



MINUTES
REGULAR CITY COUNCIL MEETING
WEDNESDAY, SEPTEMBER 7, 2022, 6:00 P.M.
NEPTUNE BEACH CITY HALL
116 FIRST STREET
NEPTUNE BEACH, FLORIDA 32266

Pursuant to proper notice, a Regular City Council Meeting of the City Council of the City of Neptune Beach was held on Wednesday, September 7, 2022, at 6:00 p.m., at Neptune Beach City Hall, 116 First Street, Neptune Beach, Florida 32266.

Attendance:

IN ATTENDANCE:

Mayor Elaine Brown
 Vice Mayor Kerry Chin
 Councilor Lauren Key
 Councilor Nia Livingston
 Councilor Josh Messinger

STAFF:

City Manager Stefen Wynn
 Chief Financial Officer Danielle Dyer-Tyler
 Police Chief Richard Pike
 Public Works Director Jim French
 Community Development Director Samantha Brisolara
 Grants and Resiliency Coordinator Colin Moore
 Mobility Management Director Leslie Lyne
 City Attorney Representative Rhett Perret
 Mobility Management Director Megan Steward
 City Clerk Catherine Ponson

**Call to Order/Roll
Call/Pledge**

Mayor Brown called the meeting to order at 6:00 p.m., and Vice Mayor Chin led the Pledge of Allegiance.

APPROVAL OF MINUTES

Minutes

Made by Messinger, seconded by Key .

MOTION: TO APPROVE THE FOLLOWING, AS AMENDED:

August 1, 2022, Regular City Council Meeting
August 15, 2022, Special City Council Meeting
August 15, 2022, Workshop City Council Meeting

Roll Call Vote:

Ayes: 5-Key, Livingston, Messinger, Chin, and Brown.

Noes: 0

MOTION CARRIED

PUBLIC COMMENTS

Public Comments

Rick Sauls, 126 Cedar Street, Neptune Beach, stated the City could do better. He questioned where the money from the stormwater increase went. We should finish one project before starting another project. He added that we get very little of our property tax back from the City of Jacksonville;

COMMUNICATIONS / CORRESPONDENCE / REPORTS

Police Chief Report Police Chief Richard Pike reported the Police Department is continuing to watch the Atlantic Ocean.

Scout Recognition Mayor Brown recognized and welcomed Scout Troop 15 member Fin Miller. He was attending the meeting to earn his Citizenship in the Community merit badge.

VARIANCES / SPECIAL EXCEPTIONS / DEVELOPMENT ORDERS / NONE**ORDINANCES**

Ord. No. 2022-04, Millage Rate Ordinance No. 2022-04, First Read and Public Hearing. An Ordinance of the City of Neptune Beach, Florida, Adopting Final Millage Rate and Levying Ad Valorem Taxes for the Fiscal Year beginning October 1, 2022, and ending September 30, 2023; Setting Forth Certain Information Regarding "RolledBack Rate"; Directing the City Manager to Adjust the Adopted Millage Rate in the Event of Changes in the Assessment Roll and Taxable Value; Providing an Effective Date.

TRIM Notice Mayor Brown read into the record the Truth in Millage (TRIM) notice.

"This is the millage public hearing for the City of Neptune Beach, Florida. The "Rolled-back" rate for the City of Neptune Beach is 3.0727 mills. The rate to be adopted reflects a 14.53% increase over the "Rolled-back" rate. The rate that is to be levied in this ordinance by the City Council is 3.5193. This rate is higher than the rate levied by the City last year.

City Manager Stefen Wynn reported that this is the proposed millage rate that had been discussed at the August 1, 2022, Council meeting. The City has built the proposed budget on this rate. There had been discussion with Council Members since then regarding what this millage rate could look like.

Public Hearing Mayor Brown opened the public hearing.

Scott Wiley, 723 Davis Street, Neptune Beach, stated he does not feel like there is a need for the millage increase. It has been referred to as a small or slight increase, however, it stays and can increase more. He does not think it is necessary right now.

Leslie Lyne, 501 Hopkins Street, Neptune Beach, stated, speaking as a resident, the City has not had a tax increase or gone above the rolled back rate in over 30 years. Everything else we have incurred, there has been an increase. There are \$110 million in infrastructure work that needs to be done. She does not know how else we can do this without the proposed increase.

There being no comments from the public, the public hearing was closed.

Discussion Mr. Wynn advised that this would be the time to propose a different millage rate. There have been internal discussions regarding what it would look like if the proposed millage rate is not adopted. If Council chooses to keep the 3.3656, things have been identified that would be cut.

Vice Mayor Chin stated that the real key question is what does this mean for people in a real-world consequence. He commented that at the last meeting, a table was presented showing the monthly effect for different assessed values with this increase. He asked if that included the change with the County's rolled back rate.

