

**DeFuniak Springs City Council Budget
Workshop Meeting Minutes
Council Chambers
January 20, 2026**

1. Call to Order

Mayor Bob Campbell called the meeting to order at 4:00 PM.

Present: Mayor Bob Campbell; Councilmember Todd Bierbaum (Seat 1); Councilmember Josh Sconiers (Seat 2); Mayor Pro-Tempore Amy Heavilin (Seat 3); Councilmember Glen Harrison (Seat 4); Councilmember Danny Cosson (Seat 5).

Absent:

Also, present were City Manager Koby Townsend and City Clerk Rafael Ali.

2. CITY COUNCIL GENERAL DISCUSSION/FOLLOW UP

Mr. Townsend presented that the City of DeFuniak Springs has a total of 3,945 parcels.

Mr. Townsend stated that the total taxable value of these parcels is \$445,918,796.

Mr. Townsend stated that 1,088 of the parcels are homesteaded, with a taxable value of \$87,715,164.

Mr. Townsend stated that the City currently has \$482,000 in taxable revenue.

Mr. Townsend stated that the City is budgeted for FY 2025–2026 to receive \$2.5 million in taxable revenue.

Mrs. Heavilin asked, of the \$2.5 million, how much is allocated to the CRA.

Mr. Townsend stated that this year's City allocation to the CRA is \$1,111,645.

Mr. Cosson asked whether the \$482,000 is revenue going solely to the City or shared with the CRA.

Mr. Townsend stated that the \$482,000 represents the amount collected in taxable values.

Mrs. Heavilin asked whether Mr. Townsend's presentation was provided on an Excel spreadsheet.

Mr. Townsend stated that it was and that he was preparing to pull it up.

Mr. Harrison asked about the 95% figure.

Mr. Townsend explained that the City budgeted both the CRA amount and General Fund revenue, which establishes the estimated collection for the year.

Mr. Cosson asked what the sum of those numbers was.

Mr. Townsend responded that the total is \$2.5 million.

Mr. Cosson asked if that amount was what is being given to the CRA.

Mr. Townsend answered no.

Mr. Bierbaum asked what the total revenue for the General Fund was.

Mr. Townsend responded that the total is \$14,728,468.

Mr. Sconiers asked if that figure represented the budgeted amount.

Mr. Townsend confirmed that it did.

Mrs. Heavilin asked whether that total included transfers in.

Mr. Townsend stated that it does.

Mrs. Heavilin stated that what is budgeted is not necessarily reality.

Mr. Bierbaum stated that because it was adopted, it is considered reality.

Mr. Townsend asked Mr. Ali to make copies of his handout.

Mr. Sconiers asked how closely actual revenues matched budgeted amounts when reviewing prior budgets.

Mrs. Heavilin asked if that information was readily available.

Mr. Townsend stated that the 2024 actuals totaled \$14,010,497.

Mrs. Heavilin stated that the current numbers had not been adjusted.

Mr. Sconiers stated that budgets must be prepared without knowing exact actuals.

Mr. Sconiers clarified that he was simply curious about how current figures compare to the budgeted amount.

Mrs. Heavilin stated that she would go upstairs to retrieve a copy of the actual audit.

Mr. Townsend stated that the problem with actuals is that budgeting occurs without knowing what the final numbers will be.

Mr. Townsend stated that the City wants to reach a position where a supplemental budget can be adopted to clean up discrepancies.

Mr. Ali distributed Mr. Townsend's handout.

Mr. Townsend stated that the figures were provided by the Property Appraiser.

Mr. Townsend stated that when TRIM notices are received, the City will see the increase from the prior year.

Mr. Townsend stated that those numbers will be available in June.

Mrs. Heavilin stated that in September 2024, the General Fund total was \$10,165,000, while expenses were \$11.8 million.

Mr. Sconiers stated that the City was short.

Mrs. Heavilin confirmed that statement.

Mrs. Heavilin stated that there was a \$1.6 million deficit.

