

**MINUTES OF THE SPECIAL COMMISSION MEETING of the City of St. Augustine Beach, Florida, held on Monday, February 23, 2009 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 Charles at 7:00 p.m.

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**Present:** Mayor Frank Charles, Vice Mayor Brud Helhoski, Commissioner Edward George, Commissioner Rich O'Brien, Commissioner Andrea Samuels.

**Also Present:** City Manager Max Royle, City Attorney Geoff Dobson, Police Chief Richard Hedges, Public Works Director Marc Chattin, Building Official Gary Larson, Finance Director Melissa Burns, and Deputy City Clerk Sharon Widdifield.

**CONSIDERATION OF DECISIONS RE: MARATEA SUBDIVISION PURCHASE AGREEMENT**

Mr. Royle pointed out that the agreement in the agenda books differs slightly from the version presented at the last meeting. In addition, he said, the appraisal of the property had changed.

Mr. Dobson said there is a due diligence provision to back out of the contract. If there is concern about the appraisal, he recommended deciding about the appropriate price before entering into an agreement.

Mayor Charles said he could not support offering over a million dollars more than the appraised value. The other Commissioners agreed to offering \$4.5 million.

Mr. Dobson had objected to paying for the full acreage, since some of the property would not be used for the City's purposes because of buffers, easements, etc. He said there is always a possibility that another buyer would buy the entire property and suggested finding out whether the developer would sell the entire property to the City. The proposed amendments to the Comprehensive Plan would be the developers' protection for the remaining property.

Commissioner Samuels asked if the City could determine the mortgage balance on the property, and Mr. Dobson said we are not privy to that information. He added that the City is required to use reasonable business judgment with taxpayers' money but is not restricted to paying the appraised value.

**Motion:** to amend the purchase price to reflect the \$4.5 million appraised value as a counteroffer, **Moved** by Commissioner Rich O'Brien, **Seconded** by Mayor Frank Charles.

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

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

Patricia Gill, 218 B Street, was concerned that if the City waits, it won't be able to meet the grant deadline. She understood that bond money is available to cities.

Mr. Royle said he would notify the sellers' representative, Mr. Bush, tomorrow of the motion and vote, and if an answer is received, the matter could be addressed at the March 2<sup>nd</sup> meeting.

Commissioner George asked about the cutout from the property, and Mr. Dobson said there should be a system whereby proration is based on the amount of property being purchased and not on the whole property.

### **REVIEW OF MATTERS PERTAINING TO THE FY 09 BUDGET AND GUIDELINES FOR PREPARATION OF THE FY 10 BUDGET**

Mayor Charles noted a quarterly report on expenditures, and Commissioner George said he had requested this. The reasons for several large items were explained by the Finance Director. Mayor Charles noted that electricity and health care were among the larger expenses.

Mayor Charles said the City must cut expenses, increase revenues or both. He suggested a study of cost savings for closing city hall one day a week and having four 10-hour days instead. He said he had met with department heads and had received some good suggestions.

Commissioner George said the departments need to tighten their belts before taxes are raised or additional fees are considered.

Commissioner O'Brien requested that the City Manager and Police Chief prepare 10% and 20% reductions and show where these cuts would come from, so that the Commission could determine which cuts would be most effective.

Commissioner Helhoski said that adding fees would look like the recent fire fees proposed by the County which were defeated.

Commissioner George said he had no objection to the proposed fees but wanted to be able to show the citizens that everything that can be cut has been cut before adding them.

Mr. Chattin said he proposes a user charge system for garbage collection instead of paying for this service from the General Fund. It would be up to the Commission, he said, to decide how to use the savings from the General Fund. Mr. Chattin said he could save \$100,000 in Road and Bridge operating expenses and could use impact fees for the 2<sup>nd</sup> Avenue ditch project. Revenues, he said, are barely meeting operating expenses now and may not next year.

Ms. Burns commented that at a recent conference, the need to look at the long term was stressed rather than making across-the-board cuts. Also suggested was getting citizen involvement in what services the public consider most important.

Vice Mayor Helhoski said that the intent was to show what 10% and 20% cuts would entail so that comparisons can be made.

