

DeFuniak Springs City Council
Budget Workshop Minutes
Council Chambers
August 3, 2021
3:00 p.m.

The following members were present: Mayor Bob Campbell, Mayor Pro-Tempore Todd Bierbaum (Seat 1); Councilmember Robert McKnight (Seat 2); Councilmember Kevin Crystal (Seat 3); Councilmember Henry D. Ennis (Seat 4), and Councilmember Anthony Vallée (Seat 5). Also, present: City Manager Robert Thompson, City Clerk Maryanne Schrader, Finance Director Debra Gibson, and Finance Supervisor Morgan Hulion.

Mayor Bob Campbell called the workshop to order at 3:00 p.m.

2. Organizational Request

City Manager R. Thompson opened the meeting stating the last two identified on the list are highlighted as they applied after the deadline, mentioning they told him they were not notified by the correct email. He added the last item depicts the \$30,000 distribution amount.

In response to Councilmember R. McKnight on who received the submissions for the non-profits, Finance Supervisor Morgan Hulion replied they were given to the former city manager the last. Councilmember Anthony Vallée added the emails are just a courtesy.

Councilmember Kevin Crystal mentioned 13 and 14 should be eliminated because they are not a not for profit, and 15 and 16 were unresponsive since they missed the deadline.

Discussion ensued on following our deadlines, restrictions, and rules and what the direction of the nonprofit focused on regarding youth-related activities, as well as what non-profits are deserving of the allocation.

Mayor Campbell said the organization's contacts change and mentioned that 15, Boy Scouts and Girl Scouts do numerous volunteer activities for the city throughout the year.

Councilmember Kevin Crystal stated the Emerald Coast Children's Advocacy Center has a \$1.6 million budget. However, Councilmember T. Bierbaum said he is on their Board and the salaries are for Counselors. He added they have an impact on the kids and have prevented a lot of abuse. One of their main centers is in the city.

Councilmember T. Bierbaum said we had a special budget meeting and decided we would do youth-related activities, and Councilmember Kevin Crystal said it was to be directed toward more youth-related activities.

Council determined that the Boy Scouts and Girl Scouts and Walton County Athletic League, in line numbers 15 and 16 were notified via the website, and they spoke of the distribution for youth-related activities. Councilmember T. Bierbaum mentioned that for 15 and 16, are the epitome of what Council discussed in disbursement of the allocation. Councilmember H. Ennis said rules are rules, so 15 and 16 are out. Councilmember Kevin Crystal said items 13 – 16

should be considered non-responsive. Councilmember R. McKnight suggested placing an ad in the paper next year.

Councilmember T. Bierbaum said 14 non-profits made the deadline, however. He agreed with arguments on both sides and believes we should adhere to our deadlines.

Councilmember Anthony Vallée said there is a lot of pressure on staff. If we have a clear policy, possibly an automated listing that gets sent out, however, it is not advisable to have staff send out notifications.

Councilmember R. McKnight said there were nothing in the application for evaluation points, so Council may want to change that for next year. He mentioned if the funds are for supplemental efforts, it should be addressed in the future. Last year, we had a rating sheet, but that was not included this year, so we do not have a way to quantitatively rate the sheets. He voiced concern that there was no evaluation sheet available to rank the applicants.

Councilmember H. Ennis stated the most important thing is to allocate the \$30,000.

City Manager R. Thompson suggested that Council could rate by whether they are directing a youth-related service.

Mayor Campbell agreed that it is important that everyone should know our rules and give anyone who is new one last shot.

Councilmember Kevin Crystal said to include 1 – 4, as they focus on youth-related services. He said that added to \$47,300 with those which would leave us with \$11,000 for the remaining eight submissions. Councilmember Anthony Vallée concurred that only the DeFuniak Springs Little League, Boys and Girls Club and Emerald Coast Children’s Advocacy Center met our criteria.

Councilmember T. Bierbaum suggested getting a score sheet and bringing it up at the August 17th meeting. City Manager R. Thompson asked for clarity on objectives for ranking. Councilmember R. McKnight suggested adding it to the Monday agenda and Council agreed to getting ranking information to the city manager by Friday.

