

MINUTES
SPECIAL COUNCIL MEETING
CITY OF NICEVILLE, FLORIDA
AUGUST 30, 2022

The Niceville City Council met in special session at 6:00 PM, August 30, 2022 in the Council Chambers, 208 N. Partin Drive. Mayor Henkel and all Council members were present. Councilman Williams and Councilman Nodjomian attended by voice conference. Also present were: City Manager, Lannie Corbin; City Clerk, Dan Doucet; Steven Rausch, Finance Director and Deputy City Clerk, and 4 other attendees. Mayor Henkel called the meeting to order at 6:00PM.

PUBLIC HEARING

Mr. Morris greeted the City Council. Mayor Henkel asked, do we want to go through the resolution first? Mr. Morris said, that's what I was going to suggest. The first item was the Niceville Housing Authority (NHA) Resolution and the agreement. We had an email from Mr. Dixie Powell to Mr. Rausch yesterday. Mr. Doucet emailed you a copy of the agreement and you have a copy of the agreement there. Right, said Mayor Henkel. If you notice, one of the "where-as" paragraphs on the agreement says the Council, by resolution, adopted this agreement. We didn't want to sign that until we actually had a Council resolution that matched what was being signed in the agreement. Mr. Powell had sent it for Mr. Corbin to sign. Basically, what we're asking is for the Council to approve Resolution 22-08-01, A Resolution approving the agreement between the City of Niceville, Florida and the Niceville Housing Authority, concerning the Payment-In-Lieu-Of-Taxes (PILOT) program; Authorizing the City Manager to Execute said Agreement; Providing for Adoption of this Resolution; and Providing for an Effective Date. Councilman Nodjomian motioned approval. Councilman Donahoo seconded.

Councilman Schaetzle said, we made this effective now, and it doesn't say anywhere in here the duration. So, should the resolution say a duration, like one year, two years, or five years from today? Mr. Morris said, I believe the resolution is just the Council authorizing the agreement which has a five-year term. Article 3, on the agreement itself, has a period of five years. Councilman Schaetzle said, then it would be five years from the date of our approval, the signature authorizing the approval? Mr. Morris replied, yes. The agreement is good for five years from the time it is signed. Councilman Schaetzle said, that was my only question. Thank you.

Mayor Henkel asked, are there any other questions from the Council? Are there any questions from the audience wanting to address this issue before the Council? Council Vote: Williams-yes; Donahoo-yes; Alley-yes; Schaetzle-yes; Nodjomian-yes. Motion passed.

Mayor Henkel said, we will move on to the next order of business. Mr. Morris said the next item is FY23 Budget discussions. We are not bringing anything new, except for the reduction in the budgeted millage rate, from 4.0000 to 3.7000. We made some adjustments in a couple of the department budgets, and we were able to reduce the millage rate down to 3.7000.

Councilman Donahoo asked, what was the biggest reduction? Mr. Morris replied, there were a couple of reductions in the Parks Department. One of them was the bathroom up at the Twin Oaks park. Instead of rebuilding it this year, we're going to postpone that and hopefully, put it back in the budget next year. We could possibly be able to do part of the project this year if the funds are available. There were a couple of smaller projects that were things that we had budgeted for next year, that we were able fund out of this year's budget. That was \$50,000 or \$60,000.

Councilwoman Alley asked, what was the first item that you took out of the FY23 budget? Mr. Morris replied, the bathroom at Twin Oaks, close to the Mullet Festival site. Councilwoman Alley asked, what was the cost to do that project? Mr. Morris replied, it was \$100,000. Councilwoman Alley said, I've received a lot of complaints about that bathroom over there. Mr. Morris said, we are intending to look at that and see what we can do if we have other expenses that we can move around. That was one of the projects we looked at delaying in order to drop that millage rate. Councilwoman Alley said, I really don't want to see that taken out of the budget, if we can't move that someplace else, because there's so much activity that takes place up at that field and those bathrooms are so old.