Mr. Wynn advised that the table Vice Mayor Chin was referring to did not include the County's increase or decrease. It was specific to Neptune Beach.

Vice Mayor Chin stated that at the last meeting, it was stated that because of the decrease at the county level, there might be a net effect of a tax decrease overall.

Mr. Wynn advised that he had attended the last meeting virtually. The proposal from COJ Mayor Lenny Curry was 1/8 millage rate decrease which would come to a .125. Our millage increase is .1537. In order to come to a no net gain, based on the County and the City, that's the millage rate came from.

Councilor Key asked if there was an average assessed value in Neptune Beach.

Mr. Wynn explained that a scenario was based on three different home values. These were assessed values. The highest one was \$680,000, which means total tax to Neptune Beach of \$2,393.12 per year, a monthly payment of \$199.43, or an increase of \$8.71 per month.

Councilor Livingston questioned that in looking at how much it would be per month, what projects would this money be used for.

Mr. Wynn reported that the budget would be discussed later. Some of the high-level things this would go towards would be positions at Public Works. We would try to bridge the gap with some of our staff that has been lost through attrition. It would also go towards balancing different funds in each department. We did a deep dive into our Florida Municipal Insurance Trust Rate (FMIT) renewal rate. It is now broken up appropriately by department.

Mr. Wynn continued that the proceeds from the proposed millage rate increase that we would see is \$495,012. It would be difficult to apply that entire amount to some of our capital projects

Councilor Messinger stated that as brought up in public comments, a significant amount of our revenue goes to Duval County.

Mr. Wynn then confirmed Councilor Messinger's inquiry that for every dollar raised, 44 cents goes to COJ, 37 cents goes to Duval County Schools. The City essentially receives about 19 cents.

Mayor Brown asked Chief Financial Officer Danielle Dyer-Tyler what the increase would be in the budget.

Ms. Dyer-Tyler answered that the budget would increase by about \$450,000.00.

Mayor Brown asked what would be cut from the budget without the millage rate increase.

Mr. Wynn responded that there have been committee meetings where significant infrastructure projects have been discussed and will happen in the near future. This can be taxing on the Public Works Department. Two positions had been proposed, a project manager and project engineer. The project engineer would be cut for a savings of about \$140,000.00.

Ms. Dyer-Tyler remarked that mobility management had been discussed including renegotiating the City's share as well as the potential to increase revenue by increasing the parking rate, but not to Neptune Beach residents.

Councilor Livingston questioned why we couldn't pass the millage rate and still discuss renegotiating the interlocal agreement to increase revenue and look at the new positions.

Mr. Wynn noted that the City is working on implementing the free parking for residents. There is an acquisition that has held up a work ticket with the vendor. Once that is in place, we can start looking at ways to increase the way we charge visitors, not residents, to the Beaches Town Center (BTC).

Mr. Wynn stated that the City can keep trying to bring the Interlocal Agreement with Atlantic Beach to the table.

Councilor Livingston commented that it was shocking to see that the increase would only bring \$450,000. She added that we need to get creative about other ways to create revenue.

Mr. Wynn reported that the actual number based on the Department of Revenue Form 420 worksheet for the revenue from the increased millage rate is \$495,000.

Councilor Messinger stated that his comment is two-fold. He remarked that before we raise the millage rate, we should look at these other solutions to increase revenues into the City without taxing our residents further. He would see paid parking as low-hanging fruit, including offering additional free hours to residents, while at the same time, increasing the rate to visitors.

Councilor Messinger pointed out that we have a lot of individuals from Duval County growth coming out to the beach. This goes into his second point of the Interlocal Agreement with Duval County. We haven't negotiated that in an incredibly long time and a significant amount of our tax dollars go to the County. The people are coming out here on the weekends and our Police Department have to deal with that. He reiterated that before we consider raising the millage rate to our residents, we should look at the paid parking program and the rates with Duval County.

Councilor Key remarked that taxing residents should be a last resort. She is not quite sure we have exhausted all avenues. There are grants and federal funds to help our monumental infrastructure improvements. She agreed with Councilor Messinger that we are the playground for Duval County and added that an increase of individuals visiting our town, puts a strain on our Public Safety Department, lifeguards, and infrastructure. She thinks it is more than fair to consider opening up our Interlocal Agreement to try and see if we can keep more than 18 cents for every dollar we take in.

Councilor Key also stated that she is a big fan of increasing parking revenue. She said it a great way to "tax," individuals who come to our City who don't pay taxes here, but utilize our resources. She expressed that raising the millage rate, given the state of the economy, is something she can get behind right now.

