

City of Port St. Lucie

City Council / City Staff Retreat

Meeting Minutes

121 SW Port St. Lucie
Blvd.
Port St. Lucie, Florida
34984

Gregory J. Oravec, Mayor

Stephanie Morgan, Councilwoman, District I
John Carvelli, Councilman, District II
Shannon Martin, Vice Mayor, District III
Jolien Caraballo, Councilwoman, District IV

Thursday, July 23, 2020

8:30 AM

Community Center, 2195 SE Airoso
Blvd

Day 2 *AM Session*

1. Meeting Called to Order

A Special Virtual Meeting of the CITY COUNCIL of the City of Port St. Lucie was called to order by Mayor Oravec on July 23, 2020, at 8:35 AM, at Port St. Lucie Community Center, 2195 SE Airoso Boulevard, Port St. Lucie, Florida.

2. Roll Call

Council Members Present:

Mayor Gregory J. Oravec
Vice Mayor Shannon Martin
Councilwoman Jolien Caraballo
Councilwoman Stephanie Morgan

Council Members Absent:

Councilman John Carvelli

3. Pledge of Allegiance

4. Public to be Heard

No one signed up under this item.

5. New Business

5.a City Manager's FY 20/21 Proposed Budget Overview

[2020-538](#)

The City Manager resumed his PowerPoint presentation of the FY 20/21 Proposed Budget Overview from the previous day. He stated that most importantly the Total Budget and General Fund are increasing, primarily due to the capital projects that were in reserve and

are now close to being constructed.

Southern Grove Jobs Corridor

The City Manager indicated the City has entered into a Purchase and Sale Agreement with Sansone, who will be buying 65 acres and optioning almost 300 additional gross acres. He said the City is looking at their jobs corridor to reduce the burden of the taxes, SAD's, and CDD's from \$5.2 million initially to a proposed \$3.9 million in FY 2021, and to increase the number of jobs.

Stormwater Fund

The City Manager stated that the City stormwater fee is \$163 for a residential developed lot and \$122 for an undeveloped lot, and that there is no change in the fees this year. He said the fees maintain the major retention, water quality, and swale areas. He noted that staff is preparing a Stormwater Plan that Council will receive by January 2021.

Councilwoman Morgan stated that it seems the homeowners should get a reduced fee for maintaining the swales, as vacant lots are only being maintained by the City's quarterly cleanings. In response, the City Manager stated that staff could look at the fees again, but he was not sure there was a perfect formula.

Mayor Oravec indicated that the swale liners are maintained six times a year. He said the swales are one of the top complaints received in the Council Office via the 1PSL System. He stated that the stormwater system is based on the idea that undeveloped lots put less stormwater into the system, because they are able to absorb more. He explained the City was sued in the past and lost. He stated it had to redo its methodology as well as give approximately \$12 million back to the residents. He said this methodology has been tested in court and deemed acceptable. He stated if they were ever to revise it, it would be important to base it on the Stormwater Master Plan and have a specialist come in to provide the methodology.

Councilwoman Morgan questioned whether both stormwater fees get increased by the same amount, to which the City Manager stated that the undeveloped lot fee is 75% of the developed lot fee, so it would increase as well.

Councilwoman Morgan inquired if the developed lots get swale liners at the time of build. In response, the City Manager stated that they are installed at the time of build, but periodically the City goes back and replaces or repairs the swale liners.

GENERAL FUND OVERVIEW

The City Manager stated that the General Fund funds those projects and services where a fee cannot be levied or there is no designated revenue source. He said the General Fund is made up of two major categories, operations and reserves. He stated that this year, based on Council's direction, staff is maintaining 20% of the General Fund as reserves and that \$19 million is in the undesignated reserve for sudden changes in the economy or loss. He noted that the state shared revenues are not coming in as anticipated.

The City Manager stated that reserves are a bit over right now, as this budget allocates \$11 million to the Port St. Lucie Boulevard South project, which is partially why the overall General Fund goes up this year. He said the General Fund has been increasing over time due to growth and the City having to provide services.

The City Manager stated that the City Council went from expending hardly nothing in capital to spending \$5 million, and this year it will be \$3.2 million. He said that one indicator of a healthy city is investing for the future.

The City Manager indicated that the General Fund includes major categories of personnel services, operating expenses, capital, debt service, and transfers. He stated that the City refinanced the Florida Center for Biosciences and that refinancing amount came into the General Fund, which is why that number went up in FY 2019 and back down in FY 2020.

The City Manager explained that the ad valorem revenue hit bottom around FY 2010 and stayed fairly flat through FY 2016. He said there was a millage increase in FY 2017 and the ad valorem has grown as their overall property tax base has increased. He stated that this year's ad valorem is projected to be about \$48 million out of a total General Fund of about \$124 million. He said deducting \$11 million for the allocation from the reserve results in \$113 million or so, which is an ad valorem close to 50% or around 44%.