Mayor Henkel said, okay do we have more questions? Councilman Schaetzle said, at the last meeting, I mentioned that I would like to see an Assistant City Manager position added into the budget for FY23. We had one for FY22, and then we never exercised it. So, Mr. Corbin agreed to that, and you said you could take it from different categories. I'm asking you, what amount are you putting into the budget? And, my second question is, does it include the Community Redevelopment Agency (CRA), as a funding source? Mayor Henkel asked, are you asking that this particular position be dual-hatted as an Assistant City Manager and as an Assistant CRA Director? Councilman Schaetzle replied, well that might be a good idea to consider. And if that is in fact true, would it not be a legitimate entry against the CRA budget? Yes, it would be. Are you asking could part of it be charged against the CRA budget, asked Mr. Corbin. Part of it, replied Councilman Schaetzle. Yes, replied Mr. Corbin. Going back to the first question; how much did you put into the FY23 Budget for an Assistant City Manager, asked Councilman Schaetzle? Mr. Corbin replied, from what Mr. Morris just said, we did not put anything in there. Mr. Morris said, we did not put anything in there at this point. Mr. Corbin said, within the same budget we have, we can easily budget for that. We talked about \$75,000 as a start. But, it comes out of CRA, O&M, and General Fund, so it would hit 3 different funds. Can you go as high as \$110,000, without changing our millage rate, asked Councilman Schaetzle? We can do that without changing the millage rate. No problem, replied Mr. Corbin.

Councilman Schaetzle said, I would like to propose that we have a target of \$110,000 for an Assistant City Manager. Whether we ever execute the whole thing or none of it this fiscal year remains to be seen. Mr. Corbin replied, okay. That's no problem. I will take care of it.

Councilwoman Alley asked, what happened with the salaries for the Police Department and the Fire Department? Did they stay at 10 percent? Did you reduce them? Where are we? Mr. Morris replied, the amount of money budgeted right now is for a 10 percent increase over last year's salary budget, to be allocated by Mr. Corbin.

Councilwoman Alley said, I do have a question about the rebuilding of the bathrooms. Can that be taken out of the bed tax, because it promotes tourism? Mr. Morris said, it might be something that would qualify for using that money, but it would not be something that we could put in this year's budget, because the use of all of those tourism dollars has to be approved by the Tourist Development Council, and it has to go through their budget process as well. Then the County Commission has to approve that. So, that's a process that's already been done for this year, said Mr. Morris. I'd have to check on it. I don't know for sure that it would qualify. I feel like it would be a valid expense for the use of that money, but that would be something that we would have to tell them next year to see if they would approve using some of our money for that. So, I think we will be able to at least start on that project, but it will depend on the pricing on some of the other budgeted projects too. Councilwoman Alley said, I don't want to go back to people and say we think we can do this, because there are so many complaints about that bathroom out there. I just want to somehow be able to get it in the budget so that it can be done. Do we think it's going to cost \$100,000 to do that project? It's not that big, said Councilwoman Alley. Mr. Laird said it can be done for \$60,000. Mr. Morris replied, \$60,000 to Councilwoman Alley. Again, I think we can work that in with what we're doing this year, said Mr. Morris. Councilwoman Alley said, I don't want it pulled out of the budget and then forgotten about. Mr. Morris replied, I can assure you it will not be forgotten, because we hear the complaints as well as you do. The discussion continued along the same lines. We'll take care of it, said Mr. Corbin.

Councilman Williams asked, how much of the budget is allotted for the Assistant City Manager? Mr. Morris replied, they just talked about \$110,000. Well, there's your bathroom, replied Councilman Williams. Mr. Corbin said, I think the bathroom is something we can do a much better job with in-house. We'll take care of the bathroom. Councilman Nodjomian said, my comment on that is, in my nearly 10 years on the Council, we have historically under-executed the budget. That is an easy project to use excess funds for, as we get through the year, especially using in-house labor. I agree said Mr. Morris. I agree said Mr. Corbin. Are there any other questions from Councilman Williams or Councilman Nodjomian? No sir, said Councilman Williams. Nothing further, said Councilman Nodjomian.