Mrs. Heavilin also noted a \$1 million variance.

Mrs. Heavilin stated that this was a significant difference and directly impacts the discussion.

Mr. Heavilin stated that this represents a \$4 million difference and that the City is consistently a year behind.

Mr. Bierbaum stated that budgeting is based on projected numbers.

Mr. Cosson stated that it is important to obtain real-time financial information.

Mr. Cosson also stated that having the right personnel in place is critical.

Mr. Townsend stated that the finance department has not been fully staffed since 2024.

Mr. Bierbaum stated that two or three years ago, an outside finance consultant recommended a minimum of eight staff members in the finance department.

Mr. Townsend stated that accounts payable and payroll need to be separated.

Mr. Townsend stated that the City should evaluate how to eliminate unnecessary steps and eventually divide duties between two employees rather than one.

Mr. Bierbaum stated that auditors require separation of duties.

Mr. Bierbaum stated that accounts payable and payroll carry significant responsibility.

Mr. Bierbaum stated that City staff are facing increasing demands.

Mr. Bierbaum stated that the City must find a way to fund these growing demands.

Mr. Bierbaum stated that \$2.5 million in total millage represents approximately 9% of the General Fund.

Mr. Bierbaum stated that this reflects what growth looks like from a financial standpoint.

Mr. Bierbaum stated that the \$1.1 million does not offset the \$2.8 million that must be transferred.

Mr. Bierbaum stated that growth alone is not a solution, as the City already has the projected growth numbers.

Mr. Bierbaum stated that while growth is beneficial, it will not solve funding issues.

Mrs. Heavilin asked how Mr. Bierbaum calculated his figures.

Mr. Bierbaum stated that his calculations were based on taxable value.

Mr. Cosson asked whether finance staffing was affected by position cuts.

Mr. Townsend stated that the total number of positions did not affect finance, fire, or police.

Mr. Bierbaum clarified that Mr. Cosson was referring to a presentation made to Council that did impact all departments.

Mr. Townsend stated that, during that exercise, all departments participated.

Mrs. Heavilin asked what the total taxable value was for 2026.

Mr. Townsend responded that the taxable value for 2026 is \$445,918,796.

Mrs. Heavilin asked which year that value represented.

Mr. Townsend confirmed it was 2026.

Mr. Bierbaum stated that the amount is lower than the previous year.

Mr. Townsend stated that the figure was provided by Mr. Gregory.

Mr. Townsend noted that the figure may represent the adjusted taxable value.

Mr. Bierbaum stated that the 2019 taxable value was \$239,443,868, nearly a 100% increase over six years, which he described as a significant increase.

Mrs. Heavilin clarified that this reflects only the increase in taxable value.

Mr. Sconiers stated that costs are outpacing growth significantly.

Mrs. Heavilin asked where the City goes from here.

Mr. Sconiers stated that he wants to meet early due to the possibility of homestead tax changes.

Mr. Sconiers stated that the City is currently "robbing Peter to pay Paul."

Mr. Sconiers asked how the City will address long-term budget shortfalls.

Mr. Sconiers stated that the issue ultimately comes down to how government is funded and how it will continue to operate moving forward.

Mr. Sconiers asked how the City can free up budget capacity to continue providing services, particularly for the Fire Department.

Mr. Bierman asked what the number was that was agreed to cut.

Mr. Townsend stated that to get down to 10 percent is \$1.5 million to get the total utility transfer to 10 percent.

Mr. Townsend stated that the carryforward number had to be fixed this year.

Mr. Townsend stated that one of the blocks was used to fix that issue.

Mr. Bierbaum stated that if the City loses half a million in property tax, it is doubling how much has to be cut.

Mr. Townsend answered yes.

Mrs. Heavilin stated that this is a bad cycle and that it is not their fault, but they have to figure out how to fix the issue.

Mrs. Heavilin stated that they will have to cut an extra half a million dollars.

