

**MINUTES OF MEETING
BOARD OF COUNTY COMMISSIONERS
ST. JOHNS COUNTY, FLORIDA
DECEMBER 13, 2006
(9:00 A.M.)**

Proceedings of a special meeting of the Board of County Commissioners of St. Johns County, Florida, held in the auditorium at the County Administration Building, 4020 Lewis Speedway (County Road 16-A) and US 1 North, St. Augustine, Florida.

Present were: Ben Rich, District 3, Chairman
Thomas G. Manuel, District 4, Vice Chairman
Ron Sanchez, District 2
James E. Bryant, District 5
Waldemar Kropacek, Interim County Administrator
Patrick McCormack, County Attorney
Lenora Newsome, Deputy Clerk

Also present: Cheryl Strickland, Clerk of Courts

(12/13/06 - 1 - 9:07 a.m.)

Chairman Rich called the meeting to order.

(12/13/06 - 1 - 9:07 a.m.)

ROLL CALL

Rich announced that four commissioners were present, with Stevenson absent.

(12/13/06 - 1 - 9:07 a.m.)

The invocation was given by Sanchez and the Pledge of Allegiance was led by Rich.

(12/13/06 - 1 - 9:09 a.m.)

PUBLIC COMMENT

Alfred Guido, 104 Dogwood Drive, spoke on public pools and community centers.

(12/13/06 - 1 - 9:11 a.m.)

ADDITIONS/DELETIONS TO THE SPECIAL MEETING AGENDA

There were neither additions nor deletions to the Special Meeting Agenda.

(12/13/06 - 1 - 9:11 a.m.)

APPROVAL OF SPECIAL MEETING AGENDA

Motion by Manuel, seconded by Sanchez, carried 4/0 with Stevenson absent, to approve the Special Meeting Agenda as submitted.

(12/13/06 - 1 - 9:11 a.m.)

1. 2006 BCC BUDGET WORKSHOP - THIS BOARD OF COUNTY COMMISSION (BCC) BUDGET WORKSHOP IS DESIGNED TO REVIEW THE BUDGET PROCESS AND BUDGET PRIORITIES. THESE PRIORITIES CAN BE AS DETAILED, OR AS GENERAL, AS THE BCC WISHES. HOWEVER, ESTABLISHING BUDGET PRIORITIES ALLOWS THE BCC TO SHAPE THE UPCOMING BUDGET IN ITS INITIAL STAGES. THE ITINERARY INCLUDES A REVIEW OF THE FY 2006 SALES TAX BONDS PROJECTS, A REVIEW OF

THE FY 2008 BUDGET PROCESS, A REVIEW AND DISCUSSION OF COUNTY MILLAGE RATES, A REVIEW AND DISCUSSION OF THE COUNTY BUDGET, AND A 1:30 P.M. TIME-CERTAIN PRESENTATION ON EMPLOYEE HEALTH INSURANCE (PRESENTED BY THE BAILEY GROUP)

Waldemar Kropacek, Interim County Administrator, introduced himself.

Doug Timms, Director, Office of Management and Budget, introduced Jean Mangu, Bond Counsel for the County, who reviewed the bond projects.

(9:14 a.m.) Jean Mangu, Bond Counsel, spoke on the legal requirements for making adjustments to the projects and gave a presentation reviewing the adjustments to the project list. She spoke on how to spend the money. Rich mentioned that he met with Jean Mangu and legal staff in reference to the Usina Boat Ramp project. He spoke on boat ramps, the Usina Boat Ramp, and buying the property for the boat ramp. He asked the Board to consider securing the County's investment with real property. Manuel mentioned that he was concerned about taking public money and investing it in private property. He spoke on the level of service and stated that the County was responsible for providing countywide services. He stated that he would like to schedule a workshop for the use of proceeds on the two bonds. McCormack suggested, regarding the boat ramp, if it was the Board's position to hold or suspend capital improvements to the Vilano Boat Ramp, he would recommend a consensus or motion of the Board to direct the County Administrator to take that position to formalize it. Rich requested a consensus of the Board until the decision was made, as to whether or not they were going to go forward in attempting to get the piece of property for the people of St. Johns County, if the consensus of the Board was to hold off any further capital improvement of the property. Sanchez stated that he supported it. Manuel stated that he could not support it and explained why. Bryant suggested having the County Attorney look at the liability of it and address the issue once the Board received a report back. Rich asked if the Board would support stopping the capital improvement until they had some answers from staff and legal. Locklear stated that his understanding was that the improvements had already been made to the boat ramp. Manuel stated that he was willing to wait for a period of 60 days to support a motion not to advance any further funds until legal staff had the opportunity to investigate the purchase option, as well as the implications of any other actions.