Mayor Henkel asked Mr. Morris, how do you want to do this? Do you want to highlight the key areas, or do you think you've covered everything already? Mr. Morris said, we have presented all of the key items. I don't think there have been any other major changes, other than the reductions. If you have questions, we're here to answer questions. I didn't necessarily prepare to present anything else, because we've already presented the entire budget.

Mayor Henkel said, let me open this up to the rest of the Council. Mr. Donahoo do you have anything? No sir. Ms. Alley? I don't think so, replied Councilwoman Alley. Mr. Schaetzle? Yes, I have one more thing, but it's not on the budget, because you've addressed my concern of \$110,000 for the Assistant City Manager, said Councilman Schaetzle.

Councilman Schaetzle said, let me just take a second and pass this down the dais here, so that each of you can take a copy, and I want to give Mr. Doucet and Mr. Corbin a copy too. Mayor Henkel said, for Mr. Williams and Mr. Nodjomian, what Mr. Schaetzle has passed out is a document that is entitled "City Manager, City Clerk, Assistant City Manager, Performance Review Process and Discussion". With that, I will let Mr. Schaetzle address his paper here.

Councilman Schaetzle said, thank you. So, I think it's time for our City Council to have a discussion on our City Manager and our City Clerk, and their performance of the work they're doing. The Councilman on the telephone have not had the opportunity to read this document, but I have asked the question in this document, why do we need these performance evaluations. The first reason is that no formal process exists to evaluate you or give you feedback on how your performance has been. Councilman continued reading the handout he prepared and explaining why performance evaluations for these three positions were necessary.

Councilman Schaetzle explained having a process for performance evaluations and updated job descriptions would assist the Council with the transition and continuity planning and eventually the hiring process when any of these three leadership positions became vacant. Councilman Schaetzle said Mr. Lassiter updated job descriptions 5 or 7 years ago, but was not sure if they had been updated recently. The City Manager, the City Clerk, and the Assistant City Manager would all three report to the City Council, and this would be reflected in the City Charter. Councilman Schaetzle spoke at length, in favor of having a process for performance reviews and updated job descriptions for these three positions.

Councilman Schaetzle said the Florida City and County Management Association (FCCMA) has sample review processes on their website which could be adapted for our City without any problem. The job descriptions that I have seen are seven years old or older, and they should be updated. We will have to establish a job description for an

Assistant City Manager if and when we bring that person on board. This would be established through an official written performance review matrix. Councilman Schaetzle described how some other cities use a matrix to evaluate their City Manager, City Clerk, and Assistant City Clerk. I think we may have to pass a resolution to bring in a formal review process. This is something that Mr. Powell may have to look at. I know some other cities have done that, said Councilman Schaetzle. We may want to do it that way too, because it tells the Council, and the Council is telling the City, that this is the process that is going to be used. It's going to have a semi-annual feedback, or monthly feedback, and once a year, you will have a formal process of getting your review.

The second to the last bullet that I have is updated job descriptions, said Councilman Schaetzle. This is me. It is very aggressive. For the City Manager and the City Clerk, I think September 2022 should be looked at. Mr. Corbin, I'd like your permission to work with Ms. Danielle Holley, to go through and look at these, and if something has to be changed, to change it. We'd have to write a new job description for an Assistant City Manager. Councilman Schaetzle explained how he would like to go about creating the job description.

Councilman Schaetzle said, we can formalize an evaluation process, to include the forms. The FCCMA has forms out there. The City of Destin has forms. The City of Crestview has forms. Fort Walton Beach has forms. So, we can easily take forms and adapt them.

Councilman Schaetzle said, I'd like to bring this back to the Council, hopefully by October or November to have a further discussion on it. If it's all agreed upon, then we can move forward with a resolution to formalize it. So, the effective date would be in FY23. I'll open it up for comments. This is my brainstorming. Again, I'll say I am not disappointed. I am not pointing any fingers at the City Clerk or the City Manager in what you are doing now, but I do think the Council is going to be caught flat-footed and short, when the time comes that we have to scramble to get another City Manager or City Clerk in here because of some situation that happened to either of these two gentlemen. I welcome your comments, said Councilman Schaetzle.

