred to the following pie charts.



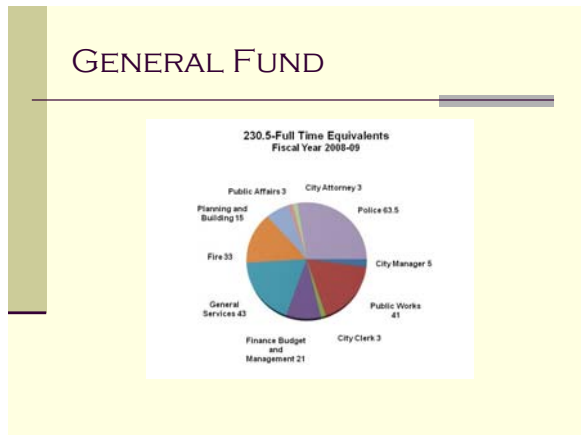
Mr. Litzinger detailed the proposed expenditure categories and the general government expenditure detail charts as follows:



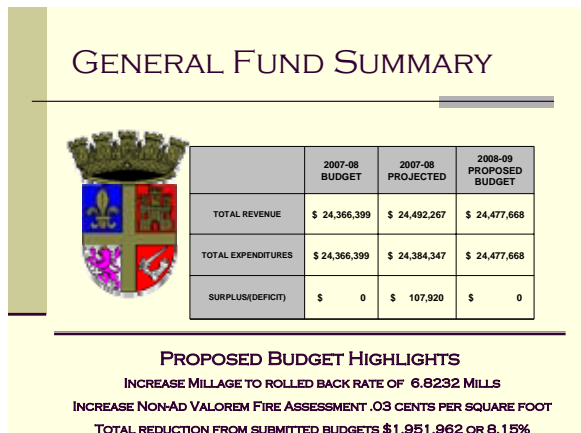
Mr. Litzinger referred to the budget comparison by expenditure types and the FY 2008/2009 budget cuts.



Mr. Litzinger referred to the chart for full-time employees and reported that one full-time position had been eliminated from the general fund budget.



Mr. Litzinger discussed the proposed budget highlights and referred to the following chart.



Mr. Litzinger stated that staff included a non ad valorem fire assessment fee of 3¢ per square foot increase in non ad valorem fire assessment. He pointed out that after discussing the issue individually with each Commissioner; staff felt that they should identify other items in the budget in case the Commission decided that raising the fire assessment fee was not in the best interest of the city.

Commissioner Jones stated that he did not want to increase the fire assessment fee, and Mayor Boles was in agreement.

Following a brief discussion there was Commission consensus not to raise the fire assessment fee.

Mr. Litzinger stated that staff would bring another plan to the Commission for the first public hearing.

Mr. Harriss stated that the city had initiated a plan to "go green".

Jim Piggott, General Services Director, stated that the city wanted to become more environmentally friendly and referred the following:

- The city marina was a "clean marina", which included a pump-out station, recyclable oil dump-off and low sulfur fuel
- Recycling program at the Fire Department
- Installation of solar powered pay meters
- Planning Building Department was responsible for Tree City U.S.A. status
- Bicycle patrols and a beat cop to decrease use of automobiles

Mr. Piggott stated that staff had researched and considered the following:

- Installation of occupancy light sensors in common rooms and offices

- Light sensors would be placed in rooms not frequently used such as copy rooms, storage rooms, conference rooms and break rooms
- Installation of low AMP light bulbs in city buildings such as City Hall and the VIC
  - Low AMP bulbs lasted approximately twelve times longer than ordinary bulbs
  - Low AMP bulbs used approximately .75 less energy than an ordinary bulb

Commissioner Gardner expressed concern about the disposal of low AMP bulbs due to the mercury content.

Mr. Piggott replied that the bulbs would be collected separately and taken to a special designated dump.

Mr. Harriss stated that the bulbs would be bagged and handled separately, and he would provide additional information to the Commission. He added that the city could include disposal information on the water bill.

Mr. Piggott stated that the city had considered purchasing hybrid or smaller vehicles with better MPG to replace larger vehicles.

Mr. Harriss stated that citizens had questioned why the police needed sports utility vehicles; however, larger vehicles were needed to respond to emergency calls during street flooding. He added that several years prior a police car had driven through a flooded area and incurred \$6,000 worth of damage.

