

DeFuniak Springs City Council
Regular Meeting Minutes
County Courthouse
January 11, 2021

City Manager M. Smigielski called the meeting to order at 4:02 p.m. leading the invocation and Pledge of Allegiance. He mentioned the meeting is also being conducted in a Zoom format due to COVID related issues. He read a statement regarding a meeting being conducting remotely under the Governor's Executive Order 20-246, whereas the majority of the Council must be present within the chambers.

The following members were present: Councilmember Todd Bierbaum (Seat 1); Councilmember Kevin Crystal (Seat 3); Henry D. Ennis (Seat 4), and Councilmember Wayne Graham (Seat 5). Mayor Bob Campbell (listened in via telephone); Mayor Pro-Tem Robert McKnight (Seat 2) was excused. Also present were Clay Adkinson, City Attorney; Mell Smigielski, City Manager; Debra Gibson, Finance Director; and Maryanne Schrader, City Clerk.

City Attorney Clay Adkinson read a statement regarding the conduct and uniform rules of procedure to follow for the meeting both in person and remotely under the CDC guidelines. He asked Council if they were comfortable with the provisions set forth for the meeting.

Vote: Councilmember T. Bierbaum, Aye; Councilmember K. Crystal, Aye; Councilmember H. Ennis, Aye; Councilmember W. Graham, Aye. Ayes 4, Nays 0. All ayes. Motion carried.

City Attorney Clay Adkinson asked Council to appoint a member to serve as the chair.

Motion by Councilmember K. Crystal and seconded by Councilmember H. Ennis to appoint Councilmember T. Bierbaum to preside at this meeting.

Vote: Councilmember T. Bierbaum, Aye; Councilmember K. Crystal, Aye; Councilmember H. Ennis, Aye; Councilmember Wayne Graham, Aye. Ayes 4, Nays 0. All ayes. Motion carried.

Item 3. CONSENT AGENDA

Additions/Deletions to the Consent Agenda

Motion by Councilmember K. Crystal and seconded by Councilmember W. Graham to approve the Consent Agenda, as presented.

Councilmember T. Bierbaum asked three times for public comment and hearing none, he asked for the vote.

Vote: Councilmember T. Bierbaum, Aye; Councilmember K. Crystal, Aye; Councilmember H. Ennis, Aye; Councilmember W. Graham, Aye. Ayes 4, Nays 0. All ayes. Motion carried.

A. Clerk

1. Minutes for approval: December 15, 2020 – Regular Minutes
2. Minutes for approval: December 16, 2020 – Workshop Minutes

- B. **Airport** – Motion authorizing the Mayor to sign Amendment #2 for additional grant funds and authorize a Resolution with the Florida Department of Transportation to construct “North Terminal Complex Site Development” for the airport for the Public Transportation Grant in a total amended amount of \$3,265,862

Item 5. REGULAR AGENDA

Additions/Deletions to the Regular Agenda
Approval of the Regular Agenda

Councilmember T. Bierbaum asked if there were any additions/deletions to the Regular Agenda.

City Manager M. Smigielski stated the police chief requested that Item #12 be removed from the agenda.

Motion by Councilmember K. Crystal and seconded by Councilmember H. Ennis to approve the Regular Agenda, as amended.

Councilmember T. Bierbaum asked three times for public comment and hearing none, he asked for the vote.

Vote: Councilmember T. Bierbaum, Aye; Councilmember K. Crystal, Aye; Councilmember H. Ennis, Aye; Councilmember W. Graham, Aye. Ayes 4, Nays 0. All ayes. Motion carried.

Item 5. ADMINISTRATION –

- A. City Manager M. Smigielski – Request direction on the forms to submit to WCEDA for the EDA Grant, as a co-recipient

City Manager M. Smigielski introduced the topic explaining the city would be taking over the utilities for the Woodlawn Industrial Park.

Bill Imfeld came forward and explained the city will be operating the water and sewer facilities and the city would be a co-recipient. He added the city would not incur any expense.

In response to Councilmember W. Graham, B. Imfeld responded the ratio of the EDA grant is 60/40.

Motion by Councilmember K. Crystal and seconded by Councilmember H. Ennis to approve the City Manager signing the documents for the EDA Grant as a co-recipient.

Councilmember T. Bierbaum asked three times for public comment and hearing none, he asked for the vote.