Vice Mayor Chin expressed that his fellow councilors raised some interesting questions. He asked if the parking revenues are limited in scope as to what they can be spent on? He agreed about renegotiating the Interlocal Agreement with Duval County but how realistic is that going to be to expect the County to be receptive to us asking for a greater share? This is something we need to think about.

Mr. Wynn answered that the parking ordinance is silent about what the parking revenue can be spent on. It does not contemplate what it can and can't be spent on.

Councilor Livingston asked if a new ordinance allocating the funds would help the budget?

Councilor Key reported she had a conversation with City Attorney Zachary Roth and she did not want to quote him, however it was okay that we had not defined or specified what to spend the funds on.

Councilor Livingston commented that she would like to see possibly ideas of where we could make up the revenue and how much money that would look like before implementing a tax increase. She also wonders at the same time how much we would get from renegotiating the Interlocal Agreement.

Councilor Messinger stated we are in a unique position where we have three individuals running for Mayor in Duval County. One of those will replace the current administration. We also have a supportive Beaches representative. When it comes to reopening the Interlocal Agreement and negotiating with Jacksonville, this is an opportune time to start that process.

Councilor Messinger stated that looking at the budget, the paid parking revenues are going to come in at \$162,000 above the projected amount. The fees for what we charge people from out of town are still below what Jacksonville Beach is charging, so there is ample opportunity. We can also increase the amount of time given to residents if we are increasing the parking rate to visitors. This is the path he would advocate before we look at a millage rate increase.

Mayor Brown commented that everything has gone up for everyone. Many budgets are strained. She communicated that the will of the Council seems to be to keep the millage rate the same at 3.3656. She requested a motion to that effect.

Made by Messinger, seconded by Key.

MOTION: **TO KEEP THE MILLAGE RATE UNCHANGED AT 3.3656 FOR NO TAX INCREASE IN KEEPING IT THE SAME**

Roll Call Vote:

Ayes: 5-Livingston, Messinger, Key, Chin, and Brown.

Noes: 0

MOTION CARRIED

Ord. No. 2022-05, FY23 Budget Ordinance No. 2022-05, First Read and Public Hearing. An Ordinance of the City of Neptune Beach, Florida, Adopting a Final Budget and Appropriating Funds for the Fiscal Year beginning October 1, 2022, and ending September 30, 2023; Providing an Effective Date.

Public Hearing Mayor Brown opened the public hearing

Diana Kelly, 1700 1st Street, Neptune Beach, spoke regarding where the parking revenue would be spent and taxing the visitors. She added that we need to band with the other beach communities and leverage a position with COJ.

Shellie Thole, 124 Margaret Street, Neptune Beach, spoke regarding the importance of getting grants and finding federal money.

Rick Sauls, 126 Cedar Street, Neptune Beach, commented that the Interlocal Agreement is a very touchy subject. We should be very careful about how we approach that. He added that people visit come from other places not just Jacksonville.

There being no further comments from the public, the public hearing was closed.

Budget Review City Manager Stefen Wynn reviewed the FY2023 Budget. He stated that previous years are included to help to forecast better. He also stated there are things we can control such as some court funds and parking tickets. We can make sure we bill for code enforcement violations and not just have them come into compliance. The enterprise funds are guided by our leases.

Mr. Wynn advised that the amounts would be adjusted for the next meeting based on the 3.3656 millage rate as that is what encompasses the millage rate. The total general revenue fund seems high due to the \$3.6 million received in ARPA funding that haven't been expended this year. We will be using those again next year for capital projects.

Vice Mayor Chin questioned a cellular lease for the water tower being underpaid.

Mr. Wynn explained those leases have merged. We are still working to negotiate that amount.

Mr. Wynn reported each departmental budget, including Mayor and Council, City Manager, Finance, Legal, Community Development, City Clerk, Non-Departmental, Police, Ocean Rescue/Beach Cleanup, Public Works, and Mobility Management.

Chief Financial Officer Danielle Dyer-Tyler reminded everyone that the 2021 amounts are unaudited numbers and are subject to change once that audit is final.

Brief Recess

Mayor Brown called for a recess at 7:22 p.m.

Mayor Brown resumed the meeting at 7:28 p.m.

Budget Review
Continuation

Mr. Wynn continued the FY23 budget review. He also reviewed each department's positions and vacancies. He explained that there are fixed allocations for certain positions which means different positions are paid from different departmental funds. He pointed out that the sanitation fund has historically operated in a deficit. The City discovered that we have charged ourselves the 10% franchise fee and we did not take into account the fuel surcharge that was imposed. We are working to try and see what can be recovered.