Mrs. Heavilin stated that the majority of the "meat" is in the people.

Mr. Bierbaum stated that they went through the budget line by line, and at six years they found themselves at \$2.7 million.

Mr. Bierbaum stated that this is something that has been built up.

Mr. Bierbaum stated that Mel was told this was normal where he was coming from.

Mr. Bierbaum stated that what he did not understand was that he saw old, aging infrastructure.

Mr. Bierbaum stated that if they keep transferring out of this fund, how will they pay for these issues.

Mr. Sconiers asked if they are going to solve this or kick the can.

Mr. Heavilin stated that they have a lot of properties.

Mrs. Heavilin stated that she understands this is a one-time solution.

Mr. Sconiers stated that he wanted to look at leasing properties.

Mr. Sconiers stated whether they are able to collect revenue from them.

Mr. Sconiers stated whether they are even able to depend on that for budgeting.

Mr. Sconiers stated that they need to see if it is worth it or to cut their losses.

Mrs. Heavilin stated that they need to look at operations.

Mrs. Heavilin stated that there are lights on in buildings and that they need to see how they can save money.

Chief Hurley stated that he is not a financial guru, but you can save money in a lot of places.

Mr. Hurley stated that motion-activated lights are a good cost-saving option.

Mr. Hurley stated that the City has facilities where lights are left on and air conditioning runs all night long.

Mr. Hurley stated that every department needs to look at their facilities and how they operate.

Mr. Hurley stated that the City pays monthly for Microsoft 365 accounts.

Mr. Hurley stated that the City has small pots they need to tap into.

Mr. Hurley stated that he does not know how many more accounts they have.

Mr. Hurley stated that looking at vehicles and building insurance is important and that safeguards should be created to ensure the City is insuring what it actually has.

Mr. Hurley stated that directors need to see where savings are occurring.

Mr. Hurley stated that the City is losing money in non-ethanol gas.

Mr. Hurley stated that at 15%, they will save \$10,000 in fuel costs.

Mr. Hurley stated that this is the kind of cost savings they can do.

Mr. Hurley stated that this is an instant cost they can see.

Mrs. Heavilin asked how often mowers are fueled compared to larger engines.

Mrs. Heavilin stated that she just wants to better understand this.

Mr. Heavilin asked if there is a report to see how many gallons have been used.

Mrs. Heavilin asked if they can get a spreadsheet showing the amount of fuel each department uses.

Mr. Andrew answered yes.

Mr. Heavilin asked if they can negotiate fuel with the fuel company.

Mr. Andrew stated that there is an interlocal agreement with Walton and Okaloosa Counties for fuel.

Mr. Sconiers stated that he would be curious what the annual savings would look like.

Mr. Harrison asked what the size of the tank is.

Mr. Andrew answered 6,000 gallons.

Mr. Bierbaum stated that he has been looking at home automation and would never pay back the cost of the switches.

Mr. Bierbaum stated that they should be conservative where appropriate.

Mr. Bierbaum stated that if they are paying someone to turn off the switch, it defeats the purpose.

Mr. Bierbaum stated that these ideas are great and asked why not allow him to implement some of these at his level and show the budget decrease.

Mr. Hurley stated that they should be mindful of what they are doing and try to reduce the light bill.

Mr. Hurley stated that last year the budget included \$15,000 for airport cleaning.

Mr. Hurley stated that if a private company were used, the City could save on cleaning and custodial services.

Mr. Hurley stated that he was looking at voluntary annexation.

Mr. Hurley stated that Highway 90 and 331 need to be annexed because the City is missing sales tax revenue from that area.

Mr. Hurley stated that there are three commercial properties not annexed into the City.

Mr. Hurley stated that the Dollar General by Walton Road is not in the City limits.

Mr. Hurley stated that the North Walton Doctors Hospital is not within City limits.

Mr. Hurley stated that those property owners could potentially buy into this.

Mr. Sconiers stated that he was for annexation before, but now not as much because of the possible removal of property taxes.

