

**MINUTES OF MEETING
BOARD OF COUNTY COMMISSIONERS
ST. JOHNS COUNTY, FLORIDA
July 6, 2015
1:30 P.M.**

Proceedings of a workshop meeting of the Board of County Commissioners of St. Johns County, Florida, held in the auditorium at the County Administration Building, 500 San Sebastian View, St. Augustine, Florida.

Proof of publication of the notice of public workshop on the FY 2016 Recommended County Budget was received, having been published in *The St. Augustine Record* on June 29, 2015.

Present: Rachael L. Bennett, District 5, Chair
Jeb Smith, District 2, Vice Chair
James K. Johns, District 1
William A. McClure, District 3
Jay Morris, District 4
Michael Wanchick, County Administrator
Patrick McCormack, County Attorney
Bonnie Putman, Deputy Clerk

Also present: Darrell Locklear, Assistant County Administrator; Jerry Cameron, Assistant County Administrator; Regina Ross, Senior Assistant County Attorney

(07/06/15 - 1 - 1:33 p.m.)
CALL TO ORDER

Bennett called the meeting to order.

(07/06/15 - 1 - 1:33 p.m.)
ROLL CALL

The clerk called the roll: All board members were present.

(07/06/15 - 1 - 1:33 p.m.)
INVOCATION

Jerry Cameron gave the invocation.

(07/06/15 - 1 - 1:34 p.m.)
PLEDGE OF ALLEGIANCE

Bennett led the Pledge of Allegiance.

(07/06/15 - 1 - 1:35 p.m.)
ADDITIONS/DELETIONS TO SPECIAL MEETING AGENDA

There were none.

(07/06/15 - 1 - 1:35 p.m.)
APPROVAL OF SPECIAL MEETING AGENDA

Motion by Morris, seconded by Smith, carried 5/0, to approve the Special Meeting Agenda as submitted.

(07/06/15 - 2 - 1:35 p.m.)

1. DISCUSSION OF FISCAL YEAR 2016 BUDGET: SHORT TERM OPERATIONAL CHALLENGE

Wanchick stated that he was seeking policy direction from the Board as to how to best address the short-term budget deficit for the coming year. He presented, via PowerPoint, the primary budget shortcomings of \$700,000 for FY2016. He suggested four budget options for the BCC to consider: 1) Defer additional investment in pavement management and fire, with no revenue adjustments beyond ad valorem growth; 2) Shift millage to pavement management and fire, and utilize reserve funds to minimize cuts to non-essential services; 3) Shift millage to pavement management and fire, and implement cuts to non-essential services; and/or 4) Shift millage to pavement management and fire, and increase/implement user fees to minimize cuts to non-essential services. Following the slide presentation, he requested direction from the BCC on one of the four options.

Bennett asked for suggestions from the Board.

(1:51 p.m.) McClure requested clarification on one of the slides from the PowerPoint.

(1:52 p.m.) Smith asked if the budget included the 8.4% increase in the Sheriff Department's budget. Wanchick responded that it did.

(1:53 p.m.) Doug Timms, OMB, explained that there was \$61 million in carryover in encumbered projects with funds already being utilized for these projects that were currently underway. Unencumbered projects had been eliminated by departments.

Discussion ensued on a feasibility study for the best method to collect user fees: daily, monthly or seasonable beach parking passes.

(1:56 p.m.) McClure inquired about utilizing money from Beach Services from the Tourist Development Council's (TDC) budget. Timms responded. Bennett stated that the law was ambiguous, but funds may be used for facilities, but not operational costs.

(1:59 p.m.) Johns requested the revenue amount that would be generated from beach parking fees and asked if the organizations possibly affected by cuts had been in contact with Administration. Timms responded \$600,000. Wanchick stated that non-essential cuts would be more noticeable year after year. He stated that charging for beach parking was a logical way to generate money for the general fund.

Bennett stated that all board members received letters of budget concerns from Health and Human Services. In addition, she heard from the Council on Aging, Library Services, Health and Human Services Advisory Council, Northeast Florida Regional Council, and Regional Transportation Council, who were all concerned about budget cuts.

Discussion ensued.

(2:05 p.m.) Bennett compared the beach user fee versus the impact of a sales tax.