Mr. Piggott referred to the following:

- Convert/purchase city vehicles to operate on Compressed Natural Gas (CNG)
  - CNG burned cleaner and saved fuel

- Vehicles that ran on CNG incurred fewer engine problems

Following a brief discussion Mr. Timothy A. Burchfield, Chief Administrative Officer, explained that Teco had approached the city requesting an easement across the bottom lands. He said staff decided that since Teco wanted access to the bottom land the city should get something in return. He stated that Teco would run a line a gas line for city access at their expense.

Mr. Piggott added that the closest CNG station was in west Jacksonville.

Mr. Litzinger referred to the Community Redevelopment Agency Fund (CRA) and stated the following:

- *Eight item improvement plan (long-term)*
  - Construct and maintain parking garages at strategic locations
  - Maintenance and improve existing sidewalks
  - Enhance pedestrian areas and streetscapes
  - Study changes to traffic patterns and implement changes as appropriate
  - Implement Heritage Tourism signage program
  - Encourage and enhance bicycle usage
  - Periodically evaluate transit needs
  - Implement transit systems when practical

Mr. Litzinger referred to the FY 2007-2008 Activities as follows:

- Completed installation of single and multi-space metering program component of the Parking Master Plan
- Completed design of heritage tourism signage

- Continued to accumulate funds for use within the CRA

**Proposed FY 2008-2009 Activities**

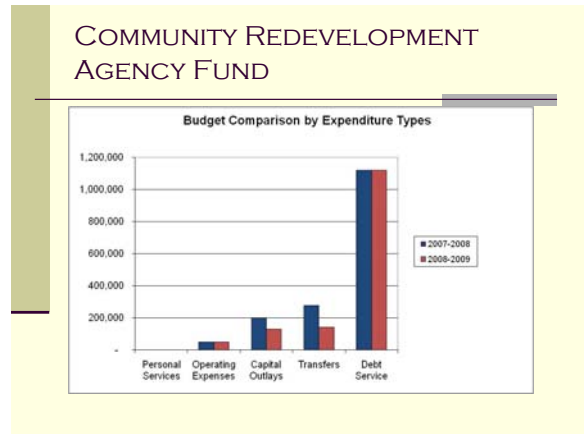
- Complete Riberia Street Improvements design and begin construction
- Install Heritage Tourism signage

Mayor Boles questioned the decrease that the city experienced since the CRA money was linked to property taxes.

Mr. Burchfield replied that the city was losing \$300,000 on the CRA.

Mr. Harriss pointed out that since the city had been conservative when they implemented the plan in 2000, the city was still ahead of their original projections.

Mr. Litzinger referred to the budget comparison by expenditure types and the CRA summary chart.



	2007-08 BUDGET	2007-08 PROJECTED	2008-09 PROPOSED BUDGET
TOTAL REVENUE	\$ 1,848,394	\$ 1,798,448	\$ 1,441,145
TOTAL EXPENDITURES	\$ 1,848,394	\$ 1,750,757	\$ 1,441,145
SURPLUS/(DEFICIT)	\$ 0	\$ 47,691	\$ 0

**PROPOSED BUDGET HIGHLIGHTS**  
ALL REVENUES RECEIVED FROM THIS FUND ARE DESIGNATED TOWARD TRANSPORTATION AND PARKING IMPROVEMENTS WITHIN THE INDICATED AREA.

## Utilities

John Regan, Chief Operations Officer, detailed the Utility Fund as follows:

### Divisions

Administration  
Water Treatment  
Meter maintenance  
Wastewater Treatment  
Transmission and distribution  
Pump Stations

*Projections indicated 2007/2008 revenues would exceed expenses by \$5,070.*

Mr. Regan referred to the Water Treatment Plant and reported the following:

### **Water Treatment Plant**

- Completed construction of Water Treatment Plant
- Treated and distributed in excess of 1.0 billion gallons of water
- Replaced sludge building meter control centers
- Replaced 24-inch outfall line
- Treated excess of 1.44 billion gallons of wastewater
- Applied for operating permit renewal
- Planning a ribbon cutting ceremony for the new Water Treatment Plant
- Received \$1 million from the Water Management District
- Working with the Water Management District to get in the grant cycle process to obtain 40% cost sharing on expansion of the plant
- Switched the most aged and physically dangerous motor control center at the plant
- Changed the motor control center at the bio-solids facility
- Updated the management team; Manager of the Wastewater Plant had tremendous background in electrical and instrumentation issues

