

MINUTES OF THE SPECIAL COMMISSION MEETING a of the City of St. Augustine Beach, Florida, held on Monday, September 22, 2008, in the Commission Chambers of City Hall, 2200 A1A South, St. Augustine Beach, Florida.

CALL TO ORDER

The meeting was called to order by Mayor O'Brien at 7:05 PM

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Commissioner Don Terrill, Commissioner Edward George, Commissioner Frank Charles, Mayor Rich O'Brien, Vice Mayor Brud Helhoski.

Also Present: City Manager Max Royle, Police Chief Richard Hedges, City Manager Max Royle, Acting City Attorney Steve Sykes, Public Works Director Marc Chatten, Finance Director Melissa Burns, Building Official Gary Larson, and Deputy City Clerk Sharon Widdifield

PUBLIC HEARINGS ON PROPOSED FY 2009 MILLAGE AND BUDGET ORDINANCES

a. Ordinance 08-25, Final Reading, to Levy Millage for FY 09

Mr. Sykes read the ordinance in full.

Commissioner George was concerned by dipping into reserves by nearly \$2 million to meet the City's needs. He felt that using the rollback rate might make a difference to the budget.

Commissioner Terrill said that Amendment 1 did not give the promised break on property taxes.

Commissioner George noted that the City has taken on large purchases such as the Atkerson property, for which \$141,000 per year is budgeted. He asked if there is anything in writing that gives the City a legal interest in that land, and Mr. Royle said the County is the legal owner, but he thought there would be a memorandum of understanding when the acquisition is finalized regarding who would own the property.

Commissioner George also noted other large projects on the table, such as \$100,000 for the Vision Plan, the 2nd Avenue drainage project, and the Maratea walkway. He asked when the grant for the Maratea walkway would be forfeited, and Mr. Royle said it would extend to 2010. Commissioner George asked for copy of the grant.

Commissioner Helhoski said there might be a loss of revenue next year because of devaluation of property.

Motion: to adopt a millage of 1.8060 , **Action:** Approve, **Moved by** Commissioner Edward George, **None seconded.**

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Patricia Gill, 218 B Street, objected to taking \$2 million out of savings. She asked if a higher millage rate would reduce that figure significantly. Ms. Burns said that the difference in millage would total \$5,800.

Commissioner Terrill said he would rather cut expenditures than dip into savings.

Motion died for lack of a second

Motion: Approve Ordinance 08-25 for a Millage of 1.8011, **Moved by** Mayor Rich O'Brien, **Seconded by** Commissioner Frank Charles.

Vote: Motion passed (**summary:** Yes = 4, No = 1, Abstain = 0).

Yes: Commissioner Edward George, Commissioner Frank Charles, Mayor Rich O'Brien, Vice Mayor Brud Helhoski.

No: Commissioner Don Terrill.

b. Ordinance 08-26, Final Reading, to Adopt the FY 09 Budget

Mr. Sykes read Ordinance 08-26 in full.

Commissioner Charles asked if it would be possible to adopt the budget and have items exceeding certain limits come before the Commission.

Mr. Sykes said the budget is an estimate and it can be changed.

Commissioner Charles said the Commission might hold off on some capital expenditures if money is tight later on, and he suggested reviewing the budget quarterly.

Vice Mayor Helhoski said that ideally, he would ask each department to cut 10% but that citizens have not been interested in cutting any services. He didn't think the millage rate is too high but felt there might be cuts needed next year and was concerned with taking too much out of savings. He asked to keep a close eye on expenditures during the year.

Mayor O'Brien asked about the cost-of-living increase for employees and noted that the Social Security increase is only 2.8%. Ms. Burns said the City's figures come from Bureau of Labor Statistics.

Commissioner George said the COLA was established to bring employees up to the standards of other cities and the County, but base pay is still low for some workers. He suggested a salary survey next year to see how the City compares to other entities.

Mayor O'Brien suggested a graduated scale for COLA so that the lower-paid employees would get a larger allowance.

Commissioner Terrill noted that some employees won't get their merit pay until the end of the

year and suggested doing away with merit pay, as it isn't objective. He noted that the Building Department is not busy now and asked if that department had been adjusted. Mr. Royle said there are a number of permits still active and two development projects in the works.

Commissioner George felt that all the projects, such as the birthday celebration, vision plan, and scenic overlook should be considered for cuts as well as departmental budgets.

Vice Mayor Helhoski said these projects will help get future grant money and can help generate optimism in the community.

Commissioner George was concerned Mr. Ashdji's contribution of \$500,000 for the 2nd Avenue drainage project and was concerned that market conditions might affect the development. Mr. Royle said the PUD ordinance for the development would come to Commission October 6, and the \$500,000 would be paid at the time the permit is issued. Mayor O'Brien noted that some projects are being stopped because of the financial problems nationally, but he did not expect a problem.

Commissioner George asked to review purchasing policies and bidding policies at a future meeting. Many companies are hungry in this economy, he said, and it might be possible to save money.

Motion: to put the budget on the website for the public's review, **Moved by** Commissioner Frank Charles, **Seconded by** Commissioner Edward George.

Vote: Motion carried by unanimous voice vote (**summary:** Yes = 5).

Yes: Commissioner Don Terrill, Commissioner Edward George, Commissioner Frank Charles, Mayor Rich O'Brien, Vice Mayor Brud Helhoski.

Patricia Gill, 218 B Street, said the County is saving \$2 million by bidding and looking at individual department budgets. She asked if a consultant is in the budget for updating the Comprehensive plan, and she commented that the Florida COLA is 3% this year. She was concerned that the City is not on the deed to the Atkerson property and said County employees have said that could be corrected. Mayor O'Brien agreed to look into doing that. Ms. Gill also suggested a hold on some capital purchases and recommended moving money within departmental budgets rather than transferring money from reserves during the year.

Mr. Larson said it may be possible to do the revisions to the Comprehensive Plan in house, but if a consultant is needed, the cost would be less than \$25,000

Steve Mitherz, 17 Sea Oaks Drive, asked for explanations of Other Charges for Services and Storm Drains, and Ms. Burns explained the items. He also asked about the Five Year Capital Outlay items in the Police Department, and Chief Hedges explained the need for replacing carpet with tile and for a new air conditioning unit.

Commissioner Charles asked that the budget be reviewed as an agenda item quarterly He also asked that the dais be extended so the Finance Director could be present. There was no objection to either.

Motion: to approve the Fiscal Year 2009 budget, Ordinance 08-26, **Action:** Adjourn, **Moved by** Mayor Rich O'Brien, **Seconded by** Commissioner Frank Charles.

Vote: Motion carried by unanimous voice vote (**summary:** Yes = 5).

Yes: Commissioner Don Terrill, Commissioner Edward George, Commissioner Frank Charles, Mayor Rich O'Brien, Vice Mayor Brud Helhoski.

ADJOURNMENT

Motion: to adjourn, **Moved by** Commissioner Frank Charles, **None seconded.**

Vote: Motion carried by unanimous voice vote (**summary:** Yes = 5).

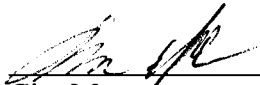
Yes: Commissioner Don Terrill, Commissioner Edward George, Commissioner Frank Charles, Mayor Rich O'Brien, Vice Mayor Brud Helhoski.

The meeting was adjourned at 7:55 PM



Mayor – Commissioner

ATTEST:



City Manager