McClure questioned the \$61 million in carryover projects. He requested confirmation on money taken from reserves (\$1.7 million) to pay off debts and whether that money had already been utilized. Timms stated the funds had been spent.

(2:07 p.m.) Smith spoke in favor of some cuts and user fees, a hybrid of the options provided by Administration. He also questioned an \$800,000 line item from Public

Works. He requested a meeting with Neal Shinkre, Public Works, to clarify this line item. He explained the Environmental Protection Agency (EPA) overage and Regional Stormwater Treatment's (RST) water quality standards, in addition to the costs involved, i.e. Parker Canal tract, an unfunded mandate.

(2:12 p.m.) Darrell Locklear, Assistant County Administrator, responded with a correction that the funds utilized for this project were \$400,000 of County funds, plus \$400,000 in grant funds. The Parker Canal provided an insurance policy and was a requirement from the Department of Environmental Protection (DEP), as part of the Clean Water Act, which kept us in compliance with our agreement. Bennett agreed with and appreciated the suggestion from Smith. A workshop with the BCC and Public Works was suggested.

(2:26 p.m.) McClure requested clarification on the Parker tract line item. Timms responded that these funds were in the Transportation Trust fund, not the general fund.

(2:19 p.m.) Neal Shinkre, Public Works, explained that nothing would happen to the County if it refused the grant for the Parker Canal project.

(2:21 p.m.) Smith asked for the amount of money spent on the stormwater projects: Yarbrough, Masters and Parker Canal projects due to EPA regulations. Shinkre responded \$3 to \$4 million for Phase One for the Parker Canal. He also stated that \$6 million would be needed to complete the Masters tract and \$1.2 million was spent last year on the Yarbrough tract.

Bennett stated that budgeting yearly was not pro-active, that the Board needed to be thinking and planning for many years ahead.

(2:24 p.m.) Wanchick explained that Administration had been pro-active; however, the stormwater project was one-time expenditure and did not address the real issue. The need for something sustainable was part of the options presented.

Bennett stated that residents who benefitted from these miscellaneous programs, i.e. after school programs, summer camp, the library, could not pay user fees. She questioned the impact of user fees. Wanchick agreed; however, he stated there was a budget to balance and requested direction to balance the budget.

(2:29 p.m.) McClure questioned beach parking and the property owned by the County that could be used as parking lots. He questioned the implementation costs. Wanchick responded that the revenue would be based on current parking spaces; although, Parks and Recreation were looking at the costs of additional parking spaces.

(2:32 p.m.) Morris was leery of user fees; however, since the sales tax failed to make it to the ballot, the 5% reduction of services and user fees must happen.

(2:35 p.m.) Wanchick responded and requested direction based on the short-term recommendations. In order to address the County's long-term capital needs, he stated that they would meet over the summer to work on a larger plan for the future.

(2:37 p.m.) Smith shared data from the Hastings library, including the number of employees (4 full-time, 2 part-time and one contractual) versus the hours of operation, which was five days a week, thirty-nine hours. He stated he had concerns with whether this was consistent throughout the remainder of the county, and whether there were some reasonable cuts that could be made. Cameron responded to Smith's concern, stating the Hastings library was being utilized as an after school center for those who could not afford after school programs for their children and to hold community

meetings, in addition to check-out services. He agreed to review the staffing at the Hastings library.

(2:43 p.m.) McClure believed the Board should look to shift internally versus externally for cuts. He suggested that for the \$700,000 gap in the budget; use the \$400,000 from the Parker Canal, Transportation Trust funds and TDC funds.

Discussion ensued.

(2:50 p.m.) Morris restated the amount of money needed to balance the 2016 budget. Wanchick discouraged the board from taking money out of reserves. Smith spoke in favor of a combination of cuts and user fees. Morris and Bennett stated that there were no other options.

Wanchick suggested only beach parking fees and not the other alternative user fees that would have a potential impact on families who could not pay them. He requested the Board look at the cuts lines from the PowerPoint.

Bennett read a letter from a Betty Griffin House board member. She reminded the Board that cuts had to be carefully analyzed. She stated the bottom line did not necessarily show the value to the community.

Discussion ensued.

Bennett asked if off-beach parking (\$500,000) and the Parker Canal stormwater project (\$400,000) were implemented, would that be sufficient to balance next year's budget and would the County be jeopardizing any of its permits or standing with the agencies.

Discussion ensued.