### **Utility Fund FY2007/2008 Activities**

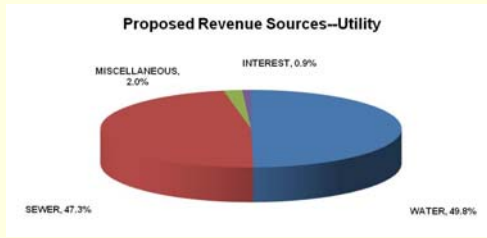
- Reused approximately 150.2 millions gallons of treated wastewater
- Installed 9,458LF of new water mains
- Slip-lined approximately 6,331 LF of Gravity sewer mains to reduce I/I Load
- Installed over 912 LF of New Sewer mains to reduce I/Load
- Installed over 912 LF of New sewer forcemains
- Completed 2,784 service requests & 887 work orders
- Replaced 447 LF of storms drains
- Started well field expansion
- Lowered WWTP Operations cost
- Obtain \$1,000,000 grant from SJWMD
- Drafted a five year capital improvement plan
- Hired new Public Works Director

### **Proposed FY 2008-2009 Activities**

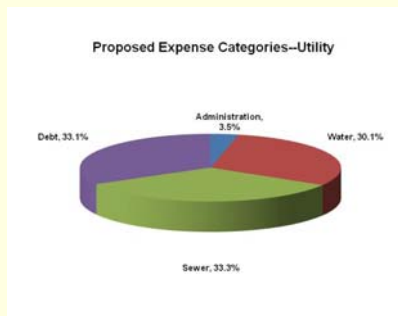
- Install two new Floridian Aquifer Wells
- Construction of new aeration system for WWTP
- Install a new 30-inch outfall
- Finish Water and sewer utilities in the west Augustine area
- Continue to reduce the I/Iload to the Wastewater Treatment Plant
- Renew WWTP permit
- Lower WWTP cost through optimization
- Begin Phase II of WTP expansion to eliminate lime softening train
- Implement fats, oils & grease program
- Finalize five year capital improvement program

Mr. Regan referred to the proposed revenue sources, expense category and budget comparison by expenditure charts.

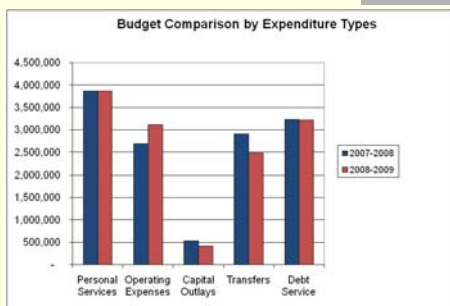
## UTILITY FUND



## UTILITY FUND

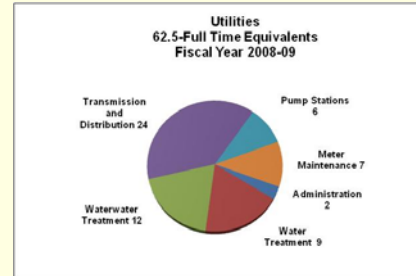


## UTILITY FUND



Mr. Regan stated that there were 62.5 full time equivalents in utilities for FY 2008-2009. He pointed out the city made personnel changes that were based on work needs, and they worked hard to avoid increased personnel. He pointed out that although the system expanded, the city had become more efficient.

## UTILITY FUND



Mr. Regan referred to the FY 2008/2009 budget cuts as follows

## UTILITY FUND

**FISCAL YEAR 2008/09 BUDGET CUTS**

PERSONNEL EXPENDITURES	\$ 250,519
OPERATING EXPENDITURES	561,400
CAPITAL EXPENDITURES	<u>205,000</u>
<b>TOTAL CUTS</b>	<b>\$ 1,016,919</b>

Mr. Regan pointed out that the budget reflected the 5.1% rate increase in water and sewage connection fees, 4% rate increase in water and sewer rates and a 13.4% total reduction in budget.