Vote: Councilmember T. Bierbaum, Aye; Councilmember K. Crystal, Aye; Councilmember H. Ennis, Aye; Councilmember Wayne Graham, Aye. Ayes 4, Nays 0. All ayes. Motion carried.

B. City Manager M. Smigielski – Waste Management Rate Sheet

City Manager M. Smigielski said a workshop was held on December 16th to go over the Waste Management contract. The Council was provided a rate sheet to accommodate a 5-year contract with an additional 5 years.

Councilmember T. Bierbaum asked for comments or questions from Council.

In response to Councilmember T. Bierbaum if the franchise fee was the only thing changed, City Manager M. Smigielski said that was the only change.

Motion by Councilmember W. Graham and seconded by Councilmember K. Crystal to approve the Waste Management Rate Sheet and direct the City Attorney to complete the contract language.

Councilmember T. Bierbaum asked three times for public comment from the audience and hearing none, he asked for the vote.

Vote: Councilmember T. Bierbaum, Aye; Councilmember K. Crystal, Aye; Councilmember H. Ennis, Aye; Councilmember Wayne Graham, Aye. Ayes 4, Nays 0. All ayes. Motion carried.

C. City Manager M. Smigielski – Request direction on draft ordinance regarding the water/sewer/gas impact fee/capacity fee structure

City Manager M. Smigielski said the packet included a first draft of the ordinance on the capacity fee. He advised they could not tier-in the amount, as Council requested.

City Attorney Clay Adkinson mentioned he had spoken to Dewberry and the finance director and the fee hike with a tiered-in method would not be viable, as it would not allow the city to break even. He added the draft ordinance does not include the natural gas numbers, as the gas numbers are set by resolution. The draft ordinance includes more than a dozen ordinances that will be changed regarding the water and sewer. If approved, it is contingent on a 90-day advertising window.

Councilmember T. Bierbaum called for discussion. Mayor Campbell was recognized and stated his main concern was the issue on Veterans Lodge and was concerned how the fee hike would impact the project. He asked Council to consider whether Veterans Lodge could pay at the current fee schedule.

Discussion ensued on when the fee structure would begin. City Attorney Clay Adkinson explained the current fee applies at application and will remain until the ordinance is adopted. He went over the process of having first reading, running the ad in the paper, and having second reading. His recommendation is to start on June 1st. He added, the current fees are due at the time of application or at the development order.

City Attorney Clay Adkinson went over the fees list in the draft ordinance depending on whether it was related to inside or outside of city limits or the size of the pipe.

Councilmember K. Crystal read an email from Nolan Baker, engineer. Mr. Baker voiced his concern for his current client and the impact of a 600% increase in impact fees. The developer said if the fees are increased, they would not be able to proceed with the project. He asked the city to explore other options. Councilmember K. Crystal voiced concern that affordable, workforce housing, and new development will be affected by this. He asked staff to consider another option to phase it in or defer the cost for the developer.

Councilmember T. Bierbaum voiced concern that the city will be pushed to provide services that the city will not be able to pay our debt service and would place a strain on our system. When Council was presented the previous study, the study showed our fees are much lower adding developers are paying other cities the higher fee.

In response to Councilmember H. Ennis, Councilmember T. Bierbaum responded that individual house construction would pay the higher rate, as well.

Councilmember W. Graham asked about the current rates in Section 23-177, and City Attorney Clay Adkinson replied that the rate is \$1,325 for water and sewer tap fees. He added that Council cannot set the rates because the rates must be based on a study or professional analysis, per statute.

In response to Councilmember T. Bierbaum on the new rates per State law, City Attorney Clay Adkinson replied the city must do a study yearly, so we need an ordinance to be compliant with the new law.

Cliff Knauer of Dewberry came forward to explain the study considers what the city's cost is for a development coming into the city regarding the actual cost for water service in materials and labor to connect a house. Currently, it is over \$600 in parts and labor. The fees have not been updated in so long, the city will be subsidizing all future development that comes into the city. The capital improvements project list accounts for future growth. The capacity fee is the cost based on the capital improvements and infrastructure. The study is set up for the city to break even.

Discussion ensued on methods of financing the capacity fees and allowing for installments. The concern was brought up not to place the burden on the citizens by raising water or sewer rates.

Cliff Knauer went over options with a developer's agreement, so as not to pay the fees upfront in response to the suggestion from Councilmember K. Crystal. He added that normally 75% of the fees are set aside for capacity with 25% going toward operational cost to keep up with the demands of development.

