

A Workshop Meeting of the Apalachicola City Commission was held on August 19, 2025 at 3:00 PM at the Commission Meeting Room located at 74 6th Street, Apalachicola, Florida.

Present: Mayor Brenda Ash, Commissioner Despina George, Commissioner Donna Duncan, Commissioner Adriane Elliott, Interim City Manager Chris Holley, Finance Director Lee Mathes, City Clerk Sheneidra Cummings, Chief of Police Bobby Varnes

Commissioner Grove-absent. Participated remoted.

Meeting was called to order by Mayor Ash followed by invocation and pledge of allegiance.

Agenda Adoption

A motion to adopt the agenda was made by Commissioner Elliott, seconded by Commissioner George. None opposed. Motion carried, 4-0.

Public Comment

Dennis Winterringer commented addressed the Commission regarding Parks and Recreation Department expenditures. He noted that the city still has a grant to plant trees at Lafayette Park which had not been used in the current fiscal year due to delays from the state and in securing a contractor. By the time the contract was signed, the originally planned trees were not available. He explained that tree planting is now scheduled for fall or winter of the current year. The grant is for \$10,000 and requires a \$10,000 match from the city. Mr. Winterringer recommended that a line item of \$10,000 be included in the Parks and Recreation Department expense spreadsheet for this activity.

Manager Holley responded that the project is moving forward, noting that holes have been dug and staked at Lafayette Park with trees expected to be planted in the next few weeks.

FY 25/26 Budget Discussion

Manager Holly began with an update on the \$5 million Area Critical Concern funding from DEP. He presented the project list and explained his strategy to start with smaller projects (\$100,000-\$200,000) to establish a working relationship with DEP and train the grants coordinator on proper procedures before moving to larger projects. He noted they would likely not know about funding for larger drinking water needs for another 60 days.

Manager Holly then addressed the budget process, explaining the need to separate the capital improvement program from the general fund to improve financial transparency and planning. He proposed creating a separate capital improvement fund rather than keeping capital projects mixed with general fund operations. This would make it easier to track capital funds from year to year and prevent those funds from competing with operational expenses like employee raises.

The Manager presented a concept where the Commission would allocate a specific portion of millage toward capital improvements, creating a dedicated funding stream for future capital needs. He emphasized that SBA/Hurricane Michael insurance money (approximately \$830,000) currently sitting in an account could be used to initiate the capital improvement fund, but a sustainable funding mechanism would be needed moving forward.

Finance Director Mathis presented an updated budget worksheet showing changes from the previous workshop, including:

- Moving \$100,000 from the water department to increase the Johnson Complex demolition budget to \$300,000
- A \$200,000 reserve carry-forward for FY 24/25 based on June budget reports
- Reduced supply line item in public works to \$10,000
- Increased tree maintenance line item to \$25,000
- Added \$3,000 for street signs (eligible for local option gas tax funds)

Extensive discussion followed regarding millage rates and funding sources:

Commissioner George advocated maintaining the current millage rate of 8.3457 mills, expressing concern about increasing taxes when financial information remained incomplete. She specifically questioned the \$30,000 allocated for a public information officer consultant.

Commissioner Elliott supported maintaining the current millage rate of 8.3457, provided the \$200,000 FY 24/25 reserve carry-forward and \$300,000 for the Johnson Complex demolition remained in the budget. He suggested that in future years, the Commission should dedicate approximately 10% of ad valorem taxes to the Capital Improvement Fund.

Commissioner Duncan supported maintaining the current millage rate but emphasized the need to identify funding for capital reserves to avoid continuing to rely on outside funding for infrastructure emergencies.

Commissioner Grove (participating remotely due to illness) supported building a capital improvement reserve and suggested allocating 10% of the millage rate for capital improvements. She had asked whether a millage increase to 8.7 could accomplish this goal.

After extensive discussion about reserves, carry-forward funds, and capital improvement funding, the Commission reached consensus on:

1. Maintaining the current millage rate of 8.3457
2. Creating a separate Capital Improvement Fund
3. Establishing a 5% reserve in the general fund
4. Staff working to balance the budget at the current millage rate, making cuts as necessary to achieve the 5% reserve

The Commission also discussed changes to the city's fee schedule:

- Commissioner Elliott proposed increasing the non-Franklin County resident boat launch fee from \$10 daily to \$15 daily (annual fee from current level to \$180)
- Commissioner Elliott also proposed creating a separate commercial golf cart registration fee of \$100 (distinguishing from the current \$50 residential rate)
- Commissioner George opposed both fee increases
- The majority consensus supported the fee increases

The Commission agreed to further discuss the fee schedule at the regular meeting on September 3rd, with staff to prepare a draft budget based on the direction provided at this workshop. The first public hearing on the budget was confirmed for September 9, 2023.

Commissioner Elliott also reported on meetings with County officials regarding potential collaboration between city and county public works departments on streets, sidewalks, and ditch maintenance to achieve cost efficiencies.

Motion to adjourn was made by Commissioner George, seconded by Commissioner Elliott. None opposed. Motion carried 4-0.

Brenda Ash, Mayor

ATTEST:

Sheneidra Cummings, City Clerk