Sales Tax Revenue

The City Manager stated that the Sales Tax Revenue is a direct impact from the state of the economy and their Sales Tax Revenue had been going up at a steady rate each year. He said that in FY 2019 the City had around \$8.5 million in Sales Tax Revenue overall and that it stayed the same in their FY 2020 Budget. He stated that staff is projecting an 18% reduction in these consumption-based revenues as well as in tourism. He said the state is estimating a 50% reduction in their state shared revenue, but that the sales tax and state shared revenues are only about 11% of the General Fund budget, as ad valorem is the biggest portion.

Councilwoman Morgan questioned whether it was time to reevaluate or revisit their projects, because of this decline, to which the City Manager responded in the affirmative. He indicated that Floresta is their single largest project, for which the Council had previously agreed to borrow internally from other funds. He stated as they go through the fiscal year, staff may come back to Council to adjust their sales tax projects to better align them with their revenues. He said the 18% reduction is staff's best assessment. He stated the ten-year sales tax will have a year or so when it is down, but there will be years when it exceeds their estimates.

Councilwoman Morgan stated she wanted to have a future discussion on the sales tax revenue and adjusting the timeline, as she does not want to borrow for these projects. In response, the City Manager stated that staff will provide Council ongoing estimates of the City's revenue and expenditure pace as they move forward.

Councilwoman Caraballo encouraged the City to advocate for the Florida League of Cities Sales Tax Fairness for the state and locally via the taxing authority, to look at collecting the taxes for online purchases and the county bed tax to the fullest extent. She stated she agrees that they need to look at the Sales Tax Revenue and asked that she be advised of the interest as the market continues to shift. She said she knows that as the market has a downturn, it costs less to borrow, and she would like to look at that if necessary.

Councilwoman Caraballo asked the City Manager if he believed there has been a drop in the economy, because it has not changed that

much, to which the City Manager stated that was true. He said they have not seen any price reductions and have actually seen price increases. He stated, if the prices do not come down, that means they have gotten through the pandemic and things are stabilizing.

Councilwoman Caraballo stated the Governor said this was the best time to do a road project and has fast forwarded funding to do just that, but other cities are probably competing for those resources. She said if the economy continues to downturn and labor is affected, she could foresee a downturn in prices.

The City Manager clarified that when the City borrows money from its Sales Tax Fund, it is borrowing from itself and paying itself interest. He stated that when it advances money from other funds, it is holding those funds and normally investing them. He said the City is not going out into the market to borrow money.

Mayor Oravec inquired as to the interest rate on their internal loans. In response, the City Manager stated it was projected at less than 2%, but it is less now. Mr. Snyder indicated that they will be looking at the 5-Year Treasury, because it is very low right now. He said at the time the money is transferred, they will establish the rate and the payback. Mayor Oravec asked if FAE buys the 5-Year Treasury as a part of their investment portfolio, to which Mr. Snyder responded in the affirmative.

Mayor Oravec explained that the City has a charred history from when it backed bonds for speculative economic development that did not go as everyone had hoped. He said rather than investing in the U.S. Treasury, this money is being invested in the City without borrowing from a bank or the bond market to implement their Strategic Plan. He stated he is open to professional recommendations if the bids come in too high for these projects. He suggested getting all of the other projects shovel ready, in case the federal government or the state ever decides to invest in infrastructure. He stated that completing the sales tax projects is important and critical for the credibility of the organization, so they are going to get done, to which Vice Mayor Martin agreed.

In response, the City Manager indicated that staff is heading in that direction. He stated the City will receive less revenue, but the increase in ad valorem will more than offset that decrease in FY 2021. He said they will get their projects done, but something may need to wait six

months or go into the next fiscal year. He stated that staff will monitor spending and keep Council informed.

Councilwoman Morgan stated she is not against borrowing for the projects they have done and gone through. She indicated the deal was for the half-cent sales tax to go towards these projects. She said if the monies are not coming in, then they have to re-evaluate what projects to do. She stated she does not want to overspend, but she understands and agrees with the borrowing. She said she is all for making sure they follow through on their promises with whatever sales tax revenue is coming in.

Councilwoman Caraballo stated that she believes the standard for these projects and the public is higher, because they voted for infrastructure. She said that Council gave their word in an ordinance that these projects will be completed with these dollars. She stated the public will not be happy if these projects are not finished, because the sales tax did not come through. She said the City can borrow internally without affecting the budget or breaking its promise.

