# Meeting Minutes
# City Commission

**Tuesday, July 12, 2022** **7:00 PM** **Commission Chambers**

## CALL TO ORDER AND ROLL CALL

The meeting was called to order on the above date by Mayor Bill Ganz at 7:00 p.m., in the City Commission Chambers, City Hall, Deerfield Beach.

**Present:** 4 – Commissioner Todd Drosky
Commissioner Ben Preston
Vice Mayor Michael Hudak
Mayor Bill Ganz

**Also Present:** 3 – City Manager David Santucci
City Attorney Anthony Soroka
City Clerk Samantha Gillyard

**Absent:** 1 - Commissioner Bernie Parness

## MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE

Mayor Ganz announced that Jim Lusk, Deerfield Beach Observer, recently passed. Thereafter, was a moment of silence, followed by the Pledge of Allegiance.

## APPROVAL OF CITY COMMISSION MINUTES

Regular City Commission Meeting Minutes - June 21, 2022

**MOTION was made by Commissioner Preston, seconded by Vice Mayor Hudak, to approve the meeting minutes as submitted. Voice Vote:**

**Yeas:** 4 - Commissioner Drosky, Commissioner Preston, Vice Mayor Hudak and Mayor Ganz

**Nays:** 0

## ACKNOWLEDGEMENT OF CITY BOARD MINUTES

Community Redevelopment Agency Meeting Minutes - April 12, 2022

Hillsboro Inlet District Meeting Minutes - May 16, 2022

Education Advisory Board Meeting Minutes - March 2 & April 6, 2022

Affordable Housing Advisory Committee Meeting Minutes - October 11, 2021, November 8, 2021, & February 7, 2022

## ACKNOWLEDGEMENT OF CITY BOARD MINUTES – CONTINUED

Code Compliance Board Meeting Minutes - May 10, 2022

**MOTION was made by Vice Mayor Hudak, seconded by Commissioner Preston, to acknowledge the board minutes. Voice Vote:**

**Yeas:** 4 - Commissioner Drosky, Commissioner Preston, Vice Mayor Hudak and Mayor Ganz

**Nays:** 0

## APPROVAL OF CITY COMMISSION AGENDA

*July 12, 2022*

**MOTION was made by Commissioner Preston, seconded by Vice Mayor Hudak, to approve the agenda as amended; tabling Item #5 and discussing Items 18 and 19 after Awards & Recognition. Voice Vote:**

**Yeas:** 4 - Commissioner Drosky, Commissioner Preston, Vice Mayor Hudak and Mayor Ganz

**Nays:** 0

## AWARDS & RECOGNITION

### 1. Presentation by Dr. Vickie Cartwright, Superintendent, regarding the educational campaign about the upcoming Secure the Next Generational Referendum renewal.

Dr. Cartwright introduced Dr. Jermaine Fleming, North Area Regional Superintendent, who oversees schools in the north area, which includes Deerfield Beach. Thereafter, Dr. Cartwright thanked the City for the partnership related to school safety and the school resource officer program and outlined Broward County Public Schools priorities and focus: the children, attracting and retaining highly qualified employees by increasing teacher and staff compensation, investing in mental health services for students and families and ensuring safer learning environments. To achieve these goals, the District is presenting voters with the Secure the Next Generation Referendum on the August 23rd primary election ballot. She explained that the half mil approved in 2018 is set to expire and without the renewal, many of the resources, i.e. school safety personnel and mental health personnel, will be lost. Dr. Cartwright continued to explain how the loss of these funds will severely impact the public-school system.

Continuing, Dr. Cartwright said 20% of funds generated from the referendum will be shared with charter schools and those funds must be used according to the ballot language; e.g. school safety personnel, supplements for workforce, and mental health personnel. Renewing the referendum will generate approximately $177 million for Broward County Public Schools (BCPS) and $45 million for charter schools, combined total of about $227 million annually. The funds would be broken down into the following allocations: 75% or more to be used for recruitment and retaining high quality teachers and eligible staff by increasing compensation supplements; up to 14% for additional school resource officers and safety staff and up to 8% to enhance essential programs like mental health services. Dr. Cartwright acknowledged the financial burden for cities to fund the school resource officer program; thus, based on the current referendum, BCPS was able to increase their contributions from approximately $54,000 to $62,000. If the renewal passes, she said she is committed to bringing a proposal to the School Board to continue to increase the contribution. Dr. Cartwright explained the financial impact to homeowners with an average market value of $393,000 would be a $23 a month investment, which is an added $11.50 above the current investment; condo owners with a market value of $192,000, would have a monthly investment of $13 month, an additional $6.50 more than the current. Lastly, she advised that the referendum is meant for people and in no way relates to the Smart Bond Program passed in 2014 and replaces the 2018 referendum as it will expire in 2023.

