

**DeFuniak Springs City Council**  
**Budget Workshop**  
**July 30, 2019**

The following members were present: Mayor Bob Campbell, Mayor Pro-Tem Robert McKnight (Seat 2); Councilman Todd Bierbaum (Seat 1); Councilman Kevin Crystal (Seat 3); Councilman Henry D. Ennis (Seat 4); and Councilman Wayne Graham (Seat 5). Also present were Mr. Mell Smigielski, City Manager; and Ms. Debra Gibson, Finance Director; Ms. Morgan Hulion, finance Department; Ms. Cynthia Permenter, Deputy Clerk; and Ms. Kimberly Wilkins, Interim Clerk.

Mayor Campbell called the workshop to order at 5:30 p.m. He said the departments that were unable to present their budgets at the last workshop would be allowed to do so tonight. The budgets pertaining to organizations and non-profits would be heard afterward.

Mr. Smigielski stated at the last workshop the budget had a deficit of \$1.4 million. He reported that adjustments had been made. He reviewed the salary schedules and the proposals to implement salary increases to all city employees. He went over the proposal to increase the mayor's pay to its previous level at approximately \$14,000.00. The mayor and the council are currently making \$10,915.00. He announced a new city clerk has been hired and will be paid \$52,000.00 and will be increased to \$60,000 after six months. Mr. Smigielski said that the fire department will only be getting one additional fire fighter, the planning department will get one code enforcement officer, the parks department will receive an additional employee, and the ground maintenance department will receive two new employees and three transferred employees from the street department. The ground maintenance department will take over the right-of-way maintenance; the contract with Ammons and Harper will not be renewed. Councilman Crystal asked what savings would result in performing the maintenance in-house. Mr. Craig Drake, Public Works Director, responded that there would not be any savings; the account is already in the negative because of contracting out the labor. He said there had been complaints about the condition of the FDOT right-of-ways. He discussed the areas which were adjusted to balance out the difference. Mr. Smigielski stated the city will have 109 employees with the addition of the five extra employees discussed. He said the finance department met with the department heads this week to modify the budget and briefly discussed the changes which were made. He said grant applications will be submitted for police department equipment.

Mr. Smigielski said the millage has traditionally been 4.5 mills and is currently proposed at 5.00 mills. He said fees needed to be reviewed because many have not been changed in a number of years. He said the budget was able to be balanced because of the Utilities Fund and discussed the net revenue and expenses of the utilities fund. There is a surplus in the Utility Fund of \$643,000.00 of which \$393,000.00 was transferred to balance the General Fund. He reported last year \$1.4 million was transferred from the Utilities Fund to the General Fund and the goal is to insure each Enterprise Fund does not have a negative balance. He gave a brief overview of the increase percentages for the departments. The total revenue has increased 5 percent and the total expense has an increase of 5 percent. Mr. Smigielski stated there would be a transfer from the General Fund into the Cemetery Fund in the amount of \$70,000.00 and a transfer into the Airport Fund in the amount of \$114,000.00.

A brief discussion was held on the appropriate information being reviewed during the workshop.

**Public Works**

**Ground Maintenance**

Mr. Drake stated that the only request for the ground maintenance budget was for two additional employees. He reviewed the positions which would be filled. Councilman McKnight addressed the \$10,000.00 operating supplies request and noted that only \$2,400.00 had been spent last year. He asked if the amount would roll over into the next budget year or would it be expended before the fiscal year has ended. Mr. Smigielski replied that any leftover funds are placed back into the fund balance and cannot be spent the next fiscal year unless it is reallocated. He said there are outstanding expenses which will be recorded before the end of the fiscal year. Discussion ensued on the actual amount left in the account and if the full \$10,000.00 was needed. Councilman Crystal requested an update on expenditures be presented for review. Ms. Hulion stated a report would be prepared for expenses submitted through the end of July.

## Parks

Mr. Drake discussed the parks budget requests. The request includes an additional employee, an additional truck, a floor machine, and education and training. Councilman Bierbaum noted the lake yard line item and asked if it included the Christmas Reflections utilities. Mr. Drake said it did not. Councilman Bierbaum questioned if two employees could double up in one truck. Mr. Drake said the employees needed to be sent to different areas of the city. Councilman McKnight discussed the park utilities and said the data does not support a budget increase. Mr. Drake said the recent expenditures were not a part of the information being reviewed. Councilman McKnight voiced concern that proper decisions could not be made with outdated information. Councilman Crystal asked about tennis court maintenance. Mr. Drake said that area fell under facilities maintenance. Councilman Crystal asked the department heads to not over inflate the requests and that everyone needed to work together to move the city forward.