City Attorney Clay Adkinson suggested adding an option for the city to work with developers on a developer's agreement, so the developer would not need to pay the full fee up front. For instance, adding options to pay a fee up front, a fee when it goes out for bid and the remaining

amount could be paid at the completion of the project. He suggested adding it in Section 23-173, that would require a developer's agreement on a case-by-case base, and the decision would be based, if it is in the best interest of the city.

Motion by Councilmember K. Crystal and seconded by Councilmember T. Bierbaum to approve the water/sewer/gas impact fee/capacity fee structure and direct staff to bring back an ordinance for 1st reading on January 25, 2021.

Robert Stockdale, representing the Eagles Crossing project, came forward explaining they have been working toward completion of the project. He mentioned it is a \$99-million-dollar, 1500 lot project. The higher fees are a \$180 million increase that would place the project in jeopardy. The project will create jobs, as well as commercial units. They will donate 38 acres for the school. He asked if their development agreement is submitted, could they lock in the fees at the current level.

Discussion ensued on options for providing an exemption. However, City Attorney Clay Adkinson, mentioned Eagle's Crossing is in the same position as any other entity, as the structure of the ordinance is for persons who have pre-paid and are vested and secured. He suggested an option to enter into a development agreement if it as determined whether the city could meet its debt service.

Discussion ensued on response time from the city. Mr. M. Smigielski explained at the time of the submittal, they proposed 24 dwelling units per acre. Eglin AFB had an issue with the proposed density, and the State wanted the decrease to two and a half dwelling units per acre. The city could not proceed with the objections not addressed. Mr. Stockdale replied they have a verbal agreement with Eglin and added there is no roadblock now, as the dwelling units have been decreased.

Councilmember T. Bierbaum called for a six-minute recess at 4:59 p.m. because of technical issues with the Zoom connection.

Councilmember T. Bierbaum re-convened the meeting at 5:06 p.m.

In response to Mayor Campbell, Mr. Stockdale replied the average density of the project has not changed much with the portion of this project being three dwelling units per acre. He added Eglin Air Force Base is aware their project includes half the development they are entitled to do. The project is 15 million square feet and 4200 dwelling units to include commercial space is the maximum approved for their project.

Councilmember K. Crystal asked staff to meet with Mr. Stockdale within two weeks to work on a developmental agreement before the next Council meeting.

Motion by Councilmember T. Bierbaum and seconded by Councilmember K. Crystal to amend the motion to add bringing the draft ordinance back to the next meeting and moving forward with an update on an agreement after discussion with the developer.

Citizen, Dan Cosson, voiced support of the project and its being important to DeFuniak Springs and asked about the delay in the project. City Manager M. Smigielski replied they have been working with the developer and the State to allow the developer to get the density requirement in and work on their objections. Mr. Smigielski explained the initial proposal had 24 dwelling units per acre.

Mr. Stockdale explained it was originally 24 dwelling units for mixed use for that portion, but it averages as three dwelling units per acre.

Mr. D. Cosson voiced concern of the delay not being good for the city, as the project is too important.

Matthew Parker, Civil Engineer for Eagle's Crossing, explained the process of submitting concurrently for the future land use amendment and the PDP which allows for more units per acre. He said the realistic numbers have been consistent. He requested the city move forward with their application. He stated concern that the capacity fees are such that the raise would place the development in jeopardy and asked for cooperation in moving the project forward.

Councilmember K. Crystal agreed it is a significant project for the city and the staff will contact the developer soon to hammer the issues out.

Resident, Anthony Valle, came forward and mentioned there is opportunity for positive development. He added there is an opportunity for flexibility in development. He suggested changing the credit allotment to reduce the financial impact. It is a good opportunity for positive development and growth.

City Manager M. Smigielski explained when the application was first sent to the State, Eglin and DOT objected to the density in the number of dwelling units. The city asked the developer for a new application with the corrected units per acre.

Cliff Knauer came forward explained there has been numerous meetings with Mr. Stockdale and Mr. Parker, but the holdup is that the State must approve the land use changes. A list of nine items was given to Eagle's Crossing engineer to send to the State in order to move forward. As soon as Mr. Stockdale gives the numbers to the city, we can respond to the concerns from the State.

