

DeFuniak Springs City Council
Budget Workshop Minutes
Community Center
July 28, 2020

The following members were present: Mayor Pro-Tem Robert McKnight (Seat 2); Councilmember Todd Bierbaum (Seat 1); Councilmember Kevin Crystal (Seat 3); Councilmember Henry D. Ennis (Seat 4), and Councilmember Wayne Graham (Seat 5). Also, present: Mell Smigielski, City Manager; Carisse LeJeune, Deputy City Manager; Debra Gibson, Finance Director; Morgan Hulion Utility Billing Supervisor, and Maryanne Schrader, City Clerk. Mayor Bob Campbell was excused.

Mayor Pro-Tem Robert McKnight called the workshop to order at 4:00 p.m. stating the purpose of the workshop is go over the presentations from each department and discuss general revenue and expenditures and turned the workshop over to City Manager M. Smigielski.

City Manager M. Smigielski summarized that the salaries were adjusted by adding the Mercer Group salary recommendation, as well as the 1% pay raise. Finance included a summary of what the salaries would be at 2% and 3% raises and included the adjustments for a Charter referendum and the spring City election. The IT adjustments were also added. He added Robert Peterson of Empire Pipe and Supply, is here to give a presentation for meter readers and invited him to address the Council.

R. Peterson stated the AMI water meter registers can be added to the existing meters. The meters can detect leaks and alert City Hall of a leak via email. He noted one of the benefits is it improves water conservation by monitoring usage and alerts citizens timely of a large water bill. Another benefit noted is the main line would show the usage in the large meter and analyze the collective smaller meter. The meter reads can be pulled remotely, so you would not need to send a truck out for the start and stop readings for customers, in response to Chair R. McKnight. The readers have a useful life of sixteen to eighteen years. Mr. Peterson included several proposals for different options in the budget, in response to Councilmember W. Graham.

City Manager M. Smigielski stated there is \$1,079,000 in the budget, in response to Chair R. McKnight.

Chair R. McKnight asked if it would need to go to bid. City Manager M. Smigielski said it is sole source, since no other competitor can add to the current readers.

Councilmember K. Crystal asked Adam Yates to explain the benefits of this system. Adam Yates said having remote reads will free up time in going out to each meter, provide gas savings, as our system is spread out. In reply to Chair R. McKnight, Mr. Peterson replied that the recurrent cost is \$35,000 per year.

In reply to Councilmember K. Crystal, Finance Supervisor Morgan Hulion said if the meters are phased in, the city would lose the benefits overall. She explained it takes two to three days to read the meters in the drive-by system, so we would not get a true picture of consumption used. This affects several different departments based on water pumped out and water being billed. A phase-in would be a year and a half process. It will be a replacement of 48 of the current registers.

In reply to Councilmember K. Crystal, Mr. Peterson said the city will get a trade-in for the current registers. There is a credit on the pricing on the old registers.

Matt Overton, Airport Director, came forward next. M. Overton stated he has used raw data from his reports. He included a budget summary on Page 2, stating he projects an \$11,500 shortfall this year. He requested an Administrative Assistant, as he needs someone with an accounting background. In response to Councilmember K. Crystal, HR Director Lacy Woodham said it would be in line with the range for that position. M. Overton, Airport Director, stated his payroll is \$204,400.

Matt Overton, Airport Director, displayed an airport position chart with the continued expansion. He mentioned they hope to break ground for the new terminal in November and displayed the drawing renderings for the terminal layout. The 90% drawings rendering should be presented shortly. Many of the expenses involve the infrastructure. The project was 7.9 million dollars but with inflation it is 9 million presently, which includes the FDOT grants.

Matt Overton, Airport Director, stated the budget is \$273,400, which includes \$70,000 shy on tenant rents. On the airport income, he averages \$212,000, leaving \$85,000 in profit after fuel is purchased. He has \$9,000 for operating expenses. In reply to Councilmember R. McKnight, M. Overton added the demand for services is steady. He is raising rates by 10% a little at a time.

Councilmember T. Bierbaum asked M. Overton if he needed more line techs instead of an administrative assistant, but M. Overton replied the scope of his job is more airport economics and infrastructure and very little time as the director. If we want to maintain and develop, the administrative position will handle the accounting portion.

In reply to Councilmember W. Graham's question on, how the airport benefits the average citizen, M. Overton replied Emerald Coast Aircraft Taxi Services is planning to expand services. Also, potentially he envisions larger aircraft, such as FedEx, could land with an extended runway.

Per City Manager M. Smigielski, the airport budget has a \$20,000 shortfall on revenue over expense, so it could work itself out as time goes on.

Next, Public Works Director Craig Drake, came forward and introduced Zach Burgess, Cemetery Coordinator, to discuss the cemetery budget.

City Manager M. Smigielski said the cemetery is at about \$35,600 for revenue and \$119,000 for expenditure, so the general fund would have to make it up.