## Storm Water Fund

Mr. Regan referred to the storm water fund and referred to the following:

*Projections indicated 2007/2008 revenues would exceed expenses by \$228,431.*

- All funds would be used for ongoing capital projects

## **FY 2007/2008 Activities**

- Underwent National Pollution Discharge Elimination System Compliance (NPDES) programmatic

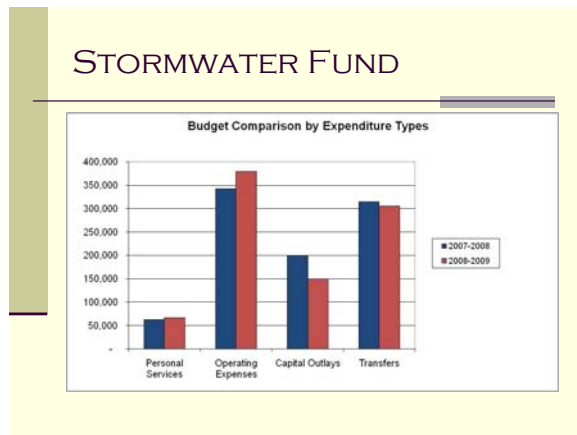
audit from SAIC and received no violations or findings

- Received ERP permit for city's fleet maintenance facility
- Repaired gates and controls at the Maria Sanchez Lake
- Initiated negotiations with FDOT to mitigate flooding on King and Malaga Streets and made stormwater system improvements
- Instituted numerous educational and training tools for staff and contractors

**Proposed FY 2008/2009 Activities**

- Riberia Street design
- Ongoing NPDES operations permit renewal
- Downtown upgrades
- Clean oysters from outfall lines

Mr. Regan referred to the stormwater fund budget comparison by expenditure types and the storm water fund summary charts.



	2007-08 BUDGET	2007-08 PROJECTED	2008-09 PROPOSED BUDGET
TOTAL REVENUE	\$ 919,800	\$ 825,534	\$ 901,875
TOTAL EXPENDITURES	\$ 919,800	\$ 547,103	\$ 901,875
SURPLUS/(DEFICIT)	\$ 0	\$ 228,431	\$ 0

**PROPOSED BUDGET HIGHLIGHTS**  
NO RESIDENTIAL OR COMMERCIAL RATE INCREASES

Mr. Regan referred to the solid waste fund as follows:

*Projections indicated 2007/2008 revenues would exceed expenses this year by approximately \$6,771.*

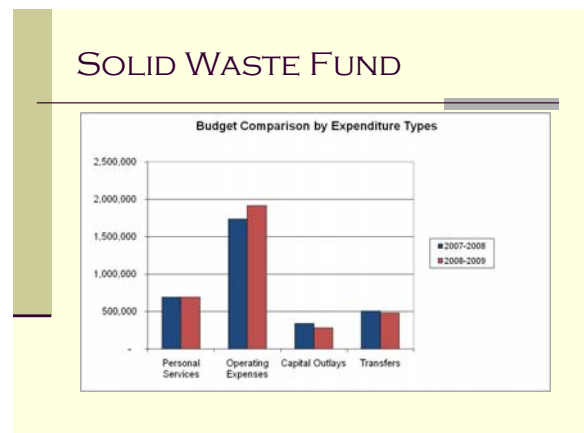
**FY 2007/2008 Activities**

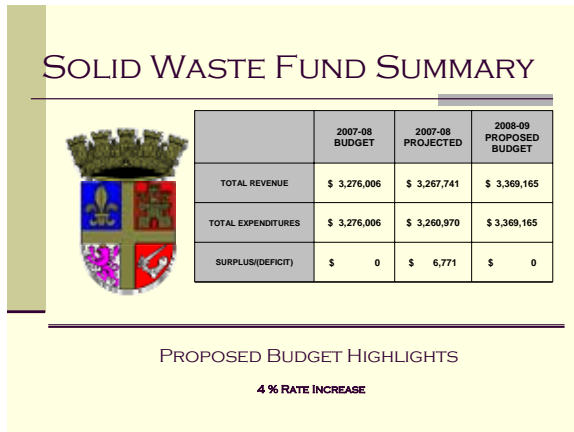
- Provided collection of more than 19,632 tons of solid waste
- Provided collection of more than 1,669 tons of yard debris
- Provided collection of more than 4,291 tons of construction and demolition materials
- Collected approximately 50 tons of metal
- Collected approximately 470 tons of recycling materials
- Began installing two new compactors in the downtown area

**Proposed FY 2008/2009 Activities**

- Improve recycling participation
- Continue to expand residential C&D dumpsters
- Continue expansion of compactor service for large developments and concentrated commercial areas
- Complete compactor installation in the downtown area

Mr. Regan referred to the solid waste fund budget comparison by expenditure types and fund summary charts.