Vice Mayor Chin commented that Jacksonville Beach went through an analysis to look at bringing the waste collection service in-house. Their numbers did not work out. It would be interesting to see what those numbers were to have a comparison. Atlantic Beach has just signed with a new hauling company. Our contract expires in October, 2023. By then, we can see how it is working with Atlantic Beach. He added maybe we could get a better rate by combining both cities.

Councilor Messinger asked Mr. Wynn to extrapolate on bringing sanitation services in-house and how an RFP with our sister city would look like.

Mr. Wynn explained that the path of least resistance would be an RFP for a third-party vendor. Doing that with another community would present challenges that could be worked through. He cautions about the level of service. To bring it internally, we would have to look at costs of truck providers and costs of personnel services. He has not put anything together for the FY23 budget. That is something we could look at. It would be helpful if we could get recover some of the overpayment to WastePro.

Mayor Brown thanked Department Heads for being at the meeting and recognized the City Manager and CFO for their efforts in organizing the budget.

Made by Key.

MOTION: **TO APPROVE ORDINANCE NO. 2022-05 , ADOPTION OF FY2023 BUDGET ON FIRST READ AND MOVE TO SECOND READ**

Councilor Messinger asked for a point of clarification if we need to amend the motion with a caveat to include that the numbers will be amended to reflect the millage rate.

Councilor Key withdrew her motion.

Made by Messinger, seconded by Key.

MOTION: **TO MOVE APPROVE THE PROPOSED BUDGET WITH AMENDMENT TO INCLUDE THE MILLAGE RATE THAT WAS PASSED LAST YEAR AND THAT THE NUMBERS WILL REFLECT THE MILLAGE RATE OF 3.3656**

Roll Call Vote:

Ayes: 5-Messinger, Key, Livingston, Chin, and Brown.

Noes: 0

MOTION CARRIED

Ord. No. 2022-06, FY22 Budget Amendment Ordinance No. 2022-06, First Read and Public Hearing, An Ordinance Amending the Operating Budget for the City of Neptune Beach, Florida for Fiscal Year 2022. Beginning October 1, 2021 and Ending September 30, 2022.

Public Hearing Mayor Brown opened the public hearing. There being no comments from the public, the public hearing was closed.

Mr. Wynn explained that this is a budget amendment for FY22. The City has generous donors who continue to support Neptune Beach. We have some unrealized revenue. This is to increase our revenue in three of the funds. There was donation from the Eckstein Foundation for a new police vehicle, fees for a fire plan review and a FireHouse Subs Donation.

Made by Chin, seconded by Key.

MOTION: **TO APPROVE ORDINANCE NO. 2022-06, ADOPTING FY2022 BUDGET AMENDMENT ON FIRST READ**

Roll Call Vote:

Ayes: 5-Key, Livingston, Messinger, Chin, and Brown

Noes: 0

MOTION CARRIED**OLD BUSINESS / NONE****NEW BUSINESS**

FOP Contract Consideration of Approval of Fraternal Order of Police and City of Neptune Beach Contract.

Mr. Wynn reported on the changes which are amending the FOP contracted. He stated that in the course of the negotiations the rate of standby compensation was discussed and established. It states that whenever an employee is placed on standby for 0-3 hours they will be compensated at the rate of 1 hour of straight pay per hour for the first 3 hours. Any hours in excess of 3 hours will be compensated at the rate of 0.25 hours of straight pay with a total maximum of 4 hours of compensation during a 24-hour period.

Councilor Key stated our City Attorney is not here to advise. She is recusing herself from voting on this agenda item. Form 8B has been filed with the City Clerk's office and is attached hereto..

Made by Messinger, seconded by Chin.

Roll Call Vote

Ayes: 4-Livingston, Messinger, Chin, and Brown

Noes: 0

Abstain - Key

MOTION CARRIED

Surplus Vehicles Consideration of Approval of Surplus Vehicles.

Made by Messinger, seconded by Key.

MOTION: **TO APPROVE THE DECLARATION OF SURPLUS VEHICLES FOR SALE
ON GOVDEALS**

Roll Call Vote:

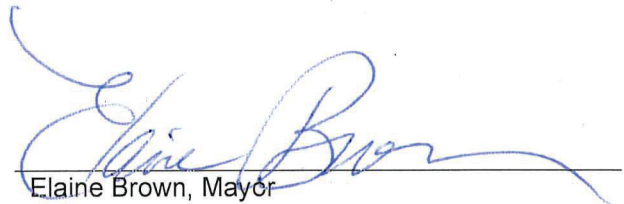
Ayes: 5-Key, Livingston, Messinger, Chin, and Brown

Noes: 0


MOTION CARRIED

Adjournment

There being no further business, the meeting adjourned at 7:53 p.m.


Elaine Brown, Mayor

ATTEST:


Catherine Ponson, CMC
City Clerk

Approved: 11-7-2022

