

**DeFuniak Springs City Council
Budget Workshop Minutes
Community Center
August 18, 2020**

The following members were present: Mayor Bob Campbell, Mayor Pro-Tem Robert McKnight (Seat 2); Councilmember Kevin Crystal (Seat 3); Councilmember Henry D. Ennis (Seat 4), and Councilmember Wayne Graham (Seat 5) arrived at 4:04 p.m. Councilmember Todd Bierbaum (Seat 1) was excused. Also, present: Mell Smigielski, City Manager; Carisse LeJeune, Deputy City Manager; Debra Gibson, Finance Director; and Maryanne Schrader, City Clerk.

Mayor Bob Campbell called the workshop to order at 4:00 p.m.

3. Employee Salaries

City Manager M. Smigielski started with the salary discussion. He displayed the budget on the overhead. He stated the executive department stayed the same, with the gray color highlighted with the Mercer Group Study numbers.

On the tan-lined area, the new positions were displayed. The new City Engineer is empty, the Purchasing Agent salary is proposed.

City Manager M. Smigielski mentioned the Code Enforcement salary has been increased from \$31,200 to \$36,000.

Discussion ensued on several new positions, such as the Public Works Engineer, the Purchasing Agent, fire fighter, additional police officer and police administrative assistant. City Manager M. Smigielski replied the Purchasing Agent, police officer and police administrative assistant are in the budget.

Councilmember R. McKnight said the fire position would provide an improved fire rating. He added the Fire Chief stated the new fire fighter position is needed to lower the ISO rating and save insurance expense to the citizens. City Manager M. Smigielski said he could replace it.

Councilmember R. McKnight commented that a professional Public Works Engineer should be included this year, as it is head of the largest department in the city. In reply to the question on the \$125,000 for the salaries from Councilmember R. McKnight, City Manager M. Smigielski said the rate would be about 30% for benefits. He added to restore those positions would cost \$162,000, which is a relatively small for a personnel increase.

Councilmember K. Crystal said we still have the Chelco project and other facilities that we need to focus on. The \$162,000 would go a long way for a new police and fire department.

After discussion, Council agreed the city needed the facilities and an engineering professional.

In response to Councilmember W. Graham, on whether we could borrow from reserves, City Manager M. Smigielski replied that \$1.2 million could be transferred from the General Fund with another \$160,000 from the water budget.

City Manager M. Smigielski said a City Engineer would be more of a project manager, so we would still require engineering consultants.

Mayor Campbell suggested delaying the hire for six months, so we could start them six months at half the yearly expense. Council agreed to that compromise and added the Purchasing Agent to that hiring compromise.

2. Departmental Presentation

City Manager M. Smigielski pointed out that under Street budget, we included a million-dollar bond for resurfacing streets, sidewalks and paths. The budget includes \$300,000 for Live Oak.

In reply to Councilmember R. McKnight, City Manager M. Smigielski said general multi-use paths could be included.

Councilmember R. McKnight noted that Bruce Avenue has almost no sidewalks. It is a middle school route, so we need to look at the Safe Route to School grants. He recommended renaming the Street department to the Transportation department, as it includes multi-modal, hard surface, and transportation.

City Manager M. Smigielski told Councilmember K. Crystal that the tennis courts are under Maintenance.

In reply to Councilmember K. Crystal's question on a possible downturn of the economy, Finance Director D. Gibson said she feels like she will be able to gauge any sharp downturn, and added we were conservative on our revenues.

City Manager M. Smigielski said under Water, \$138,000 is included in a match for a grant to replace some of the lines.

Debate ensued on whether the water meter readers at \$1,079,000 dollars should be included. The cons were the expense in relation to the need to repair our infrastructure. The pros were the need to make our Enterprise more efficient and bring the system into the 21st century.

Councilmember K. Crystal voiced his support stating the meters are being phased in. The employees said we will save on overtime, wear and tear on trucks, and the Utility department can be more efficient.

Public Works Director Craig Drake said it will give transparency, as the customers will be able to pull the information up on their phones.

Councilmember K. Crystal said we will get real-time data and will know in real time if they have a leak. He added it will cut down in customer complaints.

Councilmember H. Ennis agreed stating the waterworks is the most important asset.

Councilmember R. McKnight requested a one-page financial analysis that will show the money that we will save.