3. Employee Salaries

City Manager R. Thompson recommended 4% across the Board, as it is warranted by what the staff has done this year. Finance Director Debra Gibson said the percentage is based off the COLA which is 4.9% - 5.2%. Councilmember R. McKnight stated that it is merely a cost-of-living increase.

In response to Councilmember T. Bierbaum on how we are paying for this and what was included in the increase in the budget numbers, and Finance Director Debra Gibson replied to the majority of the two million increase in the budget is from grants and went over the airport and ARPA grants. Councilmember T. Bierbaum said there is still a \$10 million increase. Finance Director Debra Gibson said went over the revenue from the State regarding the tax increases and pointed out the General Revenue Chart. Councilmember T. Bierbaum asked where we are getting the

increase in Charge for Service. Finance Director Debra Gibson said that is our water and capacity fund increases added it is a separate number in the water and sewer budget line item.

Councilmember R. McKnight said he is pleased with the level of organization in the binder and appreciates the guidance from City Manager R. Thompson, as well as Councilmember T. Bierbaum request to have the finance director take the lead.

In response to Councilmember Anthony Vallée on when the grants come in, Finance Director Debra Gibson replied that it is detailed in the Grants section on page 55 and 56. Finance Director Debra Gibson referred to page 73 for grant revenue of \$1.8 million that depict the general fund side. On page 98, the SRF shows a grant and on page 96 the water grant adding Airport Grants are listed on page 105.

Councilmember R. McKnight mentioned the grant money is in the overall budget and if the money is not spent, it goes to the next year's budget and it only gives us permission to spend it if we receive it in that year. The budget is only a permission to spend it.

City Manager R. Thompson said phases in the grants are funded. There is a separation from operations and grants. The money has been moving continuously but it would be better to show where we are in the individual phases.

Councilmember R. McKnight thinks the grant money clouds the budget and gave the example of the airport. City Manager R. Thompson is working on the grants adding the airport is going vertical on the FBO in February. Finance has provided the pie charts to ease the clarity.

Councilmember T. Bierbaum agreed that the grants muddy the waters, and referred to page 8, showing a \$3.3 million difference in the grants and asked staff if they were confident that the seven-million-dollar increase is covered in the budget. City Manager R. Thompson said the airport grant is a \$5.1 million dollar increase.

Finance Director Debra Gibson referred to page 7, showing the huge increase under other uses, explaining a \$2 million dollar transfer last year, and sanitation was not budgeted. The increase of capacity fee is one million. There is a \$81,000 in reserve for General Fund, as we need to start the reserve.

City Manager R. Thompson stated he is confident we can operate with the proposed budget.

Councilmember R. McKnight asked about the bed taxes. Councilmember T. Bierbaum said it all goes to the county for disbursement.

In response to Mayor Campbell regarding the wastewater plans and whether we have enough money put aside for consultants, and Finance Director Debra Gibson said they budgeted the amounts that had been approved including some consulting services, such as PFM for financials, Jacobs, and Dewberry. She added there is \$2.5 million for other financial sources and \$1.1 million for the water meters included. The various projects are included as some are rollovers from last year, as well as the debt service.

Finance Director Debra Gibson said they had a productive meeting with the County Finance Director and said he believes we will see more revenue with an interlocal agreement.

Councilmember R. McKnight asked if the budget reflects a non-renewal of the Jacobs contract, and, Councilmember T. Bierbaum replied to the Jacobs contract ends in 2023.

Councilmember R. McKnight mentioned citizens want to see tangible items such as streetlights, bike lanes or sidewalks. He added asphalt, benches, sidewalks, a ramp for wheelchairs for over the bridge, safe clean drinking water is important, but tangible things are also important.

City Manager R. Thompson said the objective of the budget is for minimum operations. We have an old city and the things that he has asked for is important and on the radar. When we find revenue, we can amend the budget.

Councilmember T. Bierbaum called a point of order on salaries.

Finance Director Debra Gibson said the CPI is 4.9%. City Manager R. Thompson said we could go up to 5%. Councilmember R. McKnight said he is more comfortable with going closer to the CPI.

Discussion ensued on show appreciation to the employees, inflation concerns, expense of a one percent increase, being a more attractive employer, making benefits more attractive for retention and attraction and union considerations.