City Attorney Clay Adkinson said he will review the developer's agreement option. However, he would be doing it under the assumption that the numbers are the final numbers that the State and Eglin have approved.

Councilmember T. Bierbaum asked for public comment in the room or on-line. He called three times with no response.

Councilmember T. Bierbaum thanked Mr. Stockdale and Mr. Parker for coming to the meeting, as he wants to see Veterans Lodge be successful. Councilmember K. Crystal said he wants something done and to move forward.

Vote: Councilmember T. Bierbaum, Aye; Councilmember K. Crystal, Aye; Councilmember H. Ennis, Aye; Councilmember Wayne Graham, Aye. Ayes 4, Nays 0. All ayes. Motion carried.

Item 6. CITIZEN COMMENTS – General Comments from the audience

Councilmember T. Bierbaum asked that items be limited to what is not on the agenda and limit to comment to three minutes.

Mayor Campbell asked for an update on the force main on 2nd Street.

Councilmember T. Bierbaum added people have commented on tracks left from the contractor and wants them repaired. Cliff Knauer said the contractor is on schedule but has been challenged by the weather. Mayor Campbell added he is happy with the progress.

Councilmember T. Bierbaum called again three times for public comment and closed the floor for comment.

Item 7. REQUEST TO BE ON THE AGENDA –

A. Tony Vallee – Main Street Farmer’s Market Update

Tony Vallee came forward and thanked the Council for their support and thanked Mr. Mell for the support going forward. He mentioned there is a possibility they may save money regarding the ownership of the property near the railroad crossing. He added there is a \$1200 application fee. He asked if Counsel could get involved with negotiations with the railroad adding the City Manager has reached out to the railroad about leasing the property. They have learned from the surveyor that there is dispute on the actual ownership. Councilmember T. Bierbaum said there are old maps that show city ownership.

City Attorney Clay Adkinson said he will work with Mr. Mell and come back with something at the next meeting.

B. Main Street Director Chelsea Blaich – Main Street DeFuniak Springs 2020 Recap & 2021 Calendar

Chelsea announced that Main Street ended up with great momentum and record sales with about 15,000 people including areas outside of the city. She thanked the Special Events committee who allowed the change in foot traffic from the Christmas Reflections event, which helped them. Main Street will work collaboratively with community organizations to execute events adding the Master Plan will work with Restore and with USDA grants to assist with improvements, as well as having a potential seat with the TDC. C. Blaich thanked the City for sticking with Main Street. Councilmember T. Bierbaum congratulated Chelsea on a job well done.

Item 8. EXECUTIVE REQUESTS – No comment received.

Item 9. Finance

A. Finance Director D. Gibson, requests a motion to approve the Fire Department equipment proposal and financing

Finance Director D. Gibson explained Chief Sheffield's request for equipment, and the need for an emergency purchase of a new fire truck and come up with a financing solution.

Chief Sheffield said the loss of the fire truck has impacted the ability to respond for fire service. Engine 405 had to be towed while on a fire response call recently. He gave the breakdown of the current truck and explained the need to take an annual pump test, which both Engine 405 and Engine 406 have failed. He explained the problems he is facing with the maintenance on the old trucks, which the budget has not covered.

In response to Councilmember K. Crystal on the life cycle of a new fire truck, Chief Sheffield replied it is for ten years with an additional 10 years with reserved status. He added that they have applied for a grant, but he is unsure if we will be able to get the grant, as with COVID many fire departments are applying for grants.

Councilmember T. Bierbaum said the five-year option from PNC would cost \$26,800 in finance fees, and the seven-year option would cost \$44,300 in finance fees.

Finance Director D. Gibson said Ameris is \$45,635 on finance fees. She added Trustmark Bank submitted a proposal for seven years fixed at 2.13% at a cost of \$39,720 or 10 years fixed at 2.55% at a cost of \$63,358. She added PNC and Trustmark require no money down but Ameris requires 10% down.

City Attorney Clay Adkinson added PNC has a \$1 buy-out at the end of the seven years.

Motion by Councilmember K. Crystal and seconded by Councilmember W. Graham to approve the Fire Department equipment purchase in the amount of \$472,929.65.

Councilmember Bierbaum called three times for public comment with no response.

Vote: Councilmember T. Bierbaum, Aye; Councilmember K. Crystal, Aye; Councilmember H. Ennis, Aye; Councilmember W. Graham, Aye. Ayes 4, Nays 0. All ayes. Motion carried.