## AWARDS & RECOGNITION – CONTINUED

### 2. Proclamation in recognition of the Florida League of Cities' 100th year Anniversary.

Vice Mayor Hudak read and presented a proclamation recognizing the League's 100th year anniversary; thereafter, he outlined the accomplishments made by the League and their pursuit to helping municipalities maintain home rule.

Eryn Russell, Florida League of Cities, thanked the Commission for presenting the proclamation, as well as Commissioner Drosky for serving on the League's Board of Directors.

## DEPARTMENTAL BUSINESS

David Santucci, City Manager, outlined Items 18 and 19; whereby, Item 19 is necessary to meet the guidelines of the Bezos Academy.

Anthony Soroka, City Attorney, advised that both items will be voted upon separately. Thereafter, he outlined key terms of the agreements; 10-year term which starts when the facility is delivered to the Academy, which is anticipated for 2024; one 5-year renewal option; exclusive use of the childcare facility as well as playground to be built; eight parking spots; the Academy is to provide the City with $300,000 toward construction of the childcare center, and will handle the playground equipment and provide tuition free preschool education to eligible families. The City will build the facility, maintain the landscaping and irrigation, waste removal, fire inspection and monitoring, as well as structural repairs as needed, HVAC, other systems and common areas. Each party is responsible for their own acts and those of their respective employees and agents.

Priscilla Cygielnik, Director of Environmental Services, provided a PowerPoint presentation on changes to the campus. She displayed a rendering of the future center, currently under construction, and the child care facility. She explained that the intent is to expand the building for the Bezos Academy; thereafter, she outlined the changes to the campus. Originally, the child care center was to accommodate 20 children; whereby, the terms of the agreement with the Academy will accommodate 40 children in two classrooms. The aggregate square footage is 4800 square feet. Further, due to this coordination with the Academy, the play area will also increase. Ms. Cygielnik outlined some of the changes prior to the proposed agreement with the Academy; $1 million building with 2600 square foot building, 1600 square feet play area. The larger space and play area with ancillary facilities, the price increased by $1.8 million.

Continuing, Ms. Cygielnik outlined the return on investment; after 10 years based on the operational and net costs; due to the $300,000 contribution from Bezos, the City is showing an operational savings over the 10-year timeframe. She stressed that if the City were providing the service for 40 children, the costs would be doubled. Furthermore, Bezos has indicated an annual expense of approximately $500,000 to provide services for 40 children. Lastly, Ms. Cygielnik said staff supports the change order because it provides tuition free education to 40 children in the community. Thereafter, Ms. Cygielnik entertained questions by the Commission.

Mayor Ganz asked for clarification on whether the families pay a fee for childcare and whether the amount was known.

Ms. Cygielnik replied yes, a fee is charged for childcare.

Mr. Santucci replied that the revenue for 20 children is approximately $130,000, $54 monthly.

Vice Mayor Hudak commented on the increased costs for the facility being around $14 million.

Ms. Cygielnik said the anticipated construction costs for the Center for Active Aging was $10.5 million and $1 million for the childcare center.

Vice Mayor Hudak asked what protection does the City have against an upsurge in construction considering prices continue to increase.

## DEPARTMENTAL BUSINESS – CONTINUED

Ms. Cygielnik replied that significant progress is being made on the construction and the proposed changes are inclusive of the costs to date for shell construction and everything else anticipated for the childcare facility. Also, a guaranteed maximum contract price was established with the contractor, there is a clause in the contract for escalation and they are trying to operate within the guaranteed maximum price through creative efforts.

Vice Mayor Hudak asked for the anticipated timeline between 2023 and 2024.

Ms. Cygielnik replied that staff expects a six-month extension on the contract with the childcare center changes and believes the Center for Active Aging will be complete by Spring 2023. Also, students would not be in the school until Summer 2024.

In response to Commissioner Preston's question, Mr. Santucci advised that a presentation is forthcoming and describes the curriculum and programming in its entirety. Mr. Santucci commented on the operating costs for the childcare facility which is run at a deficit; however, with the change order and partner contribution, staff foresees an operational savings of a little under $400,000 over the 10-year agreement and does not include the play area being constructed. He advised that the play area could range from $25,000 to $200,000 depending on the equipment.

Mayor Ganz spoke in support of the partnership because it doubles the number of children and provides free tuition for the students.

Vice Mayor Hudak spoke in support of the partnership and listed various opportunities provided to the students. Nevertheless, he expressed the importance of staff handling the cost overruns and keeping them as low as possible.