(3:02 p.m.) McClure brought up TDC funds (\$300,000) being shifted to the general fund and off beach parking. Bennett inquired about the TDC funds. Morris stated the TDC budget was completed for next year.

(3:06 p.m.) Timms indicated that the available revenue in Category 3A was \$100,000.

(3:07 p.m.) McCormack pointed out that TDC funds could have the incidental effect of benefit to local programs, but the primary use and purpose was for the promotion of tourism.

(3:07 p.m.) Johns asked when the ad valorem projections for the following year were estimated. He also stated that the projections made in April were made on bad assumptions and possibly the short-term goals would be met without cutting services.

Timms responded.

(07/06/15 - 4 - 3:13 p.m.)
PUBLIC COMMENT

(3:13 p.m.) Shannon Nasworth, 144 Meadow Avenue, member of the board of Health and Human Services, thanked the Board for its consideration for funding.

(3:14 p.m.) Tom Reynolds, 880 A1A Beach Boulevard, presented the cost of sales tax per resident along with the cost per resident of the approval of the "Developer Debt Forgiveness Program (DDFP)," *Exhibit, A*. He asked that the Board recall items that

were approved at the last BCC meeting: Nine Mile Gang Development Agreement and Bannon Lakes Fair Share Agreement.

(3:18 p.m.) Ed Slavin, P.O. Box 3084, believed the County needed more options and that he provided sixteen options at the June meeting. He spoke on options for libraries, the need for data-driven decisions, including revisiting the Sheriff's budget, and the need for a St. Augustine historical park.

Regina Ross left the meeting at 3:14pm.

(3:21 p.m.) Deanna Trupp, 656 Francis Street, stated her concerns with the Ponce Nursing Home, Flagler Hospital, police officers, and the Conch House.

(3:24 p.m.) Robert Kahler, 29 Sunfish Drive, commented that the solution was "living within our means."

(3:25 p.m.) Denver Cook, 266 Topsail Drive, spoke on the need for a long-term solution and a policy shift, including Health and Human Services, the Sheriff's office budget and the direction of the County.

Regina Ross re-entered the meeting at 3:27pm.

(3:28 p.m.) Andrea Anthony, 313 North Shipwreck Avenue, suggested the County let some grant money go. She spoke in favor of user fees and referenced pages 344-345 and 89 in the proposed budget for shortcomings' relief. She suggested the beach parking fee be associated with residency through driver's licenses. Bennett asked that she email her suggestions to the board.

(3:31 p.m.) Bill McCormick, 9224 July Lane, stated that the County could not grow its way out this situation and that a long-term solution was needed. He discussed user fees versus a sales tax and encouraged the BCC to approve the school board's request.

(3:35 p.m.) BJ Kalidi, 8 Newcomb Street, stated that she opposed the school board's proposed sales tax and displayed the Lottery's contributions to education, *Exhibit B*.

(3:38 p.m.) Bennett displayed a chart created by the IRS, that detailed the effect of a sales tax by income level, *Exhibit C*. She expounded that the 1% sales tax would have been less than a user fee and it was data-driven. She was disappointed that voters were not given the opportunity to see it on a ballot.

Discussion ensued.

Smith identified that Morris was in favor of both user fees and cuts; McClure was in favor of \$400,000 cuts (Parker Canal) and the transfer of additional funds (\$100,000 from TDC); Johns was in favor of the least amount of cuts and user fees.

Wanchick clarified that the Board majority had recommended beach parking user fees and the Parker Canal project's funding to be delayed to supply the funding for the budget's shortcomings.

Wanchick recognized that Cameron would be retiring next month. He recommended the appointment of Joy Andrews to that position. The board was in favor of the recommendation and appointed Joy Andrews as Assistant County Administrator, following Cameron's retirement.

(07/06/15 - 6 - 3:59 p.m.)
ADJOURN

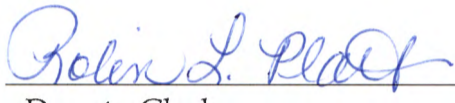
With there being no further business to come before the Board, Bennett adjourned the meeting at 3:59 p.m.

Approved _____ September 1 _____, 2015

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By:  _____
Priscilla L. Bennett, Chair

ATTEST: CHERYL STRICKLAND, CLERK

By:  _____
Deputy Clerk