## Public Works

Mr. Drake reviewed the public works budget requests. The requests includes repair and maintenance vehicle, janitorial supplies, increased operating expense, uniforms, education and training, public awareness campaigns, mapping department vehicle, and replacement of computers. Councilman Bierbaum asked if the software amounts listed in all the department requests was how the city wide software was being purchased. Ms. Gibson replied it was. Councilman McKnight asked about the IT maintenance and service. Mr. Drake said that amount is for Mr. Robert Nelson's (Tech Planet) services. Discussion was held regarding the expenditures for the IT maintenance line item and computer replacement. Councilman McKnight addressed the repair and maintenance line item and noted only \$2,800.00 of \$15,000.00 was spent. He questioned if this was an accurate amount and did things not get done that were planned. Mr. Drake said the small department covers the entire city and certain projects did not get accomplished. He said there were only three employees which performs the maintenance on the buildings; the tasks can be overwhelming.

## Shop Department

Mr. Drake discussed the shop department budget and said there was a decrease in the budget due to employees being transferred to other departments. Budget requests were for a new welding machine, education and training, and equipment. Councilman Bierbaum questioned if there was a more recent total on the operating supplies. Mr. Drake stated operating supplies covers the purchase of parts for equipment.

## Street Department

Mr. Drake reviewed the street department budget and reported three employees were transferred to ground maintenance which decreased the budget. He discussed the budget requests which include decorations, and equipment. Councilman Crystal asked what amount was left in road materials and supplies. Mr. Drake replied there was \$28,000.00 left due to projects not being completed. He reported that Live Oak would be repaved with a CDBG grant and discussed what would be involved with the project. Mayor Campbell questioned if the city had milling capabilities. Mr. Drake replied no and that it was sub-contracted. Councilman Bierbaum asked what beautification involved. Mr. Drake stated the replacement of trees. Councilman McKnight asked how many miles of unpaved roads were inside the city limits and if there was a plan to pave them. Mr. Drake said he would get that information to the council and that there was a plan to pave them. Further discussion was held regarding the paving of roads, replacement of sidewalks, multi-modal paths, obtaining grant funding for those projects, and workshops to create a strategic paving plan. Councilman McKnight questioned the budget location for street lights and traffic signals. Ms. Hulion stated that traffic light maintenance in certain areas is reimbursed by the State. Discussion continued on street light maintenance.

Discussion was held regarding the purchasing of gas and oil.

Councilman Graham asked if there were strategic and long range plans that could be presented to show what has been done and what needs to be done. Mr. Smigielski stated the plans could be brought back for review.

### Water Department

Mr. Drake reviewed the water department budget which was increased 20 percent. He discussed the budget requests which include vehicle maintenance, education and training, and well and tank maintenance. Councilman Graham asked if any new wells were being considered. Mr. Drake said not this year, but will need a hydrologic study when Veterans Lodge comes on line. Councilman McKnight addressed the repair and maintenance of systems and questioned why only \$30,000.00 had been spent. Mr. Drake said the money is needed for emergency situations such as lightning strikes, etc.; insurance only pays for substantial damage. Plans need to be made for disasters. Discussion continued on the types of disasters which for which these funds would be used.

### Sewer Department

Discussion was held regarding the \$200,000.00 increase to the repair and maintenance line item and the use of the funds in emergency situations similar to the water department's line item. Councilman Crystal questioned what the professional services line item was. Mr. Drake said these funds would cover engineering services for the sewer projects. Mr. Duncan talked about the lack of regional waste disposal for specific needs; having a septic receiver could increase the revenue into the city. Councilman Bierbaum asked at what point the city would be making a profit. Mr. Drake replied it would pay for itself sooner rather than later. Discussion ensued regarding the increasing of fees to allow for an earlier pay off.

### Sanitation Department

Mr. Drake reviewed the sanitation department budget requests. The requests include repair and maintenance equipment, uniform line items were moved to Public Works, additional/replacement of dumpsters, equipment, and vehicles. Councilman Bierbaum asked if the knuckle boom trucks were on a replacement rotation. Mr. Drake said the goal is to put all the trucks on a rotation next year. Councilman Bierbaum asked if it would be possible to lease these vehicles. Mr. Drake said the wear and tear would effect a lease. Councilman McKnight noted that businesses are charged a garbage fee and residences are not. Ms. Hulion said the residential garbage is included in the taxes. Councilman McKnight asked if the brush was picked up city wide and if a fee was charged. Mr. Drake replied the brush pick-up is within the city limits and said the fees need to be reviewed. Discussion continued on the sanitation budget deficit and the costs to contract out the services.