Commissioner Preston explained the Montessori model and how the teaching is different but has been very successful.

**18. Resolution 2022/123 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving a facility use agreement with Day 1 Academies, Inc. dba Bezos Academy for Bezos Academy to use the child care center at the Center for Active Aging Redevelopment site to operate a free-tuition preschool for children within the City; authorizing execution of the Agreement for a ten-year term, with a five-year renewal option; providing for execution, conflicts and an effective date.**

The Resolution was read by title only.

Sheila Shedd, Bezos Academy Regional Partnership Development Leader, explained how the Bezos Academy came to fruition. Currently, there are five schools operating in Washington, four coming to Florida, one opening in 2023 at Florida Atlantic University, and three in the Orlando/Kissimmee area. The school at the campus will be the first in Broward County. Ms. Shedd explained that the Montessori model is very student focused and the main principle is child first. The children are ages 3 to 5, Bezos recognizes the needs of the community and adjusts the curriculum to help the community. Additionally, three meals are provided daily, along with a take home dinner snack. She explained that the program will be available to families below the 250% federal poverty line, so they have a fair shot in the lottery. Furthermore, the other 50% of space is allotted for families over the 250% mark, but under 400%. First preference is given to homeless students and those in foster care. Ms. Shedd also commented on the play area and incorporating space for seniors to read to the children which builds the community. The school will be open year-round, persons from the community are hired and will be placed on a succession plan so they can start as an assistant teacher and work towards head of school.

Mayor Ganz opened the public hearing.

***Daniel Shanetzky, 34 Keswick B, Deerfield Beach,*** spoke in support of the proposed partnership.

## DEPARTMENTAL BUSINESS – CONTINUED

***Gwyndolen Clarke-Reed, 1430 SW 6th Way, Deerfield Beach,*** asked about the square footage per child and whether the State's mandate is being followed.

Ms. Shedd replied that Bezos will exceed the State's mandate, whereas the Montessori model, allows everything to happen inside the classroom. She said 750 square feet for one class is typical, but they are offering 1,000 square feet.

Mr. Santucci advised that based on the square footage proposed, the State allows 52 children, but Bezos proposes 40.

***Janice Fulmore-Tigner, 1090 SW 4th Terrace, Deerfield Beach,*** expressed concern that if the spots are taken first by homeless and foster children, there may not be many spots left for those who are under the poverty level. Nevertheless, she applauded the program.

Mayor Ganz closed the public hearing.

Ms. Shedd advised that foster or homeless children outnumbering other students has not been considered, but those students are the first priority.

In response to Commissioner Drosky's question, Ms. Cygielnik replied that the campus will be secured with CCTV cameras tied into the police department throughout the entire campus.

In response to Commissioner Drosky's question, Manny Synalouski, Architect, replied that there is significant technology inside and outside. The building is hardened and will uphold through hurricane loads; furthermore, the police have reviewed the campus to assure protection from blind spots. He also advised that the students will be well protected inside the facility; the play area is fully enclosed.

Mr. Santucci advised that the aforementioned security system is City standard; whereas, Bezos does have the right to install their own system, if desired.

Commissioner Drosky spoke in support of the project due to the intrinsic value for the kids, support received, free education, opportunity for parents to work or seek higher education, and others.

**MOTION was made by Vice Mayor Hudak, seconded by Commissioner Preston, to approve Item 18, adopted Resolution 2022/123. Roll Call:**

**Yeas:** 4 - Commissioner Drosky, Commissioner Preston, Vice Mayor Hudak, and Mayor Ganz

**Nays:** 0

**19. Resolution 2022/124 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving a change order in the amount of $1,887,985.27 to provide for a larger child care facility for the design-build construction of the Center for Active Aging Project, for a total project cost of $13,609,437.02; providing for execution and an effective date.** *(Funds from Account #358-8000-569-61-12 - Construction (Center for Active Aging) & Account #358-8000-519-61-12 - Construction (City Hall))*

The Resolution was read by title only.

*See comments starting on page 3, Departmental Business.*

**MOTION was made by Vice Mayor Hudak, seconded by Commissioner Preston, to approve Item 19, adopted Resolution 2022/124. Roll Call:**

**Yeas:** 4 - Commissioner Drosky, Commissioner Preston, Vice Mayor Hudak, and Mayor Ganz

**Nays:** 0

## PUBLIC HEARING

### 3. P.H. 2022-065: Presentation regarding the consideration of approval for a $20,000 increase to the low- and moderate-income maximum award through the Purchase and Assistance Rehabilitation Programs.

