

**DeFuniak Springs City Council
Special Budget Meeting Minutes
Council Chambers
May 17, 2021**

The following Council members were present: Mayor Bob Campbell; Mayor Pro-Tem Todd Bierbaum (Seat 1); Councilmember Robert McKnight (Seat 2); Councilmember Kevin Crystal (Seat 3); Councilmember Henry D. Ennis (Seat 4), and Councilmember Anthony Vallee (Seat 5). Staff present: City Attorney Clay Adkinson, City Clerk Maryanne Schrader, and Finance Director Debra Gibson. City Marshal J. Hurley, Jr. was also present, as well as various Directors and staff.

Mayor Bob Campbell called the meeting to order at 4:00 p.m. stating the purpose of the meeting is to access the direction for the 2022 Budget.

Mayor Campbell introduced Robert Thompson, new city manager, who was in the audience.

Finance Director D. Gibson asked Council for direction for the staff stating we are budgeting with a small reserve. She has met with all the departments and received their numbers.

3. Budget Discussion
 a. Capital Projects

Finance Director D. Gibson mentioned that the 2021 Priorities list could be referenced as a base.

Mayor Campbell said every department was encouraged to add capital projects to the priorities list in case grant funding became available. He mentioned Cliff Knauer had noted a project that was not on the list.

Councilmember R. McKnight mentioned that the Chautauqua Hall of Brotherhood listed as #18, was not funded this year. He said \$200,000 was placed in the budget, however, \$275,000 could be the estimated cost with construction and materials being higher. He added he would like to see sidewalks and streetlights specifically added to the list. He voiced concern regarding a survey on the dog park was handed out at LakeFest, and he had received calls about the option of placing a dog park in the tennis court area which is residential. He suggested buying land in another location as it would be a better option.

Councilmember T. Bierbaum mentioned prioritizing the \$2.9 million that we are expected to receive from the last Federal stimulus package and adding it toward the police/fire station. Secondly, he mentioned a septic receiving station, stating if it is implemented it could bring \$2 million to our system per year which could pay for our debt. He suggested the small station at Gene Hurley Park. Lastly, regarding the \$200,000 set aside for the Chautauqua Hall of Brotherhood, he thinks we have a more pressing need of office space and would prefer the money to go toward the purchase of the Chelco building and delay the Chautauqua Hall of Brotherhood restoration for one year.

Councilmember K. Crystal asked about the purchase of the fire engine on #17, and Fire Chief R. Sheffield replied it refers to the one we need, but he has applied for a grant. He would like to keep it on the list, as his department has had several fire engine breakdowns.

Councilmember K. Crystal asked about the rentals for the Chautauqua Hall of Brotherhood, and Maintenance Supervisor Nathan Fountain said he is not certain of the status, as we are still working on the staircase. Councilmember Robert McKnight mentioned there is a soft opening in November. Cindy Permenter came forward, in response to Mayor Campbell and his question on the restructuring of the fees, stating they do not have a contract in place, as they have one more place to look at, as well as whether a city attendant is needed on premises. Mayor Campbell added there is administrative clean up yet to do.

Councilmember K. Crystal and Councilmember H. Ennis stated they would like to move forward with the rentals and use the money toward renovations of the second floor. Councilmember T. Bierbaum said we need to reevaluate the rates, as he has received calls that the rates are too high. T. Vallee said anything that can generate revenue is good, but he also heard concerns about rates.

Discussion ensued on the rankings on the priority list. City Attorney Clay Adkinson explained there is confusion on how we organize and prioritize a grant initiative list, as the State is looking for a targeted list. Councilmember K. Crystal suggested that the city manager can categorize the list when he comes in. Councilmember T. Vallee suggested the list be concise to give staff direction. He agreed the Chautauqua Hall of Brotherhood renovation be moved to the next fiscal year.

Councilmember Robert McKnight asked about the Library Structure on #15, and whether it has been funded. Chris Mitchell said most of the grants have to be paid out first and mentioned adding a reimbursement column.