Mr. Chattin commented that some services may have to be cut, such as the \$5,000-6,000 a year spent on mutt-mitts and \$20,000-25,000 a year on Nights of Lights. Commissioner George also noted the many outlets installed close to the ocean for the lights and that these will require maintenance.

Commissioner O'Brien commented that Nights of Lights brings business to the City and suggested asking for more TDC funding for this.

Commissioner George suggested considering a buy-out plan for retirees. He said that continuing to televise meetings is important for keeping the public informed, but he approved of the other suggestions Mr. Royle had proposed.

Commissioner Samuels said she did not want to raise taxes but felt that cutting back on police services is a problem. Crime rates, she said, will go up as the economy suffers.

Commissioner O'Brien said all departments need an emergency plan, so that if cuts are necessary, they will know where they can be made.

Vice Mayor Helhoski agreed that taxpayers need to know what services will be affected if certain cuts are made.

Mayor Charles noted that freezes are in place in hiring and capital expenditures, and he asked what else can be cut.

Commissioner George suggested cutting overtime or putting some employees on salary.

Mayor Charles asked if there is someone who can review the budget and do a study on cost cutting. Mr. Royle said he would inquire if the League of Cities had someone.

Commissioner George said it might be necessary at some point to cut expenses by 10-20% and asked if the City is there yet. Mr. Royle responded that it might well be there by 2010.

Mayor Charles asked what remains in the emergency reserve for hurricanes, etc. Ms. Burns said there is \$2.7 million.

Commissioner Samuels felt a consultant would be a waste of money and unnecessary, as the Commission can look at departmental reports and consider the situation.

Mr. Chatten said that in reality, if more cuts are needed beyond what have already been made, they must be made in personnel.

Commissioner George read the suggestions in the agenda book.

Patricia Gill, 218 B Street, asked to see the line item account of the 10% cuts. She suggested comparing cost of living figures with those of other cities next year and considering flextime for filming meetings, etc. The Beach Blast-Off, she said, costs money, and she asked whether it brought money into the City. Other cuts she suggested were reducing Nights of Lights by half, putting off the 2<sup>nd</sup> Avenue ditch, and looking into health insurance costs.

Mayor Charles suggested looking into income-producing activities, such as licensing catering trucks during beach season, or providing internet services.

Bob Kahler, 29 Sunfish Dr., said it is incongruous to look at cutting services and at the same time going into debt for a \$4.5 million land purchase. He felt it is unlikely that there will be a lot of buyers for this land soon and said that you shouldn't buy when you can't afford to.

Commissioner George said that the citizens voted millage to acquire land, but times have changed. He asked if the County could take over the debt for the Atkerson property for the present.

Getting public input on budget cuts and millage rates was suggested, and Commissioner George supported trying to get the public involved, but he said that traditionally, few citizens show up for budget meetings. He felt the Commission would ultimately have to decide what to do.

Commissioner George mentioned several opportunities for staff to attend conferences and find out how other cities are handling these problems. The cost of such conferences was also discussed.

Health insurance costs were discussed, and Vice Mayor Helhoski said there are new, less expensive programs now available. He suggested having higher deductibles or requiring employees to pay part of the premiums.

Mayor Charles asked for a report on premiums collected and benefits paid under the current plan.

Mr. Royle said that for 2010, he would present a budget to review that would show where cuts would be made.

Commissioner George commented that if more cuts needed, the department heads must decide where personnel cuts are to be made. Mr. Royle clarified that if cutting employees would diminish services, it would be necessary to have Commission approval

Commissioner George urged Mr. Royle to stay in contact with other towns to see their plans and how they deal with these concerns.

Chief Hedges asked if the 10% and 20% cuts were in addition to the cuts already made, and it was agreed that they were.

### ADJOURNMENT

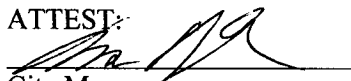
**Motion:** to adjourn, **Moved by** Commissioner Andrea Samuels, **None seconded.**

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

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

The meeting was adjourned at 8:13 p.m.

  
\_\_\_\_\_  
Mayor – Commissioner

ATTEST:  
  
\_\_\_\_\_  
City Manager