David Santucci, City Manager, said the housing program has a high value threshold of $50,000 for rehabilitation and purchase assistance programs and has been so for about a decade. He explained that the housing market and home repairs have increased since then and the threshold has created difficulty in assisting homeowners in both programs; therefore, the consideration is to increase the threshold by $20,000 for purchase and rehabilitation programs. Also, there is an accompanying agenda item (#14) related to the procurement code and will allow the implementation if the Commission agrees.

Mayor Ganz spoke in support of the increase; thereafter, the public hearing was opened. Since there were none to speak, the public hearing was closed.

## PUBLIC COMMENT

***Gwyndolen Clarke-Reed, 1430 SW 6th Way, Deerfield Beach,*** asked for assistance in reviewing the agenda backup online without downloading all documents. Additionally, she said there are two signs on the ground at SW 15th Street, directional for Dixie Highway, and SW 4th at the bus stop on Dixie Highway, directional for railroad crossing.

***Chris Marino, 1525 SE 14th Court, Deerfield Beach,*** expressed disappointment in two city commissioners during the last meeting regarding gun control and opined that this should not have been a topic of discussion from the dais.

***Laura Ortiz, 3500 SW Natura Boulevard, Deerfield Beach,*** provided statistics on mass shootings and how experts correlate these shootings to mistreatment of mental health.

***Lucia Delgenio, 707 North Shore Drive, Deerfield Beach,*** said she shares the views of the previous speakers on gun control and agreed that gun ownership is important with the crime rate in the City. Thereafter, she commented on the presentation by Dr. Cartwright (Item #1) and commended the possible changes outlined, i.e. school protection, mental health support, and higher pay for the teachers.

***Joe Miller, 248 SE 18th Avenue, Deerfield Beach,*** thanked the Commission for authorizing the 4th of July fireworks display. Also, he commended the Broward Sheriff's Office for assuring the safety at the beach; however, he had a negative experience with a DJ playing loud music on the south side of the main beach parking lot, causing him to be unable to hear the music from the stage. Lastly, he said he supports the Second Amendment.

Mayor Ganz asked that the City Manager look into competing musicians on the beach when there is a City event. Furthermore, he said the Commissioners do not give up their right to share their views.

Commissioner Preston said he does not like his point misrepresented and expounded on his belief of the Second Amendment, but feels that assault weapons should not be in the hands of regular citizens.

## CONSENT - AGREEMENTS & EXPENDITURE REQUESTS

Anthony Soroka, City Attorney, reminded the Commission that Item 5 was tabled.

Mayor Ganz opened the public hearing; there was a request to speak on Item 10; thereafter, a recap was provided on Items 7, 8, and 9 (see Item 7 for comments)

**MOTION was made by Vice Mayor Hudak, seconded by Commissioner Preston, to approve Items 4, 6 - 9, 11 - 13 of the Consent Agenda. Roll Call:**

**Yeas:** 4 - Commissioner Drosky, Commissioner Preston, Vice Mayor Hudak, and Mayor Ganz

**Nays:** 0

## CONSENT - AGREEMENTS & EXPENDITURE REQUESTS – CONTINUED

4. **Resolution 2022/108 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, amending the 2021/2022 schedule of City Commission Meetings; providing for implementation and an effective date.**

5. **Resolution 2022/ - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving an agreement with Friends of Deerfield Beach Arboretum, Inc. for volunteer services at Constitution Park, including a facility rental fee waiver; authorizing execution of the Agreement; providing for an effective date.**

6. **Resolution 2022/112 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving the Award of Invitation to Bid #22-25-PC for compressed natural gas (CNG) station maintenance; authorizing execution of an agreement with Clean Energy CA Corp., the lowest priced responsive and responsible bidder, for a two year term, with three additional one year renewal terms; providing for implementation and an effective date.** (*Funds from Account #450-4551-534-31-06 - Service to Maintain Equipment)*

7. **Resolution 2022/113 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving a Utility Work by Highway Contractor Agreement at FDOT Expense with the Florida Department of Transportation for Financial Project ID 439891-1-56-02; authorizing execution of the Agreement; providing for implementation and an effective date.**

Priscilla Cygielnik, Director of Environmental Services, said the agreements pertain to the relocation of City facilities for water and sewer lines that follow the FDOT right of way; whereas, they are acquiring additional right of way to provide for utility corridor that will house the city's water and sewer and allow the City to maintain these facilities in the future. All expenses are at the State's level and no cost to the City. Item 8 is associated with the second phase of the project; whereas, there are two separate project ID numbers. Item 7 is the east portion of I-95 to SW 10th Street, Item 8 is the west portion of SW 10th Street and interconnects to Sawgrass Expressway and Item 9 is the right of way acquisition memorandum which enables FDOT to perform work within the City's rights of way and improvements consist of improvements to Military Trail and Natura Boulevard. Also, Item 10 reverts the maintenance of the local streets to the City perpetually. She advised that FDOT is also present for any questions.