In response to Councilmember K. Crystal and the delay in reimbursements, Finance Director D. Gibson said the funds have to be expended adding we are awaiting \$1.5 million for the wastewater project. She is staying on top of the reimbursements, however. She added we are awaiting \$500,000 from the Chautauqua Hall of Brotherhood restoration and the bills were paid out a year and a half ago. Councilmember K. Crystal suggested placing money aside for the match, so he suggested a tiered amount, so we do not have this situation in the future.

Councilmember Robert McKnight asked about the match on the library, and Chris Mitchell replied that the project does not have a match requirement on the \$50,000 we anticipate receiving.

Councilmember T. Bierbaum said as a Council, we need to pick five top priorities for this year. After discussion, the top five agreed on were for the Chelco building, police and fire station, the airport runway expansion, the septic receiving station, and the WWTP design.

Citizen, Brianna Jackson, came forward and stated no one is investing in the children. She suggested Council consider programs for the children.

Finance Director D. Gibson said \$50,000 has been set aside for sidewalks for the split in expense with the County.

Councilmember Robert McKnight suggested adding parks, recreation and activities that would address the investing in youth development. He said a pool and organized activities could be added, as we do need to invest in the development of our children.

Councilmember K. Crystal said youth is our future, however, there are no stable jobs here. We have to build the airport and other infrastructure to keep people here.

Finance Director D. Gibson said a Parks and Recreation department should be included, such as a large community recreational development center, adding there are grants available. She would like to see staff reach out for funding sources.

Mayor Campbell said if this is on the list, if grant money is available, we can get it. He asked for Council to send in their items to be included.

b. Capital Outlay

Finance Director D. Gibson said capital outlay covers equipment more than our \$5,000 threshold. She asked departments to budget what needs they have to keep the department running, plus to add a wish list for items they may need.

Councilmember K. Crystal said he would like to see some surplus sales to get rid of items that are no longer needed. Finance Director D. Gibson said the funds are usually brought back to the department to get new equipment.

Councilmember T. Bierbaum said we should have a long-term plan of how many vehicles are needed in the next few years. He mentioned purchasing new vehicles for Public Works or police and rotating the older vehicles to Administration. Councilmember K. Crystal asked if we have a master list, and Finance Director D. Gibson said she has an asset list and suggested the departments will need to add a rotation to their list.

c. Curbside Pickup

Finance Director D. Gibson said we are in contract with Waste Management; however, we are still doing curbside pickup for debris removal. We do not have revenue coming in to cover the cost and have discussed adding fees. We have spoken to legal about ordinance changes, and Public Works has called other cities to determine what surrounding areas charge. It costs the city about \$300,000 to provide the service. Councilmember K. Crystal said we have to recoup the cost, so we need to charge residents or stop doing it.

Public Works Director C. Drake said some cities do a flat rate of \$5 a month and some take pictures and charge \$15 a yard. It would take about \$11 to break even with four employees two times a week.

Discussion ensued on charging for the extra yards, changing the ordinance, increasing the ad valorem, and a community pile for debris in a centralized location, as well as doing it quarterly.

Public Works Director C. Drake stated he will send out a list of what other communities are doing. He mentioned the County has forced us to separate the items, as they have turned our trucks around.

Councilmember H. Ennis stated he preferred if we continue to do the service, to not add the fee to the water bill.

Councilmember T. Bierbaum said the CRA could have it fall under blight. However, City Attorney Clay Adkinson said it would have to be project specific adding it could become a code enforcement issue.

Mayor Campbell said last year was the first time in many years that we raised the millage rate. Finance Director D. Gibson said the incremental value goes to the CRA. Councilmember T. Bierbaum asked about going to 5 and a half, and City Attorney Clay Adkinson said it is 95% of the incremental increase.

Finance Director D. Gibson said \$79,000 was received by the CRA and the remaining was from the surplus properties. Finance Director D. Gibson said staff will get together and come up with that will fund a large part of this.

Councilmember K. Crystal suggested creating something incremental and creating a five-year plan.

City Attorney Clay Adkinson said we will discuss with the County about financing for the 1% rate adding the overall picture for our solid waste with the city will give us a picture. He said we have to have a good grasp of our share, what we owe, what are tipping fee is, so we are working to get our numbers. Mayor Campbell said staff will come back with the information,

d. Non-Profit Organizations

Finance Director D. Gibson asked whether Council wants to use the \$59,700 with the Council deciding on what agencies receive and the ranking.