Councilwoman Caraballo inquired as to how much was in their contingency, to which Mr. Snyder indicated that \$4 million is in the half-cent sales tax and they are still collecting money. He stated that staff believes all of the projects can be completed as promised, but they may have to slow them down as the money comes in. He said staff will be early in telling Council how it is looking and what is going on. He stated when the campaign was done, 15% to 20% of the sales tax coming into Port St. Lucie was from tourism and they do not know when tourism will be coming back. He noted that 20% or more of the state sales tax comes from tourism. He said the impact right now looks to be tourism and then everything else.

The City Manager explained that in the first three or four years of the sales tax, the projects were based on investing the other funds in the sales tax in an interest-bearing manner. He said about \$11 million was being advanced from other funds to allow the Floresta project to go forward. He stated as they see more sales tax revenue come in, it may not require any advancing of funds from other funds and in other years it may require more. He said that most years it has been going up and now they see a downward trend, but it will not last forever.

Mayor Oravec indicated that the slide being shown is not the half-cent

per se. He said with these specific numbers, they could look at the curve and say that it is based on the same sales, so they have the same trend to deal with. He suggested that since this was not the half-cent fund, they wait to see if a problem materializes before they get too fretful about it.

Councilwoman Caraballo stated that there is a concern in regard to making sure they have enough funding and knowing where the trend line is at. She requested a slide that shows discretionary sales tax separate from the state sales tax, to help them understand where they are or when to anticipate a decline. In response, the City Manager stated the difference is the half-cent started in 2018, so they do not see the increase. Councilwoman Caraballo indicated they will have a false number if they go back, because they will only have a .5% of discretionary sales tax. She said with the half-cent from the 6.5% of the typical sales tax, they will now have a 1.0% increase to the discretionary sales tax.

Mayor Oravec explained the state's methodology for sharing sales tax is convoluted, which this slide shows. He said he understands this is their share of sales taxes, so this number is not straight sales. He stated if they wanted to have a conversation about the half-cent sales tax on total sales within St. Lucie County, they would need that slide.

Councilwoman Caraballo stated that she understands this tax is levied on discretionary sales, because it is a county tax. She said if she was paying business taxes today, 6% would go to the state, which is in this convoluted formula, and that now 1% would go to the county directly and then trickle down to the City.

Mr. Snyder stated the citizens voted on the half-cent sales tax and the School Board has a half-cent discretionary sales tax, which brings it up to the 7%. He explained that they do not have a good understanding of how their community and county sales taxes are coming in, but staff will watch it closely and keep the Council informed. He stated they are not panicking, as everything will come out fine in the nine years they have left. He said, as a worst-case scenario, they may have to push out some projects.

Mayor Oravec stated the title of this slide is Sales Tax Revenue and asked for the calculation behind the Sales Tax Revenue. He said this is not the 6%-7% of sales in the City. In response, Mr. Snyder stated

that the Sales Tax Revenue is not an easy calculation and that he would provide Council with that information via a memo.

Mayor Oravec stated he understands and appreciates that Councilwoman Morgan does not want the City to be overextended. He explained that at the same time the City is still dealing with a past they cannot change, e.g., Digital Domain and VGTI. He said if this City Council or a future City Council decides to get serious about septic-to-sewer and wants to make a \$30 million investment, the only way to do that is through a debt instrument. He stated that some communities pay as they go, but once the number gets too big it becomes hard to do.

Vice Mayor Martin stated they may need to have a discussion when it comes to the cost of infrastructure and Southern Grove. She said that it does not mean it is going to happen, but they should not be afraid to have the conversation. She explained that the tide has turned, because people are realizing they want economic investment, such as parks, and are willing to use debt as a mechanism to pay for them. In response, Mayor Oravec stated that they will have the conversation.

A break was called at 9:30 AM and the meeting resumed at 9:44 AM.

Other Taxes & Revenues

After the break, the City Manager continued his presentation. He said the Electric Franchise Fee has been very consistent with over \$10 million a year and they expect it will continue to grow as the city grows. He stated the Utility Tax revenue is projected to continue to grow as well, as they have new homes and new development. He said they are projecting a 1% growth for FY 2021.

Regarding the Communication Service Tax, the City Manager explained that the legislature was influenced by some communications entities in 2003 to change the formula and they guaranteed that the revenue to the cities and counties would never go down. He indicated that this revenue source peaked in 2010 at \$6+ million and it is now down to \$5.7 million and continues to go down each year.

The City Manager stated that their top five revenue sources are 75% of their revenue, but they have small sources like leases and other things in the overall General Fund as well. He said their revenue sources in

the General Fund have continued to grow, even this year, and for FY 2021 they are projecting 2.5% in total revenue growth.

