

**DeFuniak Springs City Council
Budget Workshop Minutes
Community Center
August 25, 2020**

The following members were present: Mayor Bob Campbell, 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; Finance Supervisor Morgan Hulion, and Maryanne Schrader, City Clerk.

Mayor Bob Campbell called the workshop to order at 4:02 p.m.

3. Finalize Budget

City Manager M. Smigielski opened the meeting stating that he had spoken to Councilmember R. McKnight, and Mr. McKnight was correct in stating that 48% of revenue in the budget was miscellaneous.

City Manager M. Smigielski displayed the budget on the overhead explaining the Revenue was \$32,495,448 minus grants, bonds, transfers and a small fund balance for a remainder of \$16,707,401.

City Manager M. Smigielski said the new positions have been included with the exception of fireman, Public Works Director with an Engineering degree, and a Purchasing Agent with all three being hired mid fiscal year.

City Manager M. Smigielski referenced a previous discussion about the purchase of the phased in water meter registers. Finance will provide the financials for the water register meter information at a later date. He will keep the item in the budget until such time as we make the decision to keep it or pull it. He added the purchase would have to come before the Council for approval.

City Manager M. Smigielski said salaries for staff is at zero percent except for the Mercer Group Study employees. He added the Code Enforcement Officer salary increase of about \$36,000 is also included.

City Manager M. Smigielski mentioned the gas department and explained how the line item was zeroed out. He explained some of the revenue figures were left out previously. For instance, the gas transport fee for the State prison, adding C.W. Roberts rates were increased. He said the \$47,500 for asset replacement was added, and the 331 project was removed.

Mayor Campbell asked about grant funds for the gas expansion, and City Manager M. Smigielski replied that \$727,000 was received for the 331 project reimbursements. Mayor Campbell added we have not been able to utilize it yet. He anticipates no cost for infrastructure, and we will still receive the impact fees. He added we are in a tremendous position to see a profit for this project. City Manager M. Smigielski said we will see it as development occurs.

City Manager M. Smigielski said \$350,000 for sanitation trucks was placed back into the budget, so as we negotiate the contract with Waste Management, we will have options. Waste Management stated they will assist us in the surplus of the trucks when we are ready.

City Manager M. Smigielski said \$71,000 was transferred to the Cemetery. We hope to narrow that for next year, as Craig and the Cemetery Coordinator are working on revenue options.

Discussion ensued on the Sanitation fund. City Manager M. Smigielski explained that we want to keep the tree debris pick up, so we need to be able to finance that. We want to be able to keep some of the money that we receive from the County. An option is assessing a fee to pick up the bulk items. The County informed us when the original agreement was passed in 1994, yard waste was not part of that agreement. He explained the two million dollars not allocated to Sanitation, was placed in other funds, so we do not have to transfer.

Regarding the 2% franchise fee, City Manager M. Smigielski said he is negotiating the fee. They expect to start mid-January, as they have to buy equipment and hire employees. When Waste Management takes over the sanitation service, they will run a marketing campaign to inform customers they will pick up trash in the city in one day.

Councilmember K. Crystal asked if our trucks will hold up until the transition, and City Manager M. Smigielski replied they have been repaired. He added we may keep them for a while until we know about the yard debris. In reply to Councilmember T. Bierbaum and his question regarding two pickups a week, City Manager M. Smigielski replied we could negotiate it, but it may cost more.

In reply to Councilmember W. Graham about the status of the employees, City Manager M. Smigielski said we would need two employees for the yard debris trucks, and the others could be hired by Waste Management.

In reply to Councilmember K. Crystal regarding lateral transfers, HR Director L. Woodham said the employees could apply for any openings.

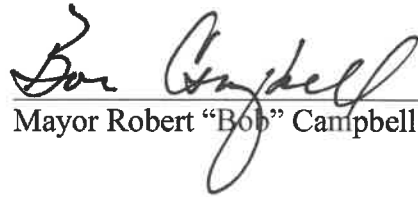
Councilmember R. McKnight mentioned the Mercer Report. He mentioned the ones conducting the research should have presented the report to Council. He voiced concern that there may be numerical errors, as there are typos. He mentioned the report stated there were no benchmarks for some positions, such as Deputy City Manager, Public Works Director, Grants Administrator, Planning Director or City Clerk. He said it is troubling and remarked the report stated no individuals pay should be compared to in the survey. He is concerned that some people may be underpaid or overpaid. He suggested being very careful and not rubber stamping any changes until we have reviewed the limitations. He is skeptical of the accuracy of the report.

The second thing is the wireless water issue. It is over a million-dollar capital improvement project. He voiced concern there was a lack of documentation and no Cost effective or Cost benefit studies used. He voiced an issue for the justification of the program stating the justification is below the mark on spending over a million dollars in one year for one capital project. We only have 16 million dollars of our own money, and we are spending 1/16 of our budget for one item. We have to consider where citizens want to spend their money.

City Manager M. Smigielski said the next step is the first Public Hearing on September 8th at 5:30 p.m. and the final Public Hearing on September 18th at 5:01 p.m. at the Community Center.

Mayor Campbell adjourned the meeting at 4:29 p.m.

Approved:



Mayor Robert "Bob" Campbell

Attest:



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

