

CITY OF ST. AUGUSTINE

City Commission Special Budget Meeting Monday, July 8, 2024

The City Commission met in formal session Monday, July 8, 2024, 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
Jim Springfield, City Commissioner

Also Present: David Birchim, City Manager
Isabelle Lopez, City Attorney
Darlene Galambos, City Clerk
Meredith Breidenstein, Assistant City Manager
Reuben Franklin, Assistant City Manager
Nicole Hall, Deputy Finance Director
Stephen Slaughter, Director, Public Works & Utilities
Jamie D. Perkins,
Jennifer Michaux, Police Chief
Elyse Wiemann, Recording Secretary

2. General Public Comments

(None)

3. REVIEW OF CITY REVENUES

3.A. FY 2025 Revenue Manual Review. (M. Breidenstein, Assistant City Manager)

Meredith Breidenstein, Assistant City Manager presented the FY 2025 Revenue Manual. She noted the mileage rate was 7.5 mills and had been the same consistently over the past ten years. She said a consensus was needed to understand if there were any changes to the proposed revenues as they were trying to anticipate the budget. She noted the different franchise fees and the ones that had a slight increase.

Commissioner Blonder said there were more than two sightseeing franchises within the City, and there were only two that the City collected a fee from, the Red Train and Old Town Trolley. She felt there were many more in the City that could be regulated for the safety of their passengers and revenue. She said it was unfair that only two franchise vehicles were charged a fee while the others were not.

Commissioner Horvath said she understood that was something the City was working on.

David Birchim City Manager replied that was correct. He said a new vehicle for hire ordinance was being updated. He pointed out that the Horse Carriages paid a small franchise fee.

Commissioner Horvath asked what the time limit was for franchise fees to be changed.

Ms. Breidenstein said their interpretation was that it could be raised every three years, and if raised no sooner than every three years, there could be an increase.

Mr. Birchim clarified that if the fee was not increased this year, it could be raised next year. He said there had to be a period of three years between the times when raised.

Mayor Sikes-Kline asked when it was last increased.

Ms. Breidenstein replied that it was last raised in 2018 to four percent and had a maximum of five percent.

Mr. Birchim advised it could be raised either this year or next year but was at the will of the Commission.

Ms. Breidenstein said the goal was to capture all the different services that were offered and make sure the City Code reflected each and note if each type of service was charged a fee. She said the Carriage Franchises were under a different section labeled "animals".

Mayor Sikes-Kline reiterated the question was should they discuss how to approach the franchise agreement. She said the cap under the agreement or ordinance was five percent. She asked how the percentage cap was set.

Ms. Breidenstein replied she thought it was set by the ordinance but could do more research and provide that information at a later date. She said that was not a part of the franchises but the City Ordinance.

Reuben Franklin, Assistance City Manager, noted they were actively reviewing the franchise ordinance and it was currently in legal review. He said

changes would be brought forward and the thoughts were to make increases to the rates during that process. He said they were reviewing all the different vehicles in operation, had discussions with stakeholders, and spoke to everyone with a business license. He said the proposal would be to have a two-tiered franchise ordinance that included the smaller businesses with at least eight passengers, and if any part of their business model provided a tour, they would be a franchise. He said that way there was a clear distinction between tours and public transportation. He said once cleared by legal, stakeholders would be informed, and a workshop would be held. He said they were hoping to hold off increasing fees until after that process.

Commissioner Springfield asked if it was possible to leave it how it was and before the budget process ended, present the new fees to have the increased revenues in this fiscal year.

Mr. Franklin replied that it was possible, but he was unsure how long it would take to review the changes with the stakeholders. He said they wanted to inform them before presenting it to the Commission.

Mr. Birchim said the fees could be raised at any time, it would just increase the revenue assumptions positively.

Commissioner Springfield said it was important to know what the revenue would be from the smaller businesses before increasing the fee.

Mr. Birchim agreed.

Commissioner Garris asked if this ordinance would include pedicabs and rickshaw.

Mr. Franklin said those were not included as they were listed under bicycles in the

ordinance. He said it would include electric golf carts.

Commissioner Garris noted that since there was no fee associated with those businesses currently, the City revenue would increase no matter the increase in fees.

Mr. Franklin replied that was correct. He said there would be a revenue share for the smaller franchises which would be for Commission consideration.

There was consensus to take staff's recommendation and hold off on any discussion about raising the franchise fee for the existing franchisees until the new ordinance was presented.

Commissioner Blonder asked if the first and second reading would take place before the budget cycle next year.

Mr. Franklin replied in the affirmative.

Ms. Breidenstein continued her presentation.

Mayor Sikes-Kline said regarding the local option gas tax, there had been discussions at the state level about those decreasing over time. She said there were also discussions on how to make up for the loss of revenue in the future due to declining fuel sales and more efficient vehicles. She said this needed to be monitored for the future.

Ms. Breidenstein said for future planning that could be updated and adjusted.

Ms. Breidenstein noted all building permits and fees collected had to be spent to enforce the building code and helped pay for staff and software used for permitting. She said right now, more was spent than received but as the cost decreased the cost that was spent may have to be offset by the General fund and other revenue sources.

