

The City Commission of the City of Fernandina Beach, Florida met in a Workshop on Thursday August 10, 2017 at 5:00 pm in the City Commission Chambers. Present were Mayor Robin C. Lentz presiding, Vice Mayor Len Kreger, Commissioners John A. Miller, Roy G. Smith, and Tim Poynter. Also present were City Clerk Caroline Best, City Manager Dale L. Martin and City Attorney Tammi Bach.

Mayor Lentz called the meeting to order and led the Pledge of Allegiance to the Flag.

4. CITY MANAGER SUMMARY: City Manager Dale Martin began the review of the second draft of the 2017/2018 fiscal year budget by thanking City staff and Department Directors for their input, fellow Charter Officers City Clerk Caroline Best and City Attorney Tammi Bach, and a special thanks to Administrative Services Manager Nicole Bednar. City Manager Martin provided a presentation, the first slide illustrated City boundaries noting streets located outside City limits, although a part of the community, are not considered in formal decision making within the City. The 2017/2018 budget proposal includes a proposed reduction of .1 millage going from 6.3044 millage to 6.2097 millage. The taxable value has exceeded \$2 billion dollars; on a total value number the City has nearly recovered the value of the losses (on an aggregate level) from the great recession. City Manager Martin and Finance Comptroller Patti Clifford recently met with Nassau County Property Appraiser Michael Hickox regarding a variety of issues including the potential impact of next years increased homestead exemptions which may not be as impactful as initially feared however the growth this year was approximately 12%, the State is projecting growth will continue at six to eight percent over the next few years. Based on tax revenues, the millage rate is projected at approximately \$12 million dollars of property tax revenues and total general fund revenues are up approximately \$1 million dollars for a total of \$19,742,644. To formally approve this millage rate, since it exceeds the rollback rate, it will require a super majority, or four of the five Commissioners to vote in favor of this budget. The impact to community homeowners, if there is no change in property value, can expect a decrease of approximately \$10 per \$100,000. According to Nassau County Property Appraiser Mr. Hickox there are approximately 5,200 single family homes of which 3,500 are homesteaded and those will have tax increases of approximately \$9 per \$100,000. If a home is not homesteaded or non-residential there is a possible tax increase of 10.4% or \$55 per 1,000 of taxable value.

City Manager Martin asked if there were any questions regarding the general fund operational budget which provides departmental line items for supplies, equipment, personnel, etc. Also, there are two upcoming public hearings based upon this budget. Mayor Lentz expressed curiosity about the Capital Improvement Plan (CIP) noting some departments had five year CIP's and some had three year CIP's. She expressed concern that all Departments be committed to long term planning.

City Manager Martin showed a slide with current staff positions and openings as well as preparing for the impending retirement of Finance Comptroller Patti Clifford, there will be further discussions regarding budgeting. City Manager Martin reviewed new personnel included in the presented budget, noting the Public Information Officer and Parks &

Recreation part-timer have already been hired. Proposed additional positions include: Finance Comptroller, IT Specialist (part-time), HR Generalist (full-time), Patrol Officer (conditional), Service Aide (part-time), Building Inspector, Staff Assistants (three; part-time in the Community Development Department), Conservation Manager, Aquatics Supervisor, Cemetery Maintenance, Stormwater Engineer and Heavy Equipment Operator. Vice Mayor Kreger recommended eliminating the proposed Conservation Manager and Stormwater Engineer positions and maintain the Aquatics Supervisor position, and further discussion is needed as to whether the proposed Heavy Equipment Operator position is necessary.

City Manager Martin continued that the capital projects in the budget are: streets and sidewalks, Roosevelt Avenue parking, software, vehicles, beach access replacements, beach renourishment activities, Atlantic Recreation Center pool, Peck Center windows, Martin Luther King, Jr. Center renovations, Buccaneer Field improvements, Police and Fire radios, Police Station roof, Egan's Creek Park improvements, cemetery improvements, golf carts, airport terminal, marina redevelopment and utility systems projects. Vice Mayor Kreger agreed with Mayor Lentz that the CIP is supposed to represent a five year plan in accordance with the Comprehensive Plan; this budget has serious gaps and does not meet the requirements of State law or good planning. City Manager Martin commented when the budget is presented at the upcoming budget hearings, he will ensure each department has submitted a five year CIP.