The meeting recessed at 6:53 p.m. and reconvened at 7:02 p.m.

### Planning Department

Ms. Kelly Schultz, Planning Department Director, said this budget was prepared differently than in the past and making it goal oriented. She discussed the overall goal of the planning department is to maximize the health, safety, and economic well-being of the community. There is a 48 percent increase to the planning department budget. The requests include additional employee as a Code Enforcement assistant, additional vehicles, software for tracking applications and work flow, a satellite phone. She reviewed the line items which did not require an increase but were still included in the budget and how the planning department planned to meet their goals. Councilman Crystal said the new city clerk is familiar with business licenses and may be able to help in that area. Ms. Schultz continued discussing the planning goals and how an additional employee would be beneficial in meeting those goals. Councilman Graham questioned why so little was spent on education and training last year. Ms. Schultz said that she is required annually to take continuing education credits and that she had been accomplishing that after hours due to the lack of staff. She stated that she had not been able to attend any training seminars. Councilman McKnight voiced that the public needed to be educated on code issues and questioned what was being done and if it is in the budget. He recommended changing the name from Code Enforcement to Code Compliance. Ms. Schultz said there was not a fully developed education plan and that money was not added to the budget for major publications, but some items to consider are for the public to go online and sign up for newsletters, have a webpage specifically for code enforcement, and announcements on WZEP. Discussion continued on educating the public and its importance to economic development. Councilman Bierbaum said planning and code enforcement are drivers for economic development and noted a planning

coordinator was being added. He voiced concern that he did not see enough statistics to justify an additional officer. Ms. Schultz said that code enforcement is complaint driven and there are not enough regulations to deal with those complaints. Discussion ensued on the need for statistics to justify an additional code enforcement officer. Councilman Crystal voiced the need for administrative help in the planning department and spoke about complaints he had received from individuals trying to contact the department. He said he could not support an additional code enforcement officer due to the lack of in office customer support. Dialogue was held on whether an administrative position or a code enforcement position would be more beneficial to the planning department. Councilman McKnight recommended Mr. Smigielski and Ms. Schultz discuss the additional employee issue and bring the information back for consideration.

### Airport

Mr. Smigielski presented the airport budget requests and stated that the former director had created a budget prior to his leaving. He said \$114,000.00 would be transferred from the General Fund to balance the budget.

Mr. Rudy Sangl asked about the \$30,000.00 request for a sign at the airport. Ms. Hulion said there was a line item in the advertising budget for the sign. Councilman McKnight voiced concern regarding the \$30,000.00 expense and recommended it be reconsidered next year. Councilman Ennis said more information would be needed to justify the cost. Mr. Smigielski did not know what type of sign the former director had planned.

Councilman McKnight discussed the need to increase the grants infrastructure for the city and recommended a salary adjustment be made for the grants coordinator. Mayor Campbell spoke about the need to apply for grants. Councilman Bierbaum talked about the benefits of having an additional employee in the grants department and hiring grant consultants.

Mayor Campbell asked if the \$40,000.00 was for the study/consultant for the demolition of one structure. Mr. Smigielski replied it would be for all of them.

Councilman Bierbaum asked to hire a full-time IT/Computer maintenance employee for the city and police department with a salary of \$45,000.00 to \$50,000.00. Councilman Crystal said IT vending has not been bid out in 10 years and felt that in-house would be more beneficial. Mr. Smigielski clarified that the direction was to add another grant writer, grant writing consulting retainer fee, and an IT person. Discussion ensued on bringing the right-of-way maintenance in-house and the current contract. Ms. Hulion said the current budget amount for IT covers the vendor and equipment and that the annual amount paid to the vendor is \$31,000.00. Further discussion was held on the need to have an in-house IT employee.