(9:40 a.m.) Troy Blevins, Parks Operation Manager, stated the status on the boat ramp. Rich asked if there were any residents on the property. Blevins replied that there was no one living on the property. Rich asked about the status on dealing with Mr. Usina. Blevins said that Tony Cubbedge in Real Estate had been communicating with him regarding purchasing the property. ***Rich stated that the consensus of the Board was to stop work on the property for the 60 day waiting period.*** McCormack stated that it was implied that stop work or improvements pertained to any non-safety related issue. Manuel mentioned that he would like to propose the use of proceeds workshop. Locklear said he would schedule the workshop on January 16th. Timms raised the issue of having certain projects on the way, i.e. Aberdeen, the Vilano CRA and the Plantation parks and synthetic field, and asked that they be allowed to go forward. Manuel spoke on the projects. Rich stated that those projects would be exempt and allowed to go forward. Timms stated that he deferred to Locklear on anything regarding transportation. Locklear stated that he was awaiting a decision from Public Works and Engineering and would get back to the Board in about ten minutes.

The meeting recessed at 9:48 a.m. and reconvened at 10:01 a.m., with Bryant not returning to the meeting.

Locklear reviewed three projects that were currently under contract: Racetrack Road, Russell Sampson 210 and County Road 2209 Corridor-North Segment. (10:03 a.m.) Bryant entered the meeting. Rich mentioned to consider the three projects mentioned by Locklear exempted from the workshop. Rich mentioned that they shouldn't have a problem, time wise, in delaying the expenditure of these funds until the workshop was completed. Rich repeated that the workshop was scheduled for January 16th. (10:05 a.m.) *It was the consensus of the Board to exempt the three projects mentioned by Locklear.*

(10:06 a.m.) Tony Cubbedge, Land Management, suggested that a meeting be set, in the near future, with the staff involved, Troy Blevins, himself, the BCC chairman and Mr. Usina to start discussions about possibly acquiring that property. *Rich asked for the consensus of Board in reference to him meeting with Staff and Mr. Usina to discuss this issue and received it.*

(10:07 a.m.) Timms informed the Board of three points relative to the bond project considerations; he also stated that the alternative on all the projects was commercial paper funding. He spoke on millage reduction, and stated that the new Emergency Operations Center was subject to a possible grant. Timms mentioned that the FCT property was actually intended to be the Vilano Fiddlers Green property, and that the Board had alternatively suggested that the Vilano CRA purchase it if they could meet the time requirements. He stated that Vilano, due to the size of the borrowings for their initial improvement project, probably had no room to fund that, so it would probably have to be funded through the sales tax bond project. Rich spoke on the Operations Center application for a \$2.5 million grant to offset the \$5 million. Timms highlighted the FY 2008 Budget Process, stating that the operating budget process started in March.

(10:14 a.m.) Timms moved on to discuss the county millage rate, stating that the St. Johns County Average Property Tax Benefit Statement was handed out this morning. Rich stated that one of the most revealing things they needed to be aware of was that the Sheriff's operation, Fire Services and schools ate up most of the money, with over 70 percent of it going to these three services. Timms spoke on one option that was included in the agenda, reviewing the roll-back rates.

(10:23 a.m.) Bryant offered history on the subject since he had been a commissioner since 1996. He mentioned to be careful with roll-back rates and to build up an adequate reserve.