Ms. Breidenstein said the special event fees collected were to help recover costs. She said the fee associated with the rentals of Francis Field, the courtyard, and the gazabo had stayed the same; however, usage had increased since COVID. She said there were opportunities to raise the fees, but only to the point of recovering the administrative and maintenance cost. She said the costliest venue to rent was Francis Field, but associated cost for police, solid waste, or other services was passed to the client.

Commissioner Blonder said they had requested a review of the fees associated with Francis Field and asked for a status update.

Mr. Birchim said the process had started but was stalled. He said they could provide a recommendation soon to the Commission. He noted the importance of understanding the fees were a recovery of the City's internal expenses and no profit was made off the special event rentals. He said if the internal expenses were not being met, the fees could be increased.

Commissioner Springfield asked if this included the cost to maintain yearly.

Ms. Breidenstein said it did; however, she received a quote from our Events Coordinator regarding sod, which was increasing.

Commissioner Garris said with her experience, she thought Francis Field should be updated quarterly to help keep the field in pristine condition even if that meant increasing the fees.

Ms. Breidenstein replied that a future plan for continued maintenance at a higher level could be reviewed specifically for Francis Field and be presented at a later date.

Mayor Sikes-Kline agreed, adding that she received feedback from users that it needed to be maintained. She said she

wanted to know the future plans for the restrooms, and a monument sign to mark the field, as that was discussed in the past.

Ms. Breidenstein noted the Fire Assessment fee helped offset the cost of the department. She said they were not recommending a fee increase this year, as it had been raised in 2024 to \$0.0776 for residential and \$0.1391 for non-residential per assessable square foot. She said this would offset the fire department operating budget this year.

Commissioner Garris asked if there was a recommendation for the short-term rentals, as rental rates were high.

Ms. Breidenstein replied that she was recommending a three percent increase.

Mayor Sikes-Kline stated she was in support of the three percent increase because the cost could be justified. She said the short-term rental bill had been vetoed by the governor and cautioned against anything higher.

Ms. Breidenstein said any changes that required a resolution or ordinance update would be presented to the Commission before the budget process, but this was to assist staff with balancing the budget. She asked for clarification on the Ad Valorem Tax rate.

There was consensus to keep the Ad Valorem Tax rate at 7.5% Mills.

Commissioner Springfield said increased revenue would be obtained and this would help with homelessness, Historic Preservation, and the environment. He said this would allow the City to build funds for those purposes. He said last year the City operated on \$33.8 Million and \$20.8 million was from ad valorem taxes, less than 50% of that was from residents and the rest was from businesses. He said it was an even split, he said this was only for

a small section of the budget and fire and rescue.

Ms. Breidenstein reiterated that the sightseeing vehicles would be reviewed and an ordinance would be presented at a later date. She said regarding special event fees, an analysis focusing on Francis Field would be done and presented to the Commission. She noted the Fire Assessment fee would not be increased; however, questioned if it was recommended for next year. She said the Rents and Royalties, Utilities, Stormwater, Sewer, Solid Waste, and the Short- Term Rental were at three percent CPI was recommended.

There was consensus to take staff's recommendation to increase the CPI 3% for the Rents and Royalties, Utilities, Stormwater, Sewer, Solid Waste, and the Short- Term Rental.

Ms. Breidenstein said there would not be an increase in parking at this time as they were reviewing the changes that had taken place in 2024 regarding Mobility and revenues.

Commissioner Garris stated that the maintenance of Francis Field was important as it could increase the amount of revenue collected. She said once the Sign Out Loud Event took place it would need to be renovated. She asked if Ms. Breidenstein could provide estimates on what it would take and have the new figures included in the budget. She said that cost should also be determined by how much each event would be charged to ensure the City would not take a loss.

Ms. Breidenstein replied she would get with the appropriate staff to gather the cost estimates to understand what should be done to maintain the field.

Mayor Sikes-Kline thought it was negotiated with Sing Out Loud that once

the event took place, they would re-sod the field. She asked for that to be checked.

Mr. Birchim said that would be done and if it were part of the contract, he would notify the Commission.

Mayor Sikes-Kline said overall, she wanted to see the field maintained to a higher standard than what it was currently.

Mayor Sikes-Kline asked if the outside City water and sewer rates would be adjusted to 18%.

Ms. Breidenstein said for outside water and sewer only, it would be three percent CPI but a one percent decrease to the outside surcharge.

4. ITEMS BY CITY MANAGER

(None)

5. ITEMS BY MAYOR AND COMMISSIONERS

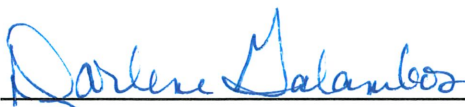
(None)

6. Adjournment

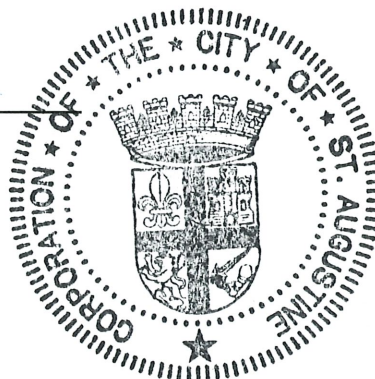
There being no further business, the meeting was adjourned at 3:45 P.M.¹



Roxanne Horvath, VICE MAYOR



Darlene Galambos, CITY CLERK



¹ Transcribed by Elyse Wiemann