### **Municipal Marina Fund**

Mr. Piggott referred to the municipal marina fund and stated the following:

*Projections indicated that FY 2007-2008 revenues would exceed expenses this year by 154,389. Key reasons were expenses were less than anticipated.*<sup>3</sup>

#### **FY 2007/2008 Activities**

- Hired the city's first Harbor Master
- Repainted entire facility including the marina dock office
- Installation of two new lighting features
- Repaired and renovated the marina office interior
- Completed new signage package with a blue background
- Installed the deck extension on the south side of the marina office
- Performed major through rod replacement, tightening and roller replacement on the south dock
- Repaired brick columns in the marina courtyard
- Replaced floor and carpet in the marina office
- Held three additional workshops regarding the Harbor Management Plan
- Completed cultural resources and natural resource surveys and applied for permits

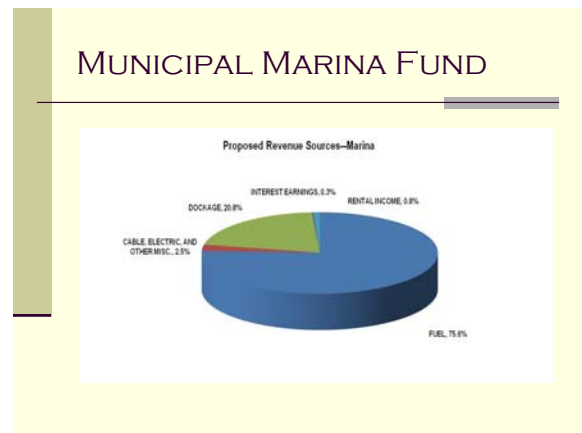
<sup>3</sup> Commissioner Burk returned

### **Proposed FY 2008/2009**

- Complete mooring field permitting
- Begin construction of mooring fields
- Complete the installation of the new trash compactor
- Continue customer service training for staff
- Expand marketing efforts to attract boating clubs and events
- Complete design and permitting for north breakwater to include dredging of the marina

Mr. Harriss stated that the city had applied for several permits; however, staff wanted public input and direction from the Commission.

Mr. Piggott referred to the proposed revenue sources, proposed expense categories and the marina fund summary charts.<sup>4</sup>



<sup>4</sup> Brief recess 10:42 A.M. through 10:51 A.M.

## MUNICIPAL MARINA FUND SUMMARY



	2007-08 BUDGET	2007-08 PROJECTED	2008-09 PROPOSED BUDGET
TOTAL REVENUE	\$ 2,627,580	\$ 2,891,104	\$ 3,611,013
TOTAL EXPENDITURES	\$ 2,627,580	\$ 2,736,715	\$ 3,611,013
SURPLUS/(DEFICIT)	\$ 0	\$ 154,389	\$ 0

PROPOSED BUDGET HIGHLIGHTS  
NO INCREASE IN DOCKAGE RATES

### Heritage Tourism Fund

Dr. William Adams, Director, Heritage Tourism, stated that the budget for the Heritage Tourism Fund was balanced with a \$224,170 transfer from the general fund to cover the shortfall from the museum.

#### Divisions

Administration  
Facilities maintenance  
Spanish Quarter Museum  
Museum Store  
Visitor Information Center

#### **FY 2007/2008 Activities**

- Improved marketing of Heritage Tourism with addition of artifact display cases and community oriented materials which included the Atocha Sword
- Utilitized public funding of holiday displays, supported by St. Johns County
- Adjusted gift shop hours to meet peak periods during holidays and special events
- Streamlined payment procedures with additional staffing for the garage
- In cooperation with the TDC, added large screen televisions to promote St. Johns County
- Extended outreach to community organizations to promote Heritage Tourism by assuming responsibility for St. Johns Cultural Council kiosk

- Promoted and hosted "Step Up Florida" program with the Health Department
- Provided permanent space for the textile guild display
- Utilized artwork from area high schools to decorate entrance ways and promote the arts
- Implemented display changes in Government House
- Created a city museum ticket package
- Received a perfect score from the Florida Attractions Association
- Initiated a museum "branding" effort
- Hosted a successful archaeology summer camp for fourth graders