8. **Resolution 2022/114 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving a Utility Work by Highway Contractor Agreement at FDOT Expense with the Florida Department of Transportation for Financial Project ID 436964-2-56-02; authorizing execution of the Agreement; providing for implementation and an effective date.**

9. **Resolution 2022/115 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving a Right of Way Acquisition Memorandum of Agreement with the Florida Department of Transportation; authorizing execution of the Agreement; providing for implementation and an effective date.**

10. **Resolution 2022/116 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving a Highway Maintenance Memorandum of Agreement with the Florida Department of Transportation for the maintenance of improvements associated with the S.W. 10th Street Connector Project; authorizing execution of the Agreement; providing for implementation and an effective date.**

The Resolution was read by title only.

## CONSENT - AGREEMENTS & EXPENDITURE REQUESTS – CONTINUED

Mayor Ganz opened the public hearing.

***Daniel Shanetzky, 34 Keswick B, Deerfield Beach,*** spoke in opposition to the proposed resolution because the SW 10th Street project will have consequences. Further, there is no final decision on the design for 10th Street and there is a lot of uncertainty at the County and State level.

Mayor Ganz closed the public hearing; thereafter, he explained that Item 10 is necessary and denying it would only create more issues.

> **MOTION was made by Vice Mayor Hudak, seconded by Commissioner Preston, to approve Item 10, adopted Resolution 2022/116. Roll Call:**
>
> **Yeas:** 4 - Commissioner Drosky, Commissioner Preston, Vice Mayor Hudak, and Mayor Ganz
>
> **Nays:** 0

11. **Resolution 2022/117 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving a Work Authorization with Black & Veatch Corporation in an amount not to exceed $75,986.45 for the Hydro Geological Study on the raw water well collection system for the West Water Treatment Plant Capital Improvement Project; authorizing execution of the Work Authorization; providing for implementation and an effective date.** *(Funds from Account #413-5000-536-60-31 - Improvements Other than Buildings)*

12. **Resolution 2022/118 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving a Work Authorization with Rummel, Klepper & Kahl, LLP in an amount not to exceed $222,400.00 for the design and removal of the operator console at the West Water Treatment Plant; authorizing execution of the Work Authorization; providing for implementation and an effective date.** *(Funds from Account #413-5000-536-60-31 - Improvements Other than Buildings)*

13. **Resolution 2022/119 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving an agreement with Johnson-Laux Construction, LLC through the Sourcewell, Inc. Indefinite Quantity Construction Agreement IFB# FL-WCA-GC04-041019 for repairs and alterations to Fire Station 102 in an amount not to exceed $366,258.00; providing for execution and an effective date.** *(Funds from Account #399-5060-519-62-00 - Buildings & Account #399-5060-529-65-30 - CIP Infrastructure)*

## DEPARTMENTAL BUSINESS – CONTINUED

14. **ORDINANCE 2022/ - AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF DEERFIELD BEACH, FLORIDA, AMENDING CHAPTER 38 "FINANCE AND TAXATION" OF THE CITY CODE OF ORDINANCES, ARTICLE IV, "ACQUISITION OF GOODS AND SERVICES AND DISPOSAL OF CITY PROPERTY," SECTION 38-133 "FEDERAL AND STATE PROJECTS; FEDERAL GRANTS" TO INCREASE THE SUBSIDY APPROVAL THRESHOLDS FOR THE RESIDENTIAL REHABILITATION PROGRAM; PROVIDING FOR CONFLICTS, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.**

The Ordinance was read by title only.

## DEPARTMENTAL BUSINESS – CONTINUED

David Santucci, City Manager, advised that this item accompanies Item 3 to increase the home rehabilitation and purchase assistance subsidy. Upon second reading, the Resolution for Item 3 will be considered as well as the Ordinance.

Mayor Ganz opened the public hearing; however, there were none to speak and the public hearing was closed.

*There was no discussion amongst the Commission.*

**MOTION was made by Vice Mayor Hudak, seconded by Commissioner Preston, to approve Item 14 on first reading. Roll Call:**

**Yeas:** 4 - Commissioner Drosky, Commissioner Preston, Vice Mayor Hudak, and Mayor Ganz

**Nays:** 0

### 15. Resolution 2022/120 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, accepting and adopting the Comprehensive Annual Financial Report for the fiscal year ending September 30, 2021; providing for implementation and an effective date.