(10:26 a.m.) Manuel spoke on the budget system being guided by Florida Statute 129.01. He spoke on having enough money until the tax collector collected the money and certain funds having restrictions. Manuel suggested having the county attorney and Timms get together and revisit the ordinances. Bryant commented on property values in St. Johns County versus Clay County. Manuel commented on growth and revenue.

(10:43 a.m.) Timms reviewed the total county budget by three scenarios. (10:44) Bryant left the meeting. Timms spoke on cutting salaries with half of the cutting being capital expenditures. He reviewed the constitutional officers, grants and aids, transfer and other uses, and reserves. Manuel spoke on the challenges that the Board would face. Timms concluded with the Capital CIP.

(11:04 a.m.) Sanchez spoke on cutting costs, having the individual department heads look into cutting costs, and the hiring freeze. Rich spoke on the prioritization of expenses, the major importance to people of St. Johns County, health expenses and the approval of a development next to a firearms range. (11:13 a.m.) Stevenson entered the meeting. (11:21 a.m.) Stevenson spoke on the development next to the firing range and

stated that she recalled her vote on it. Rich mentioned that Stevenson was recalling her vote in reference to this issue. McCormack gave the Board's rules and procedures, stating that a motion would have to be made to reconsider it and someone on the majority side could bring it back up. (11:27 a.m.) **Motion by Stevenson, seconded by Rich, to reconsider it.** McCormack suggested directing Staff to do the public notice, notify counsel for the property owner to let them know that the Board was going to reconsider it and that there could be potential cost. **The motion carried 4/0 with Bryant absent.**

(11:31 a.m.) Sanchez spoke on the hiring freeze, explaining the intent of the motion. Rich asked the Board to rescind direction to freeze hiring. Stevenson spoke on the motion to freeze hiring. (11:40 a.m.) Kropacek spoke on the department heads handling things and that bringing in an outside firm at this time was premature. Sanchez stated that he was interested in the department heads taking care of the situation, and spoke on productivity and a daycare center. Stevenson voiced concern about the County Administrator handling the down sizing; Rich responded. Manuel stated that it was his motion to begin with and he would like to grant some flexibility without an increase in FTE's. He mentioned that his goal was to freeze where they were now in terms of the expense structure and that he was willing to give the flexibility of shifting FTE's from one area to another, but would like to be informed when that occurred. McCormack recommended having the hiring freeze as it was now, or adjusted minorly for emergency situations where the County Administrator could come back on a case-by-case basis. He also recommended asking the professional County Administrator and professional HR Director to come back to the Board January 9th with a plan of how to do a RIF, including a hiring freeze a component. Rich spoke on the County Administrator being able to place FTE's where they are needed. (11:54 a.m.) **Motion by Manuel, seconded by Stevenson, carried 4/0 with Bryant absent, to keep FTE's and give the interim County Administrator the ability to move FTE's at his discretion.**

(11:56 a.m.) Stevenson spoke on creating a hot-line for people to report wrong doings. Manuel stated that he shared Stevenson's concern. He stated that he had met with the Clerk of the Court and that it was his understanding that she would be coming before the Board with a plan to implement it. Rich stated that he also met with the Clerk of Court and that she stated that she was prepared to bring something before the Board in reference to funding staff to be able to deal with this issue.

(12:01 p.m.) **Motion by Sanchez, seconded by Manuel, carried 4/0 with Bryant absent, to adjourn the meeting.**

The meeting reconvened at 1:39 p.m. with all five Commissioners, Kropacek, Locklear, McCormack, and Deputy Clerk Lenora Newsome present.

(12/13/06 - 4 - 1:39 p.m.)

2. PRESENTATION ON EMPLOYEE HEALTH INSURANCE (PRESENTED BY THE BAILEY GROUP) AND OTHER BUSINESS, AS NECESSARY

Doug Timms introduced Mark Bailey of the Bailey Group.

