

## CITY OF ST. AUGUSTINE

### City Commission Special Meeting Monday, May 22, 2023

The City Commission met in formal session Monday, May 22, 2023, at 3:00 P.M. in the Alcazar Room at City Hall. The meeting was called to order by Mayor Nancy Sikes-Kline, and the following were present:

**1. Roll Call:** Nancy Sikes-Kline, Mayor/City Commissioner  
Roxanne Horvath, Vice Mayor/City Commissioner  
Barbara Blonder, City Commissioner  
Cynthia Garris, City Commissioner (arrived late)  
Jim Springfield, City Commissioner

Also Present: John Regan, City Manager  
Kelly Trainor, Assistant City Attorney  
Darlene Galambos, City Clerk  
Meredith Breidenstein, Assistant City Manager  
David Birchim, Assistant City Manager  
Reuben Franklin, Director, Public Works  
Mark Simpson, Director, Finance  
Greg Johnson, Deputy Finance Director  
Todd Grant, Director, Utilities  
Colleen Kuhn, Recording Secretary

#### **2. General Public Comments**

Public comment was opened; however, there was no response.

#### **3. PRESENTATION OF FISCAL YEAR 2023 MID-YEAR FINANCIAL PERFORMANCE.**

##### **3.A. 2024 Budget Book**

Mark Simpson, Finance Director, briefed the Commission on the City's mid-year budget analysis and projections. He reviewed the budget process and timelines.

Mr. Simpson highlighted the following information:

- \$76,000,000 Citywide budget
- Budget priorities focused on:
  - Infrastructure planning and construction
  - Mobility planning

- Sustainable best practices
- Historic Preservation Planning
- Arts and culture enhancements
- Enhancing community partnerships to address homelessness
- Event Planning
- Capital Plan financing
- Communication and online presence to promote citizen engagement

Commissioner Blonder requested information on resiliency spending.

Mr. Simpson said resiliency was primarily funded through grants and was outlined in the Capital Improvement Plan. He said he would include this topic in future materials.

Mr. Simpson outlined the following General Fund information:  
Revenue projections -

- Ending the year with a surplus of approximately \$1,800,000
- Savings from staff turnover; economic impact of hiring and training new employees
- Impact and other fees received from tourism
- Franchise fees including trolleys estimated at almost \$500,000
- Impact fees (Mobility) was restricted for specific purposes
- Transportation and parking fees coming in better than expected and were unrestricted

#### Expenditure projections -

- Adopted budget of \$43,361,000 with revisions based on grants and reappropriation of American Rescue Plan funding
- Most services and operating and capital expenses were spent
- Projected overall surplus of \$505,337

Commissioner Springfield asked what percentage of ad valorem tax was commercial versus residential and whether short-term rentals were considered residential or business.

Mr. Simpson said preliminary information indicated that Commercial was about 52.5% and Residential was about 45% and he would research the question on short-term rentals.

Mr. Simpson said that rather than budget for a surplus, the Commission should assign the surplus for one-time expenses at the end of the fiscal year.

Mr. Simpson presented the following information on the Utility Fund:

- Increased connection fees were restricted for future plant expansion
- Favorable variance due to water and sewer revenue

- Expenses were projected to be about \$300,000 below budget due turnover
- Expected increase of \$1,500,000 to the utility reserve balance

The Commission and staff continued to discuss Utility Fund reserves, restrictions, staffing, programs and services in various parts of St. Augustine, and surcharges for service outside the City limits.

Mr. Simpson reviewed the following information in other business areas:

#### Stormwater Fund -

- Revenues coming in as projected
- Favorable variances of \$300,000 and \$130,000
- Year-end depreciation would impact reserves

#### Solid Waste -

- Performing well this year with a projected surplus
- Olivia Smith, Solid Waste Manager was very proactive and controlling expenses
- Tipping fees were expected to be over budget.