City Manager Martin explained the first draft of the budget on July 18 underestimated the amount of expected State revenues. Finance Comptroller Patti Clifford, in working with the State, unveiled \$363,000 to consider personnel and projects that had previously been reduced from the original proposed budget. Based upon this now available additional funding (\$363,000) City Manager Martin went down a list of proposed budget increases. ***The consensus of the City Commission was as follows:***

- ***Eliminate proposed full-time Purchasing Agent***
- ***Eliminate proposed Stormwater Engineer/Replace with Full time laborer***
- ***Add full-time Maintenance Worker***
- ***Eliminate proposed Conservation Manager***
- ***Maintain existing Aquatics Supervisor***
- ***Add full-time Police Service Aide***

Moving on to projects; City Manager Martin explained the City Commission Discretionary Fund in the amount of \$10,000 allows each Commissioner to contribute \$2,000 towards community centric organizations. Each Commissioner contributed to the Little Free Library project. Vice Mayor Kreger contributed \$1,760 to the Veterans Treatment Court. Commissioner Miller contributed the balance of his discretionary funds to low income youth to be able to participate in City sponsored aquatic programs. City Manager Martin asked whether this discretionary funding should be made available to Commissioners in the next fiscal year budget; ***the consensus of the City Commission was to remove the discretionary finding account.***

After additional discussion regarding the additional funds (\$363,000) ***the consensus of the City Commission was to add/remove the following budget items:***

- ***Add \$5,000 for 4th of July fireworks***
- ***Add \$20,000 for Parks & Recreation organizational survey***
- ***Add \$38,000 for Fire Department vehicle***
- ***Add \$15,000 for Fire Department Ocean Rescue all-terrain vehicles***
- ***Add \$20,208 for Fire Department chest compression system equipment***
- ***Add \$10,000 for Housing Needs Assessment***
- ***Add \$49,500 for Street and Sidewalk infrastructure survey***
- ***Remove \$10,000 for paved parking along South Fletcher Avenue in front of Beach Access 33***
- ***Add \$75,000 for Motor Grader***
- ***Remove \$20,000 for Roosevelt Avenue beach access parking area installation***
- ***Add \$42,000 for Downtown Street improvements***
- ***Remove \$150,000 for Marina Dredging project***
- ***Remove \$150,000 Nature Center***
- ***Remove \$250,000 for Land Acquisition fund***

City Manager Martin explained the City has seven enterprise funds; funded through user charges: Golf Course, Airport, Sanitation, Wastewater, Water, Stormwater and Marina. City Manager Martin noted the Sanitation, Wastewater, and Water funds are financially stable. The Stormwater Department was established this year and the following fee increases are proposed in order to support woefully neglected stormwater infrastructure improvements; single family residential/commercial was \$4.00, proposed increase to \$12.00; residential/commercial (private system) was \$2.00, proposed increase to \$6.00; multi-family/commercial was \$2.00, proposed increase to \$6.00; multi-family/commercial (private system) was \$1.00, proposed increase to \$3.00. Stormwater Manager Andre Desilet explained the current projected revenue under the existing fee structure would be just shy of \$260,000. In this budget the Stormwater Department is proposing to purchase two new vehicles as the existing vehicles need constant repairs; also in this budget cycle the Stormwater Department proposes adding two new Stormwater Department positions, these projects will not be possible without the proposed fee increases and will further delay current and future stormwater capital improvement projects. ***The consensus of the City Commission was to discuss the proposed stormwater fee increases at the next City Commission Regular Meeting.***

City Manager Martin explained the Airport is funded through grants, leases, rents and events. There are no property tax dollars used to support the airport. The projected 2017 ending cash balance is \$1,020,728. The 2018 projects are the airport terminal building construction, bulk hangar repairs and a rate study. Commissioner Smith stated City Attorney Bach spends a lot of her time on airport related matters and since tax payer dollars pay City Attorney Bach's salary the airport should reimburse the general fund for the her salary. Noting the same could

be said for the marina, golf course. Comptroller Patti Clifford clarified the City enjoys the use and value of the recreational land at the airport. If the airport is to pay a portion of City staff salaries the City in turn would have to reimburse the Airport for use of its land.