Motion by Councilmember K. Crystal and seconded by Councilmember H. Ennis to approve financing with PNC for the 5-year term at a rate of 1.87%.

Councilmember T. Bierbaum asked three times for public comment with no response.

Vote: Councilmember T. Bierbaum, Aye; Councilmember K. Crystal, Aye; Councilmember H. Ennis, Aye; Councilmember Wayne Graham, Aye. Ayes 4, Nays 0. All ayes. Motion carried.

City Manager M. Smigielski said Item 11 under Planning were just placeholders for the next meeting.

Item 13. CITY ATTORNEY – No other comment.

Item 14. STAFF REPORTS –

Finance Director D. Gibson informed Council that Kara Chilcutt and she met with Jeffrey Archer, USDA Rural Development, and went over the needs of the city. They will not have funds for the Chelco building renovations, but they do have funds for new construction. They discussed financing options. They do not have a grant open at this time for the fire truck, but it may come up in April. The Rural Development could help us with the water registers and will negotiate financing. She went over the G17 document stating Raymond James provided a proposal. She will be meeting with legal to come up with proposals.

City Attorney Clay Adkinson explained he has been in consultation with others, so we need to know our rates. He is not comfortable with the signing of a G17 with anyone until we know our bond or financing options.

Discussion ensued on securing professional financial assistance to plot out the best course of action and to hire a financial advisor in order for the finance director to work with the advisor to determine what we can pledge and what the market is like. The cost would be a rolled in cost on whatever money we receive.

Motion by Councilmember K. Crystal and seconded by Councilmember H. Ennis to direct staff to bring back a Request for Qualifications for Council review and approval for a financial advisor service.

Councilmember T. Bierbaum asked three times for public comment with no response.

Vote: Councilmember T. Bierbaum, Aye; Councilmember K. Crystal, Aye; Councilmember H. Ennis, Aye; Councilmember Wayne Graham, Aye. Ayes 4, Nays 0. All ayes. Motion carried.

Councilmember T. Bierbaum asked about the list of projects to do with the millage rate money, and City Manager M. Smigielski responded that Public Works is getting the projects together. He added we do not have funding for anything at the present time. He mentioned the list was to include sidewalks and street lighting.

Mayor Campbell said there are various grants for sidewalks. He would like to dedicate the money as a match instead of a project.

Next, City Manager Mell Smigielski requested direction on advertising for the Charter Referendum, in response to a request from Mr. McKnight. He cautioned the city cannot advocate for approval or disapproval of the passage of the referendum. He read an email from Mr. McKnight who advocated that the city publishes a full-page ad.

Discussion ensued on the need for public awareness, budget restraints and whether to print a half page ad, do a radio segment or utilize social media with Council agreeing that there was a need to advertise.

City Manager M. Smigielski said he has clear direction regarding use of advertising budget and will move forward with the advertising.

Item 15. COUNCIL COMMENTS – Councilmember K. Crystal asked Finance for the final numbers for Christmas Reflection and added that the city and Morgan did a great job. He commented on the many different license tags.

Councilmember T. Bierbaum commented on Christmas Reflections and mentioned we budgeted for a full-time person for Christmas Reflections. He had discovered that because of overtime expenses, staff decided not to hire the position, however Council approved the hire. He voiced concern that the Council should have been able to address overtime issues, as it may rise to a budget amendment. He added there was a known need for the position back in July.

City Manager M. Smigielski said the hire was temporarily delayed because we had anticipated having Public Works adjust their schedule, but the Labor Laws prohibited it. Staff worked overtime in the evenings. Staff planned to evaluate after the income derived from Christmas Reflections was calculated.


Finance Director D. Gibson mentioned the final revenue number should be known in the next two weeks, and she will meet with the city manager. City Manager M. Smigielski added they are finalizing a job description for the Christmas Reflections position. Councilmember T. Bierbaum voiced concern that Council was not made aware of the decision of the delay in hiring for the new position.

Item 16. MAYOR COMMENTS – No further comments.

Item 17. ADJOURNMENT

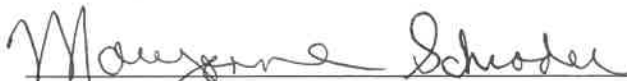
Councilmember T. Bierbaum adjourned the meeting at 6:12 p.m.

Approved:



Councilmember T. Bierbaum

ATTEST:


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