The City Manager explained that the Building Department is funded by the Building Fund, which brings in revenue through the issuance of building permit fees and contractor licenses. He said these fees are used to pay for building plan reviews and support as well as inspections. He stated that permits have remained steady and are actually increasing, and some of those inspections will occur into FY 2021. He said their budget right now is based on a slight reduction, but ultimately it will be based on actual. He indicated that if in any given year revenues are lower than expenses, the reserves in the Building Fund will pay for those expenses. The City Manager noted that Joel Dramis, the City's Building Official, will be proposing to Council in August a reduction in building permit fees, particularly commercial fees, and that these numbers reflect that reduction.

The City Manager stated that their Road & Bridge Fund is funded primarily by gasoline taxes, and they are projecting a slight reduction with the recession and loss in tourism. He said this fund has grown over time, but not as much as their road and bridge costs. He noted that the five-cent additional gasoline tax will have limited growth over the next couple of years.

Staffing

The City Manager stated that the City's population growth has been increasing and now about 5,500 to 6,000 people a year are moving into Port St. Lucie. He said it takes services to help these people have a high quality of life and standard of living. He stated that employees per thousand peaked at about eight employees in 2009, but in 2011 they went down to six employees per one thousand residents due to the recession. He said that number has been very steady since 2011, even though the population is significant enough for a trend. He stated that this year they are proposing 26 new full-time equivalent (FTE) positions.

The City Manager indicated they are proposing adding eleven FTE's in the Police Department, of which nine are sworn. He stated Council's number one priority was to fund District V, which required the funding of about 29 FTE's over a 5-year period. He said this year they have funded another five FTE's, who will be distributed among other districts

for about three years until they have the 29. He stated these FTE's will constitute the new western district, which will include the Southern Grove area, GL Homes area, and Tradition.

The City Manager stated that staff was notified that 45% of the Gang Unit will be funded with a three-year COPS grant from the federal government. He indicated that he has included funding for the Gang Unit in this recommended budget and that the Gang Unit grant will be coming to Council on July 27, 2020 for approval. He said Council's actions today or tomorrow would say whether staff accepts this grant, of which he recommends approval. He stated, in addition to the nine sworn FTE's, the Police Department will have a grants person and an individual to assist the Chief and the department.

The City Manager stated that one FTE will be added in Information Technology, as they are putting more money into cyber security and need someone in-house to manage their camera program. He said they have one Parks & Recreation position budgeted for an Office Manager to help Mr. Conrad and his assistants.

The City Manager stated they are proposing five FTE's for the Building Department and that the permit fees will pay for these positions. He said Mr. Dramis has committed that if the City has a prolonged downturn that he will reduce the FTE's as needed.

The City Manager stated that the Utility Fund has ten FTE's proposed primarily due to growth in the system, which will be funded by the Utility Fees.

The City Manager stated the City administers a \$29 million contract for solid waste pick-up and removal, which requires one full-time dedicated person. He said that staff is requesting approval of a solid waste inspector to help with the code violations for items being put at the curb that should not be.

The City Manager explained that, as staff prepared the budget, they had a number of different revenue assumptions. He said that Council had asked the staff to reduce the millage. He stated that they have a 10% increase in the overall base and are reducing that estimate to 4.5% in FY 2021. He indicated that was important, because they have to pay for the additional FTE's. He said they have the money this year and want to make sure they have it next year. He stated that they can

sustain the budget as proposed, unless they experience a major shift in revenues or ad valorem. He said he does not anticipate that right now, but with the recession caused by the pandemic it is very hard to predict. He stated that most of their economic revenues are growing, but at a much slower rate.

The City Manager stated that a ten-year plan, looking at how to fund the Utilities and what the rates should be, was presented to Council about 18 months ago. He said staff has proposed a 1.5% increase in the water and sewer bill, which is included in this budget. He stated that he recommends smaller increases over time rather than asking the citizens to accept a 5% or 6% increase. He indicated that the City has a heavy capital plan and operating costs that continue to increase.

Regarding trends, the City Manager stated the City is spending down in some of their major funds, like the Road & Bridge Fund and the Utility Fund. He said they have continued to replace equipment over the last few years and have increased the funding in their facilities repair area. He stated they started budgeting for replacing roofs and major facility repairs in FY 2018 and continue to do so.

The City Manager stated that he has included \$1 million in the FY 2021 budget for debt reduction, as they included these funds last year. He said they have debt issuances that are more General Fund related and that they may look for opportunities to reduce their basis when they have callable bonds, which they have done previously. He stated they will add this \$1 million to the \$1 million they budgeted in FY 2020. He said they will have callable bonds in 2022 or 2023, and staff will evaluate whether that will help to reduce their basis, debt service, and long-term debt.

