

CITY OF ST. AUGUSTINE

City Commission Special Meeting
Monday, June 25, 2018

The City Commission met in formal session Thursday, June 25, 2018 at 3:00 P.M. in the Alcazar Room at City Hall. The meeting was called to order by Mayor Nancy Shaver, and the following were present:

- 1. Roll Call:** Nancy Shaver, Mayor/City Commissioner
Todd Neville, Vice Mayor/City Commissioner
Leanna S. A. Freeman, City Commissioner
Nancy Sikes-Kline, City Commissioner
Roxanne Horvath, City Commissioner
- John Regan, City Manager
Timothy A. Burchfield, Assistant City Manager
Isabelle Lopez, City Attorney
Darlene Galambos, City Clerk
David Birchim, Director, Planning and Building
Tim Fleming, General Services Director
Mike Cullum, Director, Public Works
Mark Litzinger, Director, Financial Services
Meredith Breidenstein, Director, Budget & Performance Management
Paul K. Williamson, Director, Public Affairs
John Cary, Assistant City Attorney
Barry Fox, Police Chief
Carlos Aviles, Fire Chief
Robin DiAngelis, Recording Secretary

2. General Public Comments

The Commissioners heard from the following members of the public:

Ed Slavin
BJ Kalaidi¹

3. Overview of Historical Staffing Trends and Expenditure Trends

Meredith Breidenstein, Budget and Performance Management Director, gave a brief overview of expenditure categories and expenses less hurricane expenses.

Mayor Shaver asked that future reports be prepared with percentages as well as dollars.

4. Discussion of City-Wide Revenue Manual with focus on

a. Ad Valorem Revenue and Millage Rate

Ms. Breidenstein discussed the current millage rate, the proposed additional homestead exemption, and how it could affect the City's revenue.

Commissioners discussed current property values, new construction versus existing homes, and short term rentals

¹ Written comments attached to original minutes.

b. Fire Assessment Fee

Ms. Breidenstein noted that previously the Commission reached the decision to increase fire assessments fees to reach 50% of fire department expenditures. She said last year there was an increase to reach 36%, and an increase to 42% was called for plan year 2019.

It was the consensus of the Commission to move forward with the plan to recover fire department expenditures.

c. Fire Inspection Fee

Ms. Breidenstein said staff was proposing to add a part-time person to perform fire inspections. She also said that the overall process and fees were under review.

Mr. Regan summarized points that required further information as:

- Total expense graph
- Salary percent change graph
- Hurricane impact on ad valorem tax and how it was being maximized
- Property assessment values and the criticality of understanding property values
- Inflation ratios
- Benchmark other fire departments for fire assessments across the industry
- Review fire inspection fees in a methodical manner with process analysis
- Review rental properties with no inspection
- Comprehensive strategy to deal with rental market
- Update percentage of properties listed on the tax rolls
- Aggregate the Visitor Information Center parking garage and parking meter revenues.

5. Presentation of Utility Fund Rate Study by PRMG.

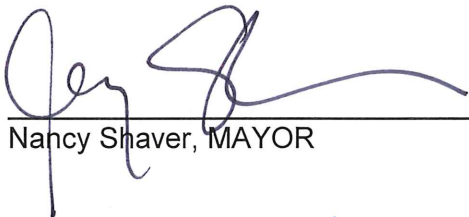
Ms. Breidenstein introduced Mr. Robert Ori, with Public Resources Management Group, Inc., who presented a PowerPoint entitled "Utility Revenue Sufficiency and Rate Study".

The following recommendations were made:

- Accept financial forecast and capital funding plan
- Continue with rate plan as previously adopted through 2020
- Reinstitute rate indexing through 2024
 - ❖ Adopt the Municipal Cost Index for future index calculations
 - ❖ Index should never be less than zero
- Re-evaluate the sufficiency of rates in 2020 and adjust as necessary
- Other recommendations:
 - ❖ Initiate SRF application process to secure capital financing loan

6. Adjourn.

There being no further business, the meeting was adjourned at 4:37 P.M.²



Nancy Shaver, MAYOR



Darlene Galambos, CITY CLERK



² Transcribed by Robin DiAngelis