In response to Councilmember K. Crystal on if we approve the 5% pay increase, and HR Director L. Woodham responded that both Union representatives are here today, adding we will be in negotiations in the next month. The representatives are Allan Miller of the Police Benevolent Association, as well as an American Federation of State County and Municipal Employees Council 79 (AFSCME) representative.

Allan Miller of the Police Benevolent Association stated the 5% puts the city in the marketplace adding that the Council should keep in mind the training, uniforms, and cost of supplying one police officer, in response to Councilmember K. Crystal.

Chief Hurley came forward and said the 5% gets him where he needed to be with hiring for a starting police officer.

Finance Director Debra Gibson stated she added a new position for IT, however the IT manager had to modify his budget in order to hire a new person. There is a new position in the Public Works transportation budget, however, they merged the Sanitation and Grounds to make the Transportation budget. She stated the Fire department salaries were cut \$51,000 from his budget by a creative approach that the city manager and fire chief devised by changing the work schedule. Chief Sheffield is proposing the firefighters work a 2/ 12 schedule.

Chief Sheffield said the overtime was cut by having the firefighters works 212 hours in a 28 day to include one day off without pay. City Manager R. Thompson proposed to negate the overtime and raised their base to remove overtime. They will take their leave on the non-overtime week.

City Manager R. Thompson said the starting pay will be higher which makes us more attractive to new employees.

Councilmember R. McKnight voiced concern about the census and stated some revenue is generated by our census numbers. He voiced concern that we will not be able to show growth. However, if we are over 6,000, we are safe. He said to be cautious on basing any revenue from the Federal government.

City Manager R. Thompson said we are going to separate the Grants department and proposed a standard grant administrator to overview the grants department.

4. General Discussion

Councilmember T. Bierbaum said his intention was to discuss budget throughout the year and asked how we would be made aware of transfers.

Finance Director Debra Gibson mentioned the cemetery fund, and City Manager R. Thompson said an RFP went out for a cemetery contractor, and Finance Director D. Gibson said the proposed fee difference will increase the amount in the budget but not support cemetery operations. She went over the Walton County sidewalk program is in the budget, match funds for the grants with a \$100,000 in for a match, two employees were transferred to water keeping the budgets down, transportation requested machinery. City Manager R. Thompson said two police officers were placed in the budget adding each department is trying to be self-sufficient.

Councilmember T. Bierbaum commented that the employees did an incredible job in getting Christmas Reflections in top shape, but the overtime budget was slaughtered. He said the second issue is the \$6 fee to pay the water bill on-line and suggested the city absorb it. City Manager R. Thompson said we will look at it next year, as it is a universal fee for all credit card companies. Councilmember T. Bierbaum said it should not be passed along to the customer, and City Manager R. Thompson said he will amend the budget, if he can find a loophole.

Mayor Campbell mentioned he would like to see all business done on-line by credit card, and Finance Supervisor M. Hulion said the goal is to do it all online through the Civic module.

Councilmember R. McKnight stated he would like to have advertising for all facilities, as well as marketing the cemetery. Council agreed with marketing strategies. Mayor Campbell said Mr. Mitchell is going to market the city more.


Councilmember Anthony Vallée mentioned whether we budgeted IT cost for the move of City Hall, and City Manager R. Thompson said \$400,000 has been allocated for the move including \$30,000 for the 911 to be allocated with Chief Hurley. Councilmember T. Bierbaum said that estimate is underestimated and can be revisited once we have hard numbers.

Councilmember Anthony Vallée said he had forwarded floor plans for the facility and printers can be consolidated, if we are all in one building. Discussion ensued on the need for a paperless system.

Finance Director D. Gibson stated she added a sergeant in the budget. Fire Chief R. Sheffield said he is working on a succession plan by adding the sergeant position. HR Director L. Woodham said they already have someone placed for a step-up position, but this position will be in black and white. She also said another position in Planning is going to be filled. Regarding the GIS position, Public Director Craig Drake said Mr. Wallace will handle all GIS, there is an employee in training that is taking care of the mapping, adding the utility maps and infrastructure is also being done.

Mayor Campbell adjourned the meeting at 4:47 p.m.

Approved:



Mayor Robert "Bob" Campbell

Attest:



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