The City Manager stated that approximately 3% of payroll has been included in the budget for raises. He said they have to negotiate with their bargaining units and that two units will be coming to Council in August 2020 with their longer-term wage commitments.

He stated their health insurance claims are steady and are at or below the market, and their Wellness Programs are paying dividends. He said that health insurance costs have risen, but they are not experiencing anything abnormal.

The City Manager stated that in 2010 the City's total indebtedness

peaked at \$1.4 billion and it is now projected to be down to \$721 million, which is a 30% reduction.

The City Manager stated that 41% of the General Fund is police, which is very close to the City's ad valorem amount. He said that Finance is at 3% of the budget, Planning 2%, and Parks & Recreation 11%.

The City Manager reviewed the expenditures assumptions. He said their salary costs are stable and that there is a payroll increase of 3%. He stated that they are experiencing a rise in health insurance claims and that employee contributions are now at 18.5% with a goal of 20%. He said their liability compensation has a small increase. He stated they anticipate fuel being at today's rates or a bit more, as operating costs are inflation based.

Threats and Future Discussions

The City Manager stated the golf course is operating as a semi-enterprise fund, but staff does not believe it works as an enterprise fund. He said as they see the number of rounds trending down, it has the highest capture of revenue of their recreation services. He stated they will have that conversation with Council during the year.

The City Manager indicated that this year they are transferring a little under \$200,000 to the golf fund. He stated the City runs a very good course and had some loss of revenue during the better-at-home order, but they have seen good revenue from the golf course this year. He explained that some services and industries are very busy and others, like the restaurant and retail industries, have been hit very hard. He stated there is 11% unemployment right now, but they will see how long that lasts and what the trickle-down is through the economy.

Outcomes

The City Manager stated that the staff is proposing a General Fund millage reduction of 0.05 mill and a debt service reduction for the Crosstown Fund at 0.10 mill, for a total of 0.15 mill decrease in this proposed budget. He said that staff is asking Council to approve their staffing increases and set the utility rates at the 1.5% increase. He stated that 20% of the General Fund will be in reserves per Council's direction. He said that staff is proposing to use one-time reserve revenues for one-time expenses. He stated that staff has planned to

meet the unexpected to the very best of their knowledge.

The City Manager stated the budget has a substantial push toward funding their capital improvement plan, as the Port Project and the 5-year plan is funded for a total of \$11.6 million. He said the sidewalks are funded with allocations from the budget and the half-cent sales tax, and facilities maintenance has increased. He stated that Port St. Lucie Boulevard South is funded as an interfund transfer and investment. He said that street resurfacing is now at equilibrium and headed in the right direction for their pavement condition index. He stated that Adventure Park and Torino Regional Park have funding in the 5-year plan. He said there is \$128 million for wastewater plant upgrades and other CIP projects.

The City Manager stated they have a very strong investment in the future, as all of the funds are for substantial improvements. He said the Southern Groves Job Corridor is working, as they are making investments, selling properties and options that will bring the jobs they anticipated, and keeping their infrastructure up. He stated The Port will be built and is moving along very well. He said they are reducing debt and improving their water and sewer system, while keeping those rates at a realistic and manageable level. He stated the budget overall moves the Council towards their strategic plan and achieving all of their goals.

The City Manager stated that Mr. Snyder will review the major funds and the departments in each fund as well as identify any enhancements or decrements. He said that everything Mr. Snyder discusses is included in the budget.

The City Manager explained how to use the budget books that were provided to Council. He said that staff included all of the enhancement requests from each department, with one exception. In response, Councilwoman Caraballo indicated that the solid waste inspector position is missing the City Manager's approval as well as the expectations of that position.

Councilwoman Caraballo stated that usually a page for business tax is included. She asked if the City Manager was aware of that department or Mr. Snyder combining that page with the Finance Budget, as it was not noted that this was going to occur. In response, the City Manager said he was not aware of it, but that it ultimately goes to the General

Fund.

- 5.b** Tentative Approval of the City Manager’s Fiscal Year (FY) 2020-2021 Proposed Budget, Setting the Hearing Dates, and Setting the Tentative Millage Rate (the Rate of which cannot be Exceeded.)

[2020-553](#)

Jeff Snyder, Director of OMB, provided a PowerPoint presentation and reviewed the Proposed Budget Process, Fees & Charges Update, General Fund, Impact of Millage Rate Changes, and the General Fund for All Departments.

City Manager – Division Industry Development

Councilwoman Morgan questioned the 500% increase in Professional Services and a discussion ensued between the City Council and staff. In response, Mayor Oravec requested that the City Manager clarify line item 31 on page 91, Professional Services, as footnoted by #3, costs attributed to small business grants for the Small Business Development Center.