Mayor Campbell added the water department is antiquated. A leak can go undetected for 45 days before they get the bill and know they have a leak. The system will provide warnings to send to the customers, however, Councilmember R. McKnight said he needed background data, as the decision is based on hearsay.

Finance Director D. Gibson explained the system is a phase in and would like it completed this year. Mr. Pederson has provided a register upgrade. She added the utility department has 118 re-reads for overages and leakages, as well as phone calls, emails, and office visits. It takes a staff member two days to read a meter reading involving a three to five-day process. She added the app can be set within a 24-hour period and be able to set up alerts on the phone.

City Manager M. Smigielski said he will keep it in the budget and decide after an analysis is done.

City Manager M. Smigielski said for the Sanitation fund, we are not purchasing sanitation trucks at \$350,000 since we are in negotiations with a contractor. For gas, we have it at zero, because the revenue and expenditures balance.

Councilmember K. Crystal asked if we cannot negotiate with Waste Management, will we be able to get a truck? City Manager M. Smigielski said we could leave it and transfer the funds from water/sewer to balance the budget.

City Manager M. Smigielski said on the gas budget, we had incorrect figures, so it is now balanced. Councilmember R. McKnight asked how we balanced when we could not balance it last year, and City Manager M. Smigielski replied that \$103,000 was transferred last year. Part was \$47,500 for asset replacement to pay for a vehicle, the other part on gas sales, which rose to \$1,195,000 since we raised prices. Director of Finance D. Gibson added the principle went down on the loan, as well.

City Manager M. Smigielski, under facility maintenance and repair and maintenance the amount of \$231,777 is allocated for the Chautauqua Hall of Brotherhood to finish the 2nd floor using our operating cash. He added he would like to get it done and rent it out.

Councilmember R. McKnight added the building has potential for rental revenue. He stated the grant ratings should be coming a week after we meet on August 24th. The Council agreed to keep it as a placeholder, and if we get the grant, we will not have to use it.

City Manager M. Smigielski said adjustments were made to the culture section, and anyone with a 3.20 or higher received the requested money and the other applicants received \$600.

City Manager M. Smigielski said part of the Administration budget includes IT. The items are all in the budget, Tyler for \$112,100, \$5,000 for a cemetery database, fire, migrating to Microsoft Office and fiber lines, computer replacement, network items, Public Request at \$7,500, Laserfiche for \$5,800 and ADA compliance for \$1,700.

Discussion ensued about the current website need for improvement. Deputy City Manager C. LeJeune said the website team is working to upgrade the website, incorporating the branding guides, and the upgrade is a free. The ADA module is something we do have to pay for, however. She said the website is the most visual tool of the city.

City Manager M. Smigielski went to Administration stating revenues and expenses were included with the exception of grant dollars.

Deputy City Manager C. LeJeune added that with the addendum on grants guidelines, the purchasing agent would be involved in the finance portion of the grants.

City Manager M. Smigielski asked Council about the Administrative expense, stating \$100,000 grant money remains, the City Hall includes \$2.5 million for renovations, and \$105,000 for the fire department. Discussion ensued on the timing of the sale of the new City Hall and whether election year is a good time to sell.

In response to Councilmember W. Graham and the reason for buying the Chelco Building, City Manager M. Smigielski said the size of the building is good, and the next lot could be used to build a building in twenty years. The current City Hall will be closed.

Councilmember T. Bierbaum arrived at 5:19 p.m.

Councilmember R. McKnight suggested looking at a second spot for a new City Hall. Mayor Campbell replied we are also looking at property in the downtown area.

City Manager M. Smigielski asked if we should make the changes and have the second meeting next week to finalize the budget. Council agreed.

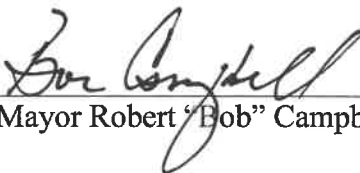
4. General Discussion

The Council stated they were appreciative of the efforts of the Finance Department.


Mayor Campbell asked whether impact fees could be used for personnel. Finance Director D. Gibson will investigate it.

Mayor Campbell adjourned the meeting at 5:26 p.m.

Approved:


Mayor Robert "Bob" Campbell

Attest:


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