Mr. Hurley stated that they are going to have to sacrifice something from time to time.

Mr. Sconiers asked if they look at continuing improvement throughout the City.

Mr. Cosson stated that Governor Askew said that if you come up with a cost-saving initiative, you get 10% of everything saved.

Mr. Campbell stated that ABM could check to see where waste is occurring.

Mr. Townsend stated that the City could have an energy assessment for savings.

Mr. Townsend stated that the City reached out to the City of Tallahassee to see how they did it.

Mr. Townsend stated that from that, changes can be implemented.

Mrs. Heavilin stated that the County has done that before and Mr. Townsend can reach out.

Mrs. Heavilin asked if Raftelis has been talked to about doing a five-year plan.

Mr. Townsend stated that February 4th is a full day with the consultant.

Mr. Townsend stated that they will see what Raftelis says and budget based on Council priorities.

Mr. Townsend stated that if it is not part of a strategic plan, they do not do it.

Mr. Harrison thanked Chief Hurley for thinking about these ideas.

Mr. Harrison stated that they do not know until they look where they can save.

Mr. Harrison stated that it is hard to budget for things they do not know, and that is part of budgeting.

Mr. Harrison stated that they do not know what will happen to property taxes for sure.

Mr. Harrison stated that the County may also see a decrease in property tax revenue.

Mr. Harrison stated that until those meetings occur, they will not know if it is feasible.

Mr. Harrison stated that they need to anticipate ways to save revenue.

Mr. Harrison stated that they have \$12,900 in impact fees.

Mr. Harrison stated that many communities have higher impact fees.

Mr. Harrison stated that reasonable impact fees are needed.

Mr. Harrison stated that developers need to help pay those fees.

Mr. Harrison stated that fire assessments have been discussed and that the County has not been providing fire services.

Mr. Harrison stated that no one has ever asked for that.

Mr. Harrison stated that there may be the possibility of finding help with some of these issues.

Mr. Harrison stated that they need to see what they can realistically do.

Mr. Harrison stated that a City their size should have a fire assessment.

Mr. Harrison stated that he does not want to run people off, but they need to communicate that the City is growing.

Mr. Cosson stated that the County fire assessment is \$75 per residence, and Liberty is also \$75.

Mr. Cosson asked Mr. Bierbaum what a reasonable increase in fire assessment would be.

Mr. Bierbaum stated that he has not been able to talk to business owners yet.

Mr. Bierbaum stated that personally he is writing a check for \$4,800.

Mr. Bierbaum stated that this would add \$1,200 to his taxes.

Mr. Cosson stated that they do not need to go by the County assessment.

Mr. Cosson asked if the County assessment is fair.

Mr. Bierbaum stated that there are a lot of homesteaded exemption properties.

Mr. Bierbaum stated that the assessment is very homestead-property heavy.

Mr. Bierbaum stated that his taxes have gone up 200% since owning his building.

Mr. Cosson asked if the Council would consider implementing a fire assessment at a reasonable amount.

Mr. Bierbaum stated that it is worth having the conversation.

Mr. Bierbaum stated that it will take him some time to figure this out.

Mrs. Heavilin stated that they are going to figure out whether to implement this or not.

Mr. Townsend stated that they are going to have to hire a consultant to handle this.

Mr. Cosson stated that while brainstorming ideas, they discussed the City road department.

Mr. Heavilin asked how the firehouse became the core of the discussion.

Mrs. Heavilin stated that she was trying to figure out who is in their range.

Mr. Cosson asked if the City road department is the only municipal road department.

Mr. Sconiers answered that they are the only one.

Mr. Bierbaum stated that they will not get the fire protection deal.

Mrs. Heavilin stated that she watched part of the County meeting regarding potential homestead tax decreases of \$31,000,000.

Mr. Harrison asked the County what they can do to help the City with fire protection.

Mr. Harrison stated that this would help determine a fire assessment.