A break was called at 10:44 AM and the meeting resumed at 11:00 AM.

After the break, Mr. Snyder resumed reviewing the budgets for the City Manager – Division Economic Development, City Clerk, Financial Management Department, Human Resources/Communications, and Neighborhood Services.

Neighborhood Services

Mayor Oravec advocated for and requested that the City Manager work on getting Neighborhood Services, Code, the City Manager's Office, and the Legal Department to provide neighborhood mediation services, so that the Police Department and Code Enforcement are not involved in neighbor disputes. In response, the City Manager stated that for the current situation, the City is going to find some resources and offer the neighbors mediation. He said that mediation is a tool the City needs, and they will get there.

Council indicated their support for mediation services. Councilwoman Caraballo suggested applying for grants to get a psychologist involved with neighborhood disputes and getting additional education and funding. Vice Mayor Martin and Councilwoman Morgan agreed that

de-escalation training is needed.

Councilwoman Caraballo stated that she is willing to give Code Compliance one position at this time, to which Council agreed. The City Manager explained how the code position could be funded. Mayor Oravec stated he would like to see a staffing study for Code Enforcement, on their training and what additional officers provide.

Councilwoman Caraballo made a motion to approve adding the one out of two Code Compliance Specialists to the Neighborhood Services Department. Vice Mayor Martin seconded the motion.

Under discussion, Vice Mayor Martin stated if they are in a situation next year, she would look to their reserves before cutting staff. She said they are still growing, so the calls are going to increase. Council further discussed the staffing needs of the City.

The City Clerk restated the motion as follows: for approval to add one out of the two Code Compliance Specialists to the Neighborhood Services Department. The motion passed unanimously by roll call vote. (Clerk's Note: Councilman Carvelli was absent.)

The City Manager stated that staff will add \$90,000 to the budget and will let Council know how this position will be funded. Councilwoman Caraballo requested that the City Manager adjust the one-time expense of \$90,000 for next year before the next presentation to Council.

Mr. Snyder continued reviewing the budgets for Information Technology, the Facilities Maintenance Department, and the Legal Department.

Legal Department

Mayor Oravec requested that Legal try to close out the parking garage lawsuit. In response, Mr. Stokes stated that it was moving forward, as they have retained outside counsel on both the construction defect and the City's insurance claim. He said the plan is to get them to early mediation.

Mayor Oravec also asked for a presentation on the City's lien balances, challenged staff to clear their books, and asked for an update on the City's collections.

A break for lunch was called at 11:58 AM and the meeting resumed at 1:05 PM.

Mr. Snyder started the afternoon by reviewing the budgets for Planning & Zoning, the Police Department, and Parks & Recreation.

Police Department

Vice Mayor Martin stated the City needs to have a succession plan in place that will allow time for specialized training by those who are retiring in the Police Department. In response, the City Manager stated this is an opportunity to be training other folks with some of those specialty skills as well as look at how they are going to fill the positions.

Councilwoman Caraballo suggested having a discussion on the need and how to educate children on the human trafficking that is happening via the internet, to which the City Manager stated that staff would provide more information to Councilwoman Caraballo and Council.

Mayor Oravec commented on how proud he and the City are of the Police Department and all they do for the community. He stated that one of his goals is to have four traffic sergeants, as they will now have two. He indicated they would have a future conversation on speed limits throughout the City, as there may be an opportunity to go to 25 mph from 30 mph as a default in some areas. He said there is also an opportunity for a Communications campaign on how the City is addressing aggressive driving and speeding, and how residents can help.

Parks & Recreation

Vice Mayor Martin questioned whether there were signs posted in the parks that say these premises are being monitored, to which Sherman Conrad with Parks & Recreation indicated that surveillance signs are posted at the sites.

Councilwoman Morgan suggested partnering with local pavers, such as Ranger and Dickerson, for asphalt millings for the RV campsites, etc., as they would probably do it for free. In response, Mr. Conrad stated that they have been working with Public Works and it has been a good relationship.

Vice Mayor Martin inquired as to what programs could be put in place at the golf course to bring in more revenue to offset the expenses. Mayor Oravec stated he would like to see staff's business and marketing plan for the golf course, so that they can start to be proactive rather than reactive. Vice Mayor Martin and Councilwoman Morgan concurred.

Councilwoman Caraballo and Vice Mayor Martin indicated they did not want the golf course included in the Parks & Recreation budget. Councilwoman Caraballo thought the golf course could be more efficient with its expenditures, to which the City Manager stated that staff recommends the increase this year. He said they will try to be as creative and entrepreneurial as possible and will update Council during the year on the revenues. He stated the question is can they have more functions at the golf course to bring in revenue. Councilwoman Caraballo suggested having a meeting to discuss the City's great amenities and having an employee, who has the knowledge of all of their amenities and facilities, plan the functions coming to the City.