### Organizational Requests

Mr. Smigielski said the non-profits had been requested to submit specific information with their budget requests. He said the funding last year for non-profits was \$129,423.00 which included Main Street DeFuniak Springs (Main Street) in the amount of \$33,333.00, Tri-County Community Council (Tri-County) for \$27,000.00, and the Walton County Economic Development Alliance (WCEDA) for \$15,400.00. He said there is an annual contract with Main Street, Tri-County, and the WCEDA. The contracts for the FY2020 are as follows: Main Street-\$33,333.00; WCEDA-\$16,170.00; and Tri-County-\$27,000.00. A request from the Shelter House or the Walton County Chamber of Commerce has not been received. There were non-profits submitting this year that did not submit last year: Matrix-\$10,000.00 and Forward DeFuniak-\$2,000.00. He requested direction from the council. Mayor Campbell noted that the number of requests had increased since FY 2018. Councilman McKnight discussed the quality of the proposals, the lack of information on some of the request, the impact these organization have on the city, and stated he still had a lot of questions needing answers. Mr. Smigielski reported there is an agreement between the Walton County Athletic League, the county and the city. The county maintains the property and the city pays the utilities. The agreement has expired, but there is a 90 day extension. The county will not be renewing their contract. He said a meeting with the organization president was held to discuss the maintenance of the fields and to inform them the city did not have the resources to cover the county portion. Their request for funding has increased \$2,000.00. Councilman Ennis said the Matrix has requested assistance before and discussed how the request had increased from \$2,500.00 to \$10,000.00 over the years. Councilman McKnight noted there were 11 requests under \$3,200.00, two requesting \$5,000.00,

one requesting \$7,000.00, two requesting \$10,000.00. He felt special precautions should be taken in reviewing requests \$5,000.00 and above. Councilman Crystal spoke in favor of Tivoli Association's \$10,000.00 request citing the cultural and historical value the organization is providing. He voiced his support of the Matrix and noted how much the organization has grown in their services to the community. Councilman Graham discussed the uniqueness of each of the organizations and stated due to the budget restraints that all requests be cut 50 percent. Councilman McKnight recommended a percentage cut in funds with \$3,200.00 and below to be 80 percent funded; \$5,000.00-\$7,000.00 to be 70 percent funded; over \$7,000.00 to be 60 percent funded.

Mr. Brandon Wilkins spoke in favor of appropriately assessing the expenditures of taxpayer monies. He recommended setting criteria for the organizations to meet in order to qualify for funding and encouraged the council to set this criteria prior to the next budget season. Mr. Smigielski said there was a policy being considered prior to the letters being sent out and one would be ready for next year.

Ms. Gibson submitted the figures for the percentage funding which resulted in a \$17,000.00 decrease in total funding. Discussion was held regarding the differences between the tiered cut and a 50 percent cut.

Mayor Campbell referred back to the discussion regarding a \$2.00 per hour salary increase for all employees and discussed the different types of increases over the years. The recommended pay raise increases the budget significantly.

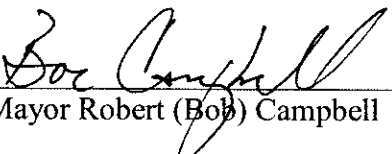
Councilman Ennis said a third choice for the funding of the non-profits would be to fully fund the requests. After a short discussion, the general consensus of the council was to fully fund the organizations. Councilman Bierbaum stated he would be bringing back a policy on non-profit organizations.

#### Employee Salaries

Mr. Smigielski said employee salaries could be discussed at the next scheduled workshop. He said direction was for additional employees and those budget figures be calculated for presentation at the next scheduled workshop. Councilman McKnight recommended considering a percentage increase and other salary adjustments based on equity. He said he would also recommend a \$13.00 per hour minimum to work with the city. He also addressed Chief Hurley's concern regarding competitive salaries. Councilman Ennis noted there were times in the past when some of the top employees did not get a raise and said he had a problem with cutting certain salaries. Chief Hurley spoke about fighting for the police department employees and said that school bus drivers start out at \$17.00 per hour which is more than his employees are getting paid. He recommended a step-plan for future raises. Councilman Ennis discussed the effects the cost of living has on salaries. Councilman Bierbaum addressed a past salary study which was to result in raises being handed out; however, the study was not completed and is still in draft form. He said he would like to see the study completed and implemented. Mr. Smigielski responded to Councilman Bierbaum's comments and said that the employees did not receive a full raise that year; they received a raise minus one percent. The one percent went toward the payment of the study. There was a disagreement between the council and the Mercer Group which caused the study to not be completed. He said direction has been given to Ms. Lacey Woodham, Human Resources Director, to contact the Mercer Group to discuss completing the study. The study will not be completed in time for this budget, but could be applied to next year's budget.

Mr. Smigielski said adjustments would be made and presented at the next workshop on August 6, 2019.

There being no further items to discuss, the meeting was adjourned at 8:46 p.m.

  
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Mayor Robert (Bob) Campbell

  
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Cynthia Bernenter

Cynthia Permenter, Deputy Clerk