The Resolution was read by title only.

Stephanie Tinsley, Chief Financial Officer, provided a presentation on the City's financial report ending fiscal year September 30, 2021. The discussion will include compliance requirements, which were met, financial highlights, financial results for various funds, audit finding and comments, as well as others. Ms. Tinsley advised that total assets increased by $12.4 million due to the ARPA funds and others; liabilities decreased by $1.7 million; and combined governmental fund balances increased by $8.3 million. The City's net position continues to improve year to year which is due primarily to the improvements in pension and OPEB and the paydown of debt and cost containment measures taken in 2021; whereby, due to COVID, restrictive measures were taken.

*Commissioner Drosky left the dais temporarily at 8:34 p.m. and returned at 8:36 p.m.*

*Vice Mayor Hudak left the dais temporarily at 8:37 p.m. and returned at 8:40 p.m.*

Additionally, Ms. Tinsley said from 2020 – 2021, the General Fund fund balance experienced the largest increase, which resulted from staff performing a detailed analysis of the outstanding encumbrances and encumbering about $1 million in digital OPEB funds. Moreover, the fund balance policy is at least 10% of the General Fund expenditure and is compliant. Notwithstanding, Ms. Tinsley advised that the best practice for compliance is 15% to 18% operating; whereas, if the fund balance were increased to that level, the City would still have excess fund balance available for use. Also, the unassigned fund balance does not include the assigned emergency fund of $3.5 million nor the subsequent year's budget of approximately $1 million.

Continuing, Ms. Tinsley outlined the financial results of various funds. General Fund: budgeted use of fund balance of approximately $1 million, but the actual results yields a contribution of $8.5 million to the fund balance. Solid Waste Fund: the fund has struggled since 2018 due to GASB 75 OPEB and the energy performance contract in fiscal years 2019/2020. Utility Fund: demonstrated a good net position that has remained stable, but predicts a downslide without a plan to increase operating revenues; furthermore, the $75.96 million ending net position includes $50 million in investment and capital assets. There is also approximately $1 million in debt service reserve; resulting in approximately $25 million in unrestricted funding. She said with the number of capital projects forthcoming, there is available funding. Stormwater Fund: this fund is relatively new and the ending net position is $3.28 million; however, there are numerous projects upcoming.

In closing, Ms. Tinsley said the City received a clean audit opinion, but there is one repeat finding, financial close and reporting. She said the third-party software has been deleted as it added a level of complexity to

## DEPARTMENTAL BUSINESS – CONTINUED

the year-end process, along with the aggressive implementation of policies and procedures to eliminate this finding. Also, two observations were found; utility billing – solid waste rate and solid waste fund deficit net. Ms. Tinsley advised that during testing, a lower rate for solid waste was discovered; whereas, separation of duties review was implemented, so there is not only one person adding the rate without a secondary review to ensure compliance. To curtail the solid waste fund deficit, staff plans to create a master plan for their revenue streams, rate study plan, as well as review various avenues to bring the fund out of the deficit.

Branden Lopez, Marcum Senior Manager, presented the financial statements for fiscal year 2021; thereafter, he applauded staff for their assistance. Mr. Lopez explained various reports in brief. First, the independent auditor report explains responsibilities of management and the auditor; the opinion given to the City is a clean, unmodified opinion. The decrease in net pension liability and OPEB liability was expected as it has occurred in multiple cities due to the investments of the plans; the City complies with all required contributions to the plan, with one significant deficiency related to the financial close. In the past, material weaknesses and significant deficiencies were observed, but have been addressed over the last couple of years; the material weakness from last year was addressed this year. Now, there is one significant deficiency which is an improvement; nevertheless, the goal is to resolve, so there are no deficiencies next year.

Continuing, Mr. Lopez explained the audit process for grant funding from the State and Federal Government; whereby, a single audit was conducted to ensure funds were spent appropriately for associated programs and concluded that there were no issues. Another report, Management Letter to Florida Auditor General, allows Marcum to communicate any issues during the audit or disagreements with management, recommendations or times when information was requested, but not provided. He advised that the findings and observations identified by Ms. Tinsley were not significant enough to be reported; however, he said the observations should be improved upon. Another disclosure, Financial Condition Assessment, relates to observing the City's operations for a 5-year trend, of any upward or downward trends and comparing to similar municipalities. After the review, it was determined that there were no significant downward trends to be reported. Thereafter, Mr. Lopez entertained questions of the Commission.

Vice Mayor Hudak asked what are the plans to address the solid waste fund deficit.

Ms. Tinsley replied that a rate study plan will be done for the solid waste fund and will present information during the FY 2023 budget to include rate options and plans to shore up the fund over the course of time.