Mayor Oravec stated that since they have more rounds of golf available, he wants it to be a greater amenity to the community, the under-served community, and the children. He said this is a recreational service, just like a basketball court, but they do not charge \$40.00 to play basketball. He stated golf presents a different opportunity as well as a different cost, which needs to be a part of the business, marketing and service plan. He asked the City Manager to take this challenge seriously and to come back with some good proposals.

Mr. Snyder resumed his presentation and reviewed the budget for the MidFlorida Credit Union Events Center.

Councilwoman Caraballo inquired as to how much was left in the budget this year from not doing the events that they typically budget for, to which Mr. Sherman indicated the amount was \$30,000.

Mr. Snyder continued reviewing the budgets for Non-Departmental, Debt and Investment Review, the Community Redevelopment Agency, and the Public Works Department.

Public Works Department

Councilwoman Morgan asked for the status of the traffic light on St. Lucie West Boulevard. In response, Heath Stocton explained the issue was with side street traffic, but that the light is working as intended. He said to let him know if any complaints have been received.

Mayor Oravec inquired as to when the St. Lucie West interchange is being done, to which Mr. Stocton stated the project would start in 2022 and be done in 2023.

Mayor Oravec also inquired about Peacock and St. Lucie West Boulevard. In response, Mr. Stocton indicated that St. Lucie County is going to help pay for this project, which is estimated at \$3 million and save the City approximately \$1.5 million. He said design is anticipated to start this coming fiscal year. Mayor Oravec stated he would be willing to use some of their undesignated fund reserve to expedite this project.

Mayor Oravec requested that Communications produce a web page with a theme of "Improving Traffic on St. Lucie West Boulevard" that outlines the City's strategy for and traffic improvements taking place on St. Lucie West Boulevard.

Vice Mayor Martin suggested educating people on blocked swales and how to maintain them, to which Communications stated that they will continue to push the City's swale video on social media and elsewhere.

Councilwoman Caraballo asked if the resolutions for issues coming in via 1PSL were tracked and if staff had the numbers. In response, Mr. Stocton stated that 87% of their complaints come from existing swales.

A break was called at 2:21 PM and the meeting resumed at 2:40 PM.

After the break, Mayor Oravec explained the concept of baffle boxes, which are underground concrete structures, and asked about putting one back in at Floresta to improve water movement and quality, to which Council agreed to exploring the idea of sharing it between the stormwater fund for Floresta and applying for the grant that is being made available. In response, the City Manager stated that staff will look into the funding and the grant.

Councilwoman Caraballo asked that the City Manager bring forward

options for going above and beyond and other improvement opportunities on any infrastructure projects, as costs are only going to increase. In response, the City Manager stated that staff has been taking advantage of these opportunities, e.g., the sidewalks and multipurpose trails projects, and will do so in future projects.

Councilwoman Caraballo suggested streamlining the grant processes. Council agreed that they did not need to authorize applying for grants and would approve them at a later date regarding matches and their desire for the project. In response, the City Manager stated that staff will review the policy.

Mr. Snyder returned to reviewing the budgets for the Public Works Department, Building Department and Utility Systems.

Utility Systems

Council discussed increasing and not increasing the water and sewer rates, and consensus was to take a break this year and not increase the rates.

Mr. Snyder reviewed the budgets for the Medical Insurance Fund and Other Special Revenue Funds.

Other Special Revenue Funds

Council expressed their concerns and experience with Waste Pro. Mayor Oravec requested that the City Manager meet with Waste Pro regarding their poor service. Mayor Oravec stated that he wanted to start the discussion of getting out of this contract. Councilwoman Caraballo suggested looking at larger cities and their best practices for solid waste service. Mayor Oravec requested a report on Waste Pro complaints via 1-PSL.

Council and staff also discussed the responsibilities and advantages of a Waste Inspector versus a Code Officer position. Council agreed to a Code Officer, as long as it is advertised as a contract position and that the people know this position could transition to Neighborhood Services and that it is not a permanent position.

In response, the City Manager stated that he would meet with Waste Pro to get them to fulfill their contract. He also asked the Council to

support a transfer of funding to support an additional Code Officer to focus on Solid Waste from the Solid Waste Fund, to which Council agreed.

Councilwoman Caraballo made a motion to direct staff to make the proposed Waste Inspector a Neighborhood Services Code Enforcement employee in the General Fund. Councilwoman Morgan seconded the motion and it passed unanimously by voice vote. (Clerk's Note: Councilman Carvelli was absent.)

A break was called at 4:07 PM and the meeting resumed at 4:21 PM.