(1:40 p.m.) Mark Bailey, 1200 Plantation Island Drive, President of the Bailey Group, gave a PowerPoint presentation, including: trends on medical costs; factors driving the rising costs in healthcare; cumulative annual increases for healthcare in St. Johns County versus the national average; St. Johns County being 3% below the trend; group health plan and employee contribution comparisons; governmental comparisons; and a governmental employer contribution benchmark report. Stevenson spoke on pre-

employment physicals and Rich spoke on trends. Bailey spoke on St. Johns County's total claims paid; St. Johns County's cumulative average claims per employee, medical and prescription; a comparison to national average cost; the breakdown of costs shared by employer/employee; and the benefit plan/PPO. Bailey also gave an overview of the medical costs by diagnosis category; office visits; the number of claimants with claims in excess of \$20,000 through \$75,000 for 2004, 2005, and 2006; and claims in excess of \$100,000 through \$250,000. Stevenson spoke on physicals for new hires. Bailey gave an overview of Blue Cross/Blue Shield of Florida's disease management programs; the Health Dialog program; St. Johns County's seven-year history of annual increases in County contributions; and what the surrounding counties were contributing each month to their health funds. Stevenson asked how the counties were chosen for comparison and Bailey responded, speaking on actuarial report funding recommendations; Florida statutes requiring retirees' coverage at cost; prescription costs and generic savings; the benefits website and online enrollment; future considerations; and the dental plan.

(2:35 p.m.) Manuel asked if they had ever approached all the different regional governments to try and create a much larger pool. Bailey replied that he had not been involved in a discussion about surrounding counties. Bryant spoke on the Board needing to investigate a new concept. Stevenson spoke on handling cost bases and stated that they wanted healthy employees and citizens. Manuel spoke on pharmacies writing off costs. Bryant stated that they needed follow-up care for patients. Stevenson spoke on providing adult dental care. Bailey spoke on contribution increases.

(2:59 p.m.) Tom Crawford, Housing and Community Services Manager, spoke on community workforce housing. McCormack spoke on having two Memorandum of Understandings for the CWHIP (Community Workforce Housing Innovation Pilot) Program, which the Chair was already authorized to sign the first one and the second one was exactly the same, but under the CRA. He stated that this Board, at this time, could not act as a CRA because it had not been noticed. He advised having the Chair sign it today with a later ratification by the CRA at a subsequent meeting. Rich asked for a consensus of the Board to whether or not they would be ratifying this as the CRA at a later date. (3:04 p.m.) **Motion by Manuel, seconded by Stevenson, carried 5/0, to authorize staff to take all necessary steps to prepare documents to enable the Housing Finance Authority of St. Johns County to prepare and submit a CWHIP [Program] application to the Florida Housing Finance Corporation and develop the related workforce housing for St. Johns County residents.**

(3:05 p.m.) Kropacek spoke on pending applications and how to handle them. (3:08 p.m.) *Motion by Stevenson, seconded by Bryant, to allow Kropacek to continue with his staffing for Animal Control and Fire-Rescue.* Sanchez mentioned that the last motion on this issue indicated that Fire-Rescue would be exempt. He stated that he might have a problem with only ten new people in Animal Control. *Stevenson withdrew her motion and the second withdrew.* *Motion by Bryant, seconded by Manuel, to let the Administrator hire the six people that were in the process for Animal Control.* Kropacek stated that ten was the minimum that they would need to operate the Animal Control facility. Locklear mentioned that it was a new facility and in order to man it, at a minimum level, they needed the ten persons that had been approved through the budget. *Bryant amended his motion to the full level of staffing of ten; the second withdrew.* (3:12 p.m.) **Motion by Bryant, seconded by Stevenson, carried 3/2, with Sanchez and Manuel opposed, to allow full staffing at ten personnel for the Animal Control facility.** (3:13 p.m.) **Motion by Sanchez, seconded by Bryant, carried 4/1 with Manuel opposed, to give the County Administrator the authority to go ahead and proceed with the six new hires for the County Fire Department.**

(3:13 p.m.) Motion by Manuel, seconded by Stevenson, carried 5/0, to adjourn. With there being no further business to come before the Board, the meeting adjourned at 3:13 p.m.

Approved _____ January 23 _____, 2007

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: Ben Rich
Ben Rich, Chairman

ATTEST: CHERYL STRICKLAND, CLERK

By: Cheryl Strickland
Deputy Clerk