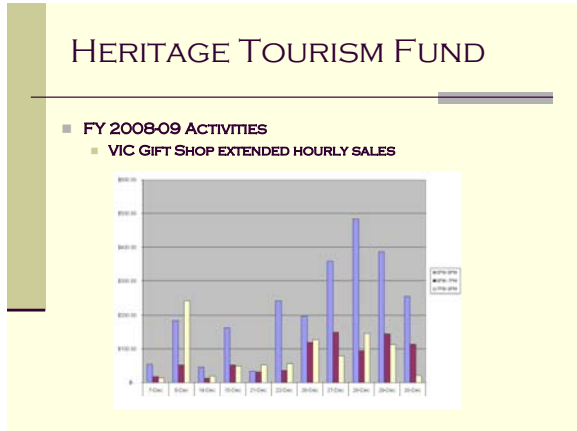
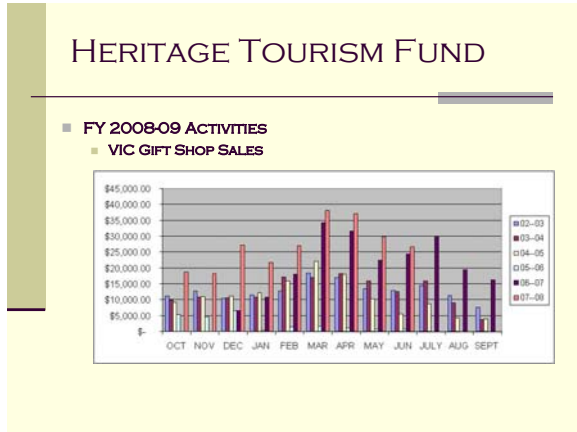
#### **Proposed FY 2008/2009**

- Work with the community to promote local businesses and raise revenue by advertisements in the parking facility
- Continue to define public use of open space between historic downtown parking facility (HDPF) and the VIC
- Work with the TDC to provide large wall maps of the city and county and user friendly handouts for visitors

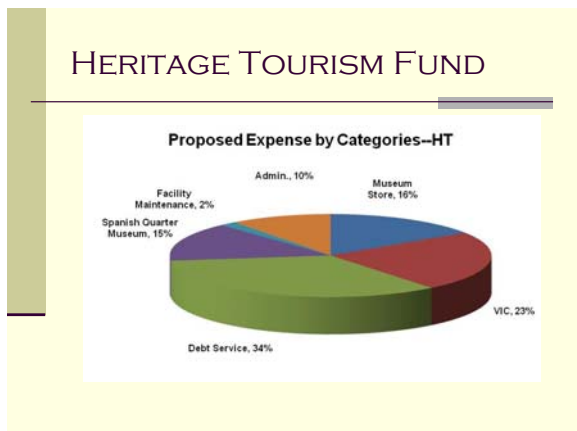
Mr. Regan provided a presentation regarding the performance of the parking facility as follows:

- FY 2006/2007 had 235,000 vehicles enter the parking facility
- As of July 2008 253,000 vehicles had used the parking facility this year
- Marketed to encourage use in the parking facility by downtown employees and students
- Received reports that there was more available parking downtown
- Increased performance in VIC gift shop sales
- Sales of books at the museum gift shop increased since changing the display

- Increased sales in the gift shop due to increased hours during the Christmas holiday



Mr. Regan referred to the proposed expense by category chart and stated that parking, rentals and the museum store had been the main revenue sources, and the debt service was the largest component of expenses.



Commissioner Gardner questioned whether the parking facility and the CRA should be under the Financial Services Department.

Mr. Harriss replied that the VIC and the gift shop were Heritage Tourism items and both were close to the parking facility. He pointed out that if the University of Florida completed acquisition of the properties they would have to reorganize. He added that reorganizations usually included changes in management or function.

Commissioner Gardner stated that approximately two years ago staff created a list with expenses relating to hosting visitors such as increased police and restrooms. He said the figure he had been given was \$1.6 million from the general fund. He said the Spanish Colonial village had a \$250,000 million short fall, and he questioned whether that was included.

Mr. Burchfield replied negative.

Commissioner Gardner asked for clarification regarding the progress of the Castillo plan.

Mark Knight, Director, Planning and Building, replied that staff had been in contact with the Florida Department of Transportation to perform the pedestrian improvements.

Mayor Boles stated that during discussions with Mayor Zeidler, Executive Director of Jamestown 2007, she expressed interest in consulting for the 450<sup>th</sup> anniversary celebration, and the county was willing to provide the consulting fees. He stated that office space would be needed in City Hall approximately one week per month for several months.

Mr. Harriss stated that the office supply expenses would be minimal.

### 13. Adjournment

There being no further business, the meeting was adjourned at 11:10 A.M.<sup>5</sup>

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VICE MAYOR

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CITY CLERK, CMC

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<sup>5</sup> Transcribed by Susan Goins