Councilmember T. Bierbaum said it should be capped at \$5,000 each. He asked that staff tweak the questionnaire and bring it back for review.

Councilmember H. Ennis said some places do not give to non-profits.

Councilmember K. Crystal said this year we have unprecedented amount that is being giving out by the Federal government. He suggested not funding them as they have access to Federal money or add the question to use as a qualifier.

Councilmember Robert McKnight suggested \$30,000 with the \$5,000 cap, if they have received Federal funds, they are not eligible.

Councilmember T. Bierbaum said a lot of money we give goes to programs for young people and Council agreed the money should go to organizations that support the children.

Employee, Cindy Permenter said she has been getting questions on pricing for rentals from organizations such as Festival of Trees, the Chautauqua Hall of Brotherhood, and Walton County Athletic League. Councilmember T. Vallee supports giving the facilities use in lieu of cash to the organizations.

Council agreed on putting aside \$30,000 with a \$5,000 max per non-profit with children's services being a priority.

Councilmember T. Bierbaum said the facility rental fee should have a minimum charge to cover opening, closing and cleanup costs.

Discussion ensued on making the decision consistent for everyone and the possibility of waiving fees.

City Attorney Clay Adkinson said there are provisions in the code where fees can be waived by the city manager. He suggested not separating them out. He stated the application process should be about who is getting the dollars. He suggested sending the Council a draft of the questionnaire revision.

e. Employee Salary Discussion

Finance Director D. Gibson stated the CPI is 4.2% and 4.7% or higher per Social Security.

Councilmember T. Bierbaum said to look at one or two focus options adding employees are our biggest assets, but we cannot give them everything.

Councilmember Robert McKnight mentioned there were no pay increases last year except for those in the salary study. He suggested 2.5% with a 1.5% as a fall back.

Finance Director D. Gibson said 4.2% would be \$270,000 with benefits. She said that is a percent for every employee. In the past, the Council split the total between employees.

Council asked finance to come back with percentage costs at 4, 2, 3 2.5 and 1.5 per cent, as well as what the numbers would look like for a flat rate across the Board.

f. Other Budget Consideration

Councilmember Robert McKnight asked for an increase in staff for the Grants department, as we are short staffed adding Grants currently reports to the city manager and thought that may not be the place for them.

Councilmember K. Crystal asked about Liberty Partners. Kara Chilcutt said the third-party consultants are very beneficial and she is coordinating with them.

Councilmember T. Bierbaum said we are a \$160 million budget with \$30 million for grants. Fire, police, and public works need employees, so he suggested moving an employee that was funded in airport to another department.

Councilmember Robert McKnight said the CRA is not going to fund the second Code Enforcement officer, so we need to take a look at that position.

Councilmember K. Crystal said to balance out capital outlay with our funding adding we need additional person in HR because of the growth.

Councilmember T. Vallee suggested one position could be added to assist in several departments.

Public Works Director C. Drake said he would like seven or eight additional employees. Mayor Campbell said we are understaffed and have lost prisoner assistance. Public Works Director C. Drake said the State is thinking of closing that part of the prison system.

Finance Director D. Gibson thanked Council for their direction.

Councilmember Robert McKnight said it was helpful to discuss the situation early to help work together to build a better city.

Finance Director D. Gibson responded that she would present a balanced budget two weeks prior to the first meeting. Justifications will be shown for capital expenditures, and she will provide where the numbers are increasing or decreasing. Our first discussion will be on a balanced budget.

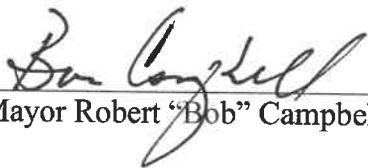
City Attorney Clay Adkinson said the budget can then be tweaked at the Council discretion.

4. Public Comment – No one came forward.

5. Adjourn


Mayor Campbell adjourned the meeting at 5:59 p.m.

Approved:



Mayor Robert "Bob" Campbell

Attest:



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