Mr. Harrison stated that with more people moving here, more money is being spent locally.

Mr. Harrison stated that the larger the population, the more money circulates.

Mr. Harrison stated that as the City grows, so will revenue.

Mr. Harrison stated that he does not want residents to lose their homes.

Mr. Harrison stated that they need to look at everything.

Mr. Harrison stated that he wants to see how much revenue has grown to offset the fire assessment.

Mr. Bierbaum stated that reasonable property sales justify what they are charging.

Mr. Harrison stated that property values have increased significantly in Walton County, driving up property taxes.

Mr. Bierbaum stated that they have real growth numbers and that since 2019 they have seen 100% growth.

And it is \$1.1 million, and it does not offset all expenses.

Mr. Harrison stated that additional burdens cannot continue and that this is one of the fastest-growing counties in the country.

Mr. Harrison stated that they need to figure out how to keep the fire department without hurting people.

Mr. Heavilin stated that there is a Value Adjustment Board where residents can contest property values.

Mr. Bierbaum stated that if they adopt the assessment, the theater would pay \$25,000 based on square footage.

Mr. Bierbaum stated that this is more than the theater pays in insurance.

Mr. Bierbaum stated that costs continue to increase.

Mr. Bierbaum stated that the state-level conversation has not been done correctly.

Mr. Harrison stated that new providers will allow the market to work itself out.

Mr. Harrison stated that there will be a reduction in homeowner insurance.

Mr. Harrison stated that Representative Abbott presented a bill regarding Harborside Field property.

Mr. Harrison stated that he thinks it will move forward.

Mr. Abbott stated that this will open the City up to grant opportunities.

Mr. Bierbaum stated that sales tax is better than property tax.

Mr. Harrison asked what the projected revenue for the sales tax would be—\$1 million.

Mr. Harrison asked if it could be used for fire.

Mr. Hurley at 1:43.

Mr. Hurley asked about enterprise funds such as sewer and water, where costs are paid from generated revenue.

Mr. Hurley stated that they can absorb some dispatch costs.

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Mr. Hurley stated that they answer utilities phones when they are not working.

Mr. Hurley stated that they provide that service.

Mr. Townsend stated that technically it already is.

Mayor Campbell asked if they will have meetings for fire and CRA.

Mr. Townsend stated that staff will work on scheduling those dates in February.

Mrs. Henderson stated that the Council conversation has been enlightening.

Mrs. Henderson added that they should look for more grants.

Mrs. Henderson stated that sometimes you can request twice what you want to match grant criteria.

Mr. Henderson stated that efficiency is important and that they should challenge employees for that.

Mrs. Henderson stated that turnover is expensive.

Mrs. Henderson stated that big machines can be placed where they are most useful.

Mrs. Henderson stated that now is the time for automation.

Mr. Townsend stated that he is working on a centralized place to communicate and collaborate among staff members, and that this should cut down on a lot of back and forth between staff members.

Mr. Townsend stated that there is a lot going on the grants side.

Mr. Townsend stated that he agrees with grants but that they are getting to the point where they cannot manage them properly.

Mr. Townsend stated that they are running out of time.

Donna Arnold, a citizen of DeFuniak Springs, stated that the fire assessment in Argyle is \$100 and Liberty is \$75.

Mr. Arnold stated that the reason a City exists is to provide enhanced services at a higher level than the County.

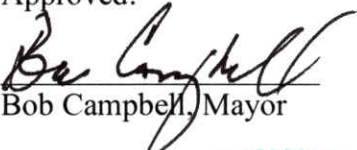
Mayor Campbell asked if it includes churches and nonprofits.

Mr. Arnold responded that nonprofits are often considered a business, and for taxes they have to pay their share like citizens do.

3. ADJOURNMENT

Meeting Adjourned 5:00 PM.

Approved:


Bob Campbell, Mayor

ATTEST:



Minutes taken by Rafael Ali
City Clerk

Proper notice having been duly given