David Santucci, City Manager, advised that a lot of cost containment has been performed over the past couple of years, to include, performance route optimization, removal of approximately $1 to $1.2 million operational burden of the fund through the sanitation division and removing recycling from the operation which was a small offset, but now due to the cost being more expensive than disposal, there has not been much of an improvement. Although these changes have occurred, there is still a steady increase to disposal rates since the term of that particular contract; nevertheless, the City has among the lowest disposal rates in the area, but the contractor is not sure about his viability to hold the rates due to inflationary costs.

Vice Mayor Hudak implored staff to resolve the repeat finding outlined in the audit as it has been ongoing for four years.

Commissioner Drosky agreed and asked Marcum what can be done on their behalf to eliminate the repeat finding.

Mr. Lopez replied that the finding relates to the closing of the books, whereby, there is a lot of information that goes into that process, but there are certain duties management must handle and they must remain independent. He said they can only teach staff, provide guidance and give them tools. This year, they sat down with staff and provided an overview of certain transactions continually seen that were being misreported and misquoted. They explained how to process certain transactions, and identifying deficit credits. Next year, the goal is to exceed the deadline and believes it is achievable based on interactions this year.

## DEPARTMENTAL BUSINESS – CONTINUED

Commissioner Drosky said on page 72 of the report, contingent liabilities, corresponds to FEMA funds. He said $1.9 million was clawed back from FEMA and the City ended up suing, but lost. He read the excerpt from the report and does not remember the City and FEMA coming to an agreement, but recalls FEMA telling the City how it would be handled. He said he does not want anyone to think the Commission agreed. Additionally, the language outlines an outstanding amount of $883,000 for the City to use toward future claims which means it has to be used for future storms in order to get to zero. Thus, he asked if it could be corrected because that is not what he remembers.

Anthony Soroka, City Attorney, advised that the City joined other municipalities regarding claw back actions from FEMA. He agreed with Commissioner Drosky that the City did not enter into an agreement with FEMA, nor was it voluntary. Additionally, he understands that FEMA has recouped their money from the State, but because the State was out of money, when the next payment is made for the next storm, they have taken the entire amount.

Mr. Lopez said if the Commission would like a revision in the wording that will not alter the audit opinion or the date of issue. Also, he said the report was already submitted to the auditor general to ensure the deadline was met; nevertheless, he is willing to make the change.

Mr. Soroka advised that in order to accept the money, an agreement must be executed, but he understands it was not voluntary. Lastly, he agreed with looking further into the language and approving the resolution.

Mayor Ganz explained what happened during Hurricane Wilma and how FEMA came back to the City for those funds. He then explained how the findings have decreased over the years, but is concerned with the repeat finding and implored staff to resolve it. He asked Mr. Lopez if he is confident the proposed actions will help remove the finding from the next audit.

Mr. Lopez replied that the direction provided to staff this year, if taken, applied, and call when something unusual is noticed, the finding should be addressed. Additionally, he replied that the City falls in the middle with its current financial status.

Commissioner Preston said he is confident that things are headed in the right direction; whereas, year after year, findings are being reduced. He also applauded the City Manager and Ms. Tinsley for outlining how findings and observations will be addressed.

Mayor Ganz said his concern is that the repeat finding is still being reported after four years; notwithstanding, he said the City has come a long way from the myriad findings in the past. Thereafter, Mayor Ganz opened the public hearing; however, there were none to speak and the public hearing was closed.

**MOTION was made by Commissioner Preston, seconded by Commissioner Drosky, to approve Item 15, directing staff to address FEMA language within the Report; adopted Resolution 2022/120. Roll Call:**

**Yeas:** 4 - Commissioner Drosky, Commissioner Preston, Vice Mayor Hudak, and Mayor Ganz

**Nays:** 0

### 16. Resolution 2022/121 - A Resolution of the City of Deerfield Beach, Florida, relating to the provision of fire rescue services, facilities and programs in the City of Deerfield Beach, Florida; describing the method of assessing fire rescue assessed cost against assessed property located within the City of Deerfield Beach; directing the preparation of an assessment roll; authorizing a public hearing and directing the provision of notice thereof; and providing an effective date.

The Resolution was read by title only.

## DEPARTMENTAL BUSINESS – CONTINUED

David Santucci, City Manager, said recommendations will be provided for FY 2023 since it has not been changed for almost three years. Government Services Group will provide an overview on the rate calculation and the second hearing will accompany the budget hearing in September.