Mayor Henkel said I appreciate that. Does anyone on the Council have any comments that they want to share? Councilwoman Alley said, thank you for putting this together. Having gone out and had to hire and do job searches for CEOs and AEs, and associations that I have worked for, there's always a matrix that I had to follow. So, I think it's a good thing for us to look at and put something together to be prepared for whenever it is that we need to be prepared. So, I do believe it is something we need to look at and put together, said Councilwoman Alley.

Councilman Schaetzle said, I have one more comment if I can share it with the audience. Some of you know I serve on the Florida League of Cities Board of Directors. I just completed my second year, and every year the Board of Directors is asked to evaluate the

Director of the Florida League of Cities, in writing, and return the forms back to the League of Cities. So, every year I have to evaluate the Director. It used to be Mike Sittig, and his successor is Jeannie Garner. I have done this now two years in a row. It is something done in the military and in civilian organizations. Councilman Nodjomian, you might be able to chime in if you do something similar to this. I know a lot of civilian companies do this and I think it is something that will truly help us when we have to go out and look for another person to fill these positions.

Councilman Nodjomian said, Councilman Schaetzle the short answer to your question is absolutely this is something we do in the civilian sector. My company does this routinely and I applaud you for the initiative.

Mayor Henkel asked, are there any other comments? Councilman Schaetzle, I want to thank you for putting this together. This is excellent and you are right. This is something that I am very familiar with, both in the civilian sector as well as in the military sector. We do need to have some guidance laid out to make sure that we're always prepared. So, I appreciate it.

Councilman Schaetzle said, that being said, I'm not asking for a vote on this tonight. It sounds to me like I should be going ahead with the proposed timeline down there at the bottom of the page. It's a very aggressive timeline, and it shouldn't be very hard to do, and Mr. Corbin, with your concurrence, I'd like to work with Ms. Holley just to make sure that the job description for City Manager and City Clerk are brought up to date if something appears to be incorrect with them. I concur, said Mr. Corbin.

Mayor Henkel said, for Mr. Williams and Mr. Nodjomian, as Mr. Schaetzle was going through, he has a proposed timeline that reads as follows: update job descriptions in September 2022, which is next month. Write new job description for new Assistant City Manager also in September 2022. Formalize the evaluation process and the forms in October 2022. Then he is suggesting that there be a resolution to come before the City Council no later than November 2022, to validate and approve all of this. Councilman Nodjomian said, understood. Councilman Williams said, sounds good.

Councilman Schaetzle said, to my fellow councilmen, I thank you for that. I will be working on this diligently in two days. Tomorrow is my wife and my 48th wedding anniversary and my wife and I have plans. So, it is going to be on the 1st to start with this work. Mayor Henkel said, I can fully appreciate that, so that's fine. Is there anything else from Mr. Corbin and your staff that you want to bring up, asked Mayor Henkel? Does anyone in the audience have anything that they would like to address the Council about? If not, Mr. Schaetzle, you have the floor again.

Councilman Schaetzle said, the budget process is a very complicated and brain-draining process, and I want to thank all of the staff up through the directors, up through our

management staff for the efforts that you have put in and for the countless hours that you have spent to put this together. I also would like to thank you for holding the millage rate level. We knew you could do your magic. We just had to look for the dust, so thank you, said Councilman Schaetzle.

Councilwoman Alley said, I have one more question. I just want to make sure in the budget, under Information Technology (IT), there is funding to stream our meetings. Mr. Morris replied, there is money in the IT budget for that. Councilwoman Alley replied, okay I would like to say ditto to what Councilman Schaetzle just said because I know this is a very hard process to go through. I've gone through several budgets, and you have done a very good job. So, thank you very much for a good job to get us back to 3.7000.

Councilman Nodjomian said, same comment from me. I appreciate them bringing us back to 3.7000. That was always our goal. So, I appreciate everyone's hard work.

Mayor Henkel said you all have worked very hard and we appreciate it. The meeting adjourned at 6:31 p.m.

MAYOR

ATTEST

CITY CLERK

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