Public Works Director Craig Drake said Zach will come up with a plan for the cemetery to break even. They have plans to replace the fence on north Park Street, repaint the fence on Hwy 90, advertise the cemetery, and research other cemeteries to look into better ways to improve services. In reply to Councilmember W. Graham regarding paving the dirt roads, Z. Burgess replied they hope to pave a road or two a year. Public Works Director C. Drake said that will be done in-house.

City Manager M. Smigielski pointed out that Public Works has been keeping up with maintenance but having a full-time coordinator will improve the cemetery appearance. He noted the budget includes about \$5,000 in software to assist in managing the cemetery.

Regarding the question on the sale of the cemetery from Councilmember R. McKnight, City Manager M. Smigielski said we have informally contacted a local funeral home, but his accountant advised him against it.

Discussion ensued about creating revenue, and Cemetery Coordinator Z. Burgess, said he is researching increases in pricing for permits, sales, perpetual care, and opening and closing in-house.

City Manager M. Smigielski went on to Christmas Reflections stating the added employee will devote 75% on repairs of the lighting and decorations with the remainder coming out of the Public Works budget. In reply to Councilmember R. McKnight, there is \$2,000 in the line item for marketing.

City Manager M. Smigielski went over CRA stating this is the first year the CRA will receive TIF money. The estimate for revenue is \$50,000 and should receive confirmation from the County Appraiser next week. The CRA will fund an additional code enforcement officer to assist on the blight issues. In response to Councilmember K. Crystal, the new position will go under the Planning department.

City Manager M. Smigielski went to the Council budget and said travel adjustments were made. He added \$12,000 for the election expenses. City Manager M. Smigielski highlighted several line items, \$10,000 for Professional Services for legal services, workers' compensation is required by statute, retirement funds are mandatory, the finance software is \$52,000 with Tyler covering \$37,000 of the expense.

In response to Councilmember T. Bierbaum, Finance Supervisor Morgan Hulion replied the \$33,000 is for financial imaging which sends out the utility bills.

In response to Councilmember K. Crystal, Finance Director, D. Gibson, replied the salary for the purchasing position is \$31,200.

Next, Fire Chief Ross Sheffield presented his budget. He went over administration, logistics, safety and operations. He highlighted the line items for additional personnel, overtime, training, travel, equipment and vehicles. He mentioned engine truck 4606 was out of service for six months, so it needs to be replaced. He added a new fire station line item. He also added money to promote visibility to the public.

City Manager M. Smigielski stated the budget increased from 1.2 million to 1.8 million because of a new engine, new firefighter, and software expense.

In reply to Councilmember R. McKnight, Fire Chief Sheffield replied the ISO rating will decrease by getting another truck, more firefighters, and dispatch to the County. The current rating is 5, however, getting to 4 is better.

Motion by Councilmember K. Crystal to recess. Chair R. McKnight recessed at 5:42 and opened the meeting at 5:53 p.m.

Chief Hurley began his presentation. He highlighted salaries with two additional employees, vehicles and maintenance increases, uniforms, training, equipment, grants, new building, and building maintenance increases. He mentioned he went to the County Commissioners meeting this morning and said they agreed to do a 50/50 match on demolishing the old Health care building. In response to Councilmember R. McKnight's question on workers compensation in the budget, Chief Hurley said he will update the numbers.

Councilmember R. McKnight said the budget is in line with expectations.

Planning Director K. Schultz went over highlights in her budget. She mentioned a 7% increase over last year with \$167,000 difference in revenue vs expenditure. She stated development shows growth, as there is a 66% increase in the number of permits and permit fees. She mentioned an increase in staff, and has contracted out GIS mapping, plan review, and a Request for Planning Services Consulting has been advertised.

In response to Councilmember K. Crystal, Finance Supervisor M. Hulion replied that the \$15,000 difference is for the IT migration. Finance will research whether the number was placed in two different line items.

Chair R. McKnight asked if there is any public comment. No one came forward.

City Manager M. Smigielski announced that on next Tuesday we will discuss salaries and the non-profit organizations with rankings from Council. He requested that the scoresheets be returned by Monday. He suggested going to the summary tab stating the general is at 12 million, the expense is at 31 million, and a pay raise is at 1%.

Councilmember T. Bierbaum asked if the enterprise funds need to be zeroed out, and City Manager M. Smigielski responded if we did not improve the gas department, we could balance it out. Councilmember R. McKnight suggested looking into selling the gas department.

Finance Director D. Gibson responded the actuals show the gas department is not in the red, in response to Councilmember K. Crystal.

City Manager M. Smigielski stated we will go over Public Works and Administration budget at the next meeting and asked Council to send him any questions prior to the meeting.


Mayor Pro-Tem Robert McKnight adjourned the meeting at 6:36 p.m.

Approved:



Mayor Pro-Tem Robert R. McKnight

Attest:



Minutes taken by Maryanne Schrader, City Clerk
Proper notice having been duly given