City Manager Martin explained the financial challenges at the Golf Course are attributable to the general golf economy and specific capital projects. The net transfers from the Golf Course to the general fund equates to approximately \$1.3 million. The challenge becomes how to generate additional or alternative revenue for the Golf Course. Showing a PowerPoint slide of Golf Course properties located north of the Amelia Island Parkway, City Manager Martin suggested these parcels be sold, used for alternative activities, or fee based recreational purposes.

Golf Course Manager Mr. Steve Murphy stated the golf economy across the country has taken a hit since the 2008 recession. Repurposing some of the Golf Course lands would benefit the Golf Course and the City depending on what the City desires; a water park, a luxury RV park, a par three course, hiking trails, biking trails, tennis courts, swimming pools etc. Commissioner Miller liked the idea of a par 3 course. Commissioner Poynter noted he can't imagine anything worse than selling the Golf Course for development. There was additional discussion regarding the pros and cons of selling the golf carts which have reached the end of their service life and the pros and cons of having enterprise funds versus making them a part of the general fund.

City Manager Martin expressed the Marinas financial challenges are related to cost of capital improvements and annual debt service of \$450,000 - \$550,000 with transfer's from General Fund since 2013 averaging \$300,000; net transfers, \$1.8 million accumulated (through 2017); projected deficit: \$525,000. City Manager Martin explained reconfiguring the breakwater attenuator, relocating the channel, and constructing additional docks for rental will all generate additional revenues. Marina Manager Joe Springer spoke to the overall Marina damage sustained during recent hurricanes and the steps needed to make the Marina fully operational. There was discussion among the Commissioners regarding charging a fee for boaters to use the public boat ramp and boater activity keeping the water turbidity at a level that discourages siltation i.e. re-suspending the particulate matter. City Manager Martin spoke to other big ticket budget considerations; Marina repairs, paid parking software, redeveloping the waterfront, opening the Alachua Street Railroad Crossing, acquiring the post office. Noting none of these items are in the budget at this time but may come to fruition later in the year.

6. PUBLIC COMMENT: Mr. CA McDonald, 94250 Summer Breeze Drive, representing the Nassau County Economic Development Board (NCEDB) explained he is here to help the City Commission understand what NCEDB has been doing the last year and to request a donation. Showing a presentation Mr. McDonald reported goals of the NCEDB include sound fiscal practices, increasing jobs countywide, strengthen and enhance relationships across Nassau County civic organizations, build relationships to the brokerage community; locally, regionally, staff development and growing countywide capital projects by \$250

million. Other NCEDB objectives are to continue recruitment efforts for both domestic and international business and continue business retention/expansion efforts. Highlighted projects in the pipeline include: Project Green (Retail): \$3 million, Project Wood (Manufacturing): \$7 million, Project Al (Healthcare): \$5 million, Project Suite (Hospitality): \$10 million, Project Mitt (Manufacturing): \$1 billion, and many more. After additional discussion ***the consensus of the City Commission was to award a grant allocation of \$25,000 to the NCEDB. Approved 4-1 (nay: Commissioner Smith).***

5. NON-PROFIT GRANT ALLOCATIONS: *The consensus of the City Commission was as allot grant funding to the following non-profit organizations:*

- ***Jacobs & Scholtz - \$85,000 (lobby services)***
- ***Main Street Consultant \$40,000***
- ***Visioning Facilitator - \$1,500***
- ***Museum funding - \$10,000***
- ***Episcopal Children's Services - \$2,500***
- ***Nassau Mental Health (Starting Point) - \$10,000***
- ***Micah's Place Inc. - \$3,000***
- ***Barnabus Center - \$5,000***
- ***Family Support Services - \$ 1,500***
- ***America's Youth Inc. - \$2,500***
- ***Salvation Army of Nassau County - \$5,000***
- ***The ARC Nassau - \$2,000***
- ***Nassau County Council on Aging - \$40,000 (includes \$10,000 trolley operations)***

7. ADJOURNMENT: There being no additional comments the Workshop was adjourned at 9:08 pm.

ATTEST:



CAROLINE BEST
City Clerk



JOHN A. MILLER
Mayor-Commissioner