After the break, Mr. Snyder resumed his presentation and reviewed the impact fees per Council's previous request.

Mr. Snyder asked Council to tentatively approve an operating millage rate of 5.0047. Mayor Oravec stated that he heard the number was at 4.9812. Mr. Snyder restated his request and asked Council to tentatively approve an operating millage rate for the General Fund of 4.9812.

Councilwoman Caraballo made a motion to tentatively approve an operating millage rate of 4.9812. Councilwoman Morgan seconded the motion.

Under discussion, Councilwoman Caraballo asked staff to confirm that the average home of \$240,000 will receive no increase on their tax bill this year in the City of Port St. Lucie. In response, the City Manager stated that the millage has been calculated based on Council's review and adjustment. He said they are allocating sufficient funds from the additional half-cent of growth, so that the median price homeowner of \$240,000 would pay the same tax they paid last year. Mr. Snyder stated this is the operating millage for both the Road & Bridge Fund and the General Fund, so it is the total Operating Millage for the City. He indicated the reduction is .0735.

The City Clerk restated the motion as follows: to tentatively approve an operating millage rate of 4.9812. The motion passed unanimously by roll call vote. (Clerk's Note: Councilman Carvelli was absent.)

Mr. Snyder asked Council to tentatively approve a debt service millage of 0.9193, which is 0.10 mill less than the current year of 1.0193.

Councilwoman Martin made a motion to tentatively approve a Debt Service millage rate of 0.9193. Councilwoman Caraballo seconded the motion. The City Clerk restated the motion as follows: to tentatively approve a Debt Service millage rate of 0.9193. The motion passed unanimously by roll call vote. (Clerk's Note: Councilman Carvelli was absent.) Mayor Oravec indicated that is a total reduction of .1735 mills.

Mayor Oravec noted that the average homesteaded property owner in the City of Port St. Lucie will not pay more in City taxes this year.

Mr. Snyder stated that staff asks that Council tentatively approve the additional staffing level recommendations, as amended by the Council, plus the two Code Enforcement Officers.

Councilwoman Martin made a motion to tentatively approve the additional staffing recommendations as amended by the City Council. Councilwoman Morgan seconded the motion.

Under discussion, Mayor Oravec stated that they appreciate everyone working so hard with the resources allocated and to keep at it until they get through this recession.

The City Clerk restated the motion as follows: to tentatively approve the additional staffing recommendations as amended by the City Council. The motion passed unanimously by roll call vote. (Clerk's Note: Councilman Carvelli was absent.)

Mayor Oravec stated that the next motion is to leave the water & sewer rate as is for FY 2021.

Councilwoman Morgan made a motion to approve leaving the water and sewer rate as it stands. Councilwoman Martin seconded the motion.

Under discussion, Vice Mayor Martin stated that she respected the Council on this, and she is going to vote with them. Councilwoman Caraballo indicated that she spoke with Faye Henry on the break regarding inflation and her concerns, and Ms. Henry said the City should be fine.

The City Clerk restated the motion as follows: to approve leaving the

water and sewer rate as it stands. The motion passed unanimously by roll call vote. (Clerk's Note: Councilman Carvelli was absent.)

Mayor Oravec indicated that Council had to set the hearing dates.

Councilwoman Morgan made a motion to approve setting the Budget Public Hearing dates for September 14, 2020 and September 28, 2020 at 6:30 PM in the Council Chambers. Councilwoman Martin seconded the motion. The City Clerk restated the motion as follows: to approve setting the Budget Public Hearing dates for September 14, 2020 and September 28, 2020 at 6:30 PM in the City Council Chambers. The motion passed unanimously by roll call vote. (Clerk's Note: Councilman Carvelli was absent.)

Mr. Snyder concluded his presentation and introduced the City's Treasurer, Faye Henry, who presented a Powerpoint presentation and reviewed the City's Debt and Investment. She also reviewed the Debt Policy, which is currently going through Legal review and could be on Council's agenda for August 10, 2020.

Mayor Oravec questioned why they would present both PAR and Book values, to which Ms. Henry explained that it was finance and accounting mixed together. Mayor Oravec asked which was the true outstanding value. In response, Ms. Henry stated it was PAR.

Ms. Henry stated that the takeaways are that they introduce research, introduce corporate bonds, be defensive in a normal market, and have liquidity management and transparency. She also reviewed the City's reinvestment risk and debt load compared to other cities per a prior Council request.

The City Manager and Mayor Oravec thanked staff for their hard work on the budget documents.

6. Adjourn

There being no further discussion, the meeting was recessed at 5:11 PM.

Karen A. Phillips, City Clerk

Traci Mehl, Deputy City Clerk