#### Marina Fund -

- Projecting a small surplus
- Expenditures up slightly
- Rebuilding breakwater dock was 100% grant funded

#### Visitor Information Center (VIC) Fund -

- Exceeding expectations on parking garage revenue
- Gift shop revenue coming in as budgeted
- Expenditures were steady
- Recommended putting \$500,000 in reserves after year end close and depreciation

Mayor Sikes-Kline confirmed there would be a workshop and further discussion on parking fee revenue at the July 10<sup>th</sup> meeting.

Mr. Simpson said the City's Fund Balance Policy was to maintain four months of operating revenues in the General Fund, and three months in other business funds. He shared the following reserve fund balance approximations:

- General Fund - \$2,500,000
- Utility Fund - \$5,500,000
- Storm Water Fund - \$658,000
- Marina Fund - \$1,700,000
- VIC Fund - \$2,600,000

Mr. Simpson said staff would work on improving the Solid Waste reserve fund.

The Commission and staff discussed how year-end accounting worked in relation to Capital Assets and what course of action would be taken if reserves were not being met as outlined by the Policy.

The Commission shared their initial thoughts on funding requests.

Commissioner Garriss:

- \$300,000 for a sidewalk and re-paving on South Dixie Highway
- Concerns about Facility staff's pay grade and volume of work

Staff and the Commission discussed South Dixie Highway's past and current projects and funding.

Commissioner Horvath:

- Increase money for arts and culture projects; possible 1% set aside
- More staff for the Resiliency Program (agreement from Mayor Sikes-Kline)

Commissioner Springfield:

- Land purchases
- Recruitment and retention; research best practices

- Approximately \$50,000 set aside for Sister Cities celebration (agreement from Mayor Sikes-Kline)
- Evaluate using half of Francis Field for a park and half for events (agreement from Commissioner Horvath and Mayor Sikes-Kline)
- Funding for electric tools and vehicles for staff's use

Commissioner Blonder

- \$500,000 for the Land Acquisition Program to address conservation and resiliency
- Obtain a proposal on pension plan reform
- Double the current funding for the Composting and Canopy Tree programs

Mayor Sikes-Kline

- Redesign of the VIC; exhibits
- Support David Birchim, incoming City Manager's proposals to fund a neighborhood office and expand the grant program
- Increase the monetary award provided to students through the Citizenship Awards program
- Add a Communications Officer and Police Officers
- Funding for the development of 11 acres the City was gifted through the Madera annexation

The Commissioners and staff continued to discuss VIC funding and exhibit recommendations and designs.

#### **4. CAPITAL IMPROVEMENT PLAN REVIEW.**

##### **4.A. Public Works and Utilities Approved Capital Improvement Plan**

Reuben Franklin, Public Works Director, presented the Public Works and Utilities quarterly update. He noted that the Commission had approved the format for the Capital Improvement Plan in

September 2022. He said the Commission could find details in their presentation packet, and staff would publish the information through the Communications Department.

Mr. Franklin reviewed details on the following:

- Resiliency Projects
- Pavement Management Plan
- Capital Improvement Projects

Mr. Franklin said bids for the Downtown Improvements District, Phase 2A, came in way over budget. He shared that the team negotiated costs down and reduced the scope of the Project. He indicated funds would need to be re-allocated from the Sevilla Street Project to move forward with construction.

Mr. Franklin and the Commission discussed details of the Sevilla Street Project and how it could be constructed and funded in the future.

Mayor Sikes-Kline noted that decisions were not usually made during Workshops.

The Commission agreed to have the topic brought back for further discussion and a decision at a future meeting.

Mr. Franklin said he would bring the topic back to the Commission's June 12<sup>th</sup> meeting.

## 5. Adjournment

There being no further business, the meeting was adjourned at 4:38 P.M.<sup>1</sup>

  
Nancy Sikes-Kline, MAYOR

  
Darlene Galambos, CITY CLERK

<sup>1</sup> Transcribed by Colleen Kuhn