Sandi Neubarth, Government Services Group, provided an overview of the proposed rates. Ms. Neubarth outlined the residential rate which is currently $235 annually per dwelling unit and non-residential rates are based on square footage. The fire assessment can only be used to fund fire protection services and cannot be used for EMS services; therefore, the total budget without EMS is averaged to generate a 5-Year average assessable budget. Based on the assessment, the City can fund $23,376,000 for the program which is what the figures are based. Currently, the demand percentages for the calls are as follows based on the 2019 study: residential – 63.21%; commercial - 18.02%; industrial/warehouse - 4.92%; and institutional – 13.85%. Ms. Neubarth advised that the study conducted in 2021 for calls for services revealed that residential calls increased to 65.8%; industrial/warehouse increased to 5.25%; commercial and institutional slightly decreased. This is the key to keeping the City legally defensible regardless of the portion the City decided to fund up to the $23,376,000.

Continuing, Ms. Neubarth said the apportionment to the categories listed will not change for residential; whereas, the charge will be per dwelling unit. Non-residential properties will remain on square footage tiers, capped at 50,000 square feet. She advised that number of units also increased, but not enough to keep the level for residential rates; therefore, almost 900 additional residential units were added. The makeup of non-residential units was also referenced. Ms. Neubarth outlined the proposed rates: 100% funding - $372 per dwelling unit. Since government properties have been exempted, she explained steps the City could take for them to contribute, i.e. submit a separate bill asking them to pay, file suit, but whether they choose to pay is a different story. Also, the City provides an institutional tax exemption which refers to buildings of institutional use and are wholly tax exempt; about 90 to 95% of clients exempt them as well. Excluding these categories results in a buy-down of $2.3 million and has to be funded from the General Fund or other fund; however, it cannot be shifted or shared among those that are paying.

Moreover, Ms. Neubarth said staff is recommending $309 per dwelling unit, which is about a $74 increase over the current fee and will generate an additional $2.7 million. She advised that when people pay their tax bill early in November, a discount is also received on the fire assessment and yield a payment of $296.64, but paid in March, it would be $309. She continued to list other rates: $295 to generate an additional $2.5 million with a gross revenue of approximately $18.5 million, net $16.69 million. Next, to maintain the same revenue neutral funding, the cost per dwelling unit would be $257, generating $16 million. It would increase by $22 yearly because of the increased demand residential is placing on the fire department. Last, if the rate remains at $235, the City would lose revenue and generate a loss of $1.27 million. Furthermore, Ms. Neubarth outlined the impact of the exemptions at various percentage rates and the buydown for churches and non-profits for each rate listed.

Mayor Ganz explained why churches are excluded as they would be charged based on square footage, making it unsustainable for them.

Ms. Neubarth explained that exempting the churches and non-profits at 50%, it would reduce the residential rate by $7; thus, the fully funded amount at 100% would be approximately $14.

In response to Commissioner Drosky's question, Vice Mayor Hudak replied that he recommended the $295 rate because it would be a monthly increase of $5 and more palatable for those on fixed incomes. The City cannot continue subsidizing, but looked at another option to help the residents.

Continuing, Ms. Neubarth outlined the history of the fire assessment rate from 2002 to present; whereby, the progression would be $309 for the next rate. She then provided a graph comparing the residential rates for various cities in the County and the average rate is $308.77 which is the approximate rate staff has recommended. Also, the rates are from last year since rates have not been set for the upcoming fiscal year. Lastly, Ms. Neubarth outlined the schedule from adopting the preliminary assessment tonight and by November 1, 2022, tax bills being mailed. Thereafter, she entertained questions of the Commission.

## DEPARTMENTAL BUSINESS – CONTINUED

Mayor Ganz said the fee allows all the residents to contribute and is not based on property values or homestead exemptions; nevertheless, he cannot support staff's recommendation of $309 or the highest rate of $372.

Commissioner Preston commented on how much additional residents will have to pay based on the current rate and proposed rates. He said this may be a strain on households and believes a $74 annual increase is a lot; therefore, he spoke in favor of the $257 rate.

Mayor Ganz said the cost of supplying services is not going down and consistently increases; whereby, $75 annually is $6.15 monthly. Also, he said he struggles with the percentage increase compared to the revenue and though he understands the need, it is a hard decision, as he sees what the increase has been but sees how much more the City is taking on with the current fee.

Mr. Santucci said the rate recommendation of $309 allows the City to keep the same percentage of contribution of the fire assessment fee to the total fire budget. Notwithstanding, he understands the Commission's concerns and thanked them for recognizing the increased cost for services which will continue but hopefully at a lower rate. Furthermore, any reduction in contribution to the fire assessment fee will pull on the ad valorem tax revenue to provide other services.

Mayor Ganz opened the public hearing; however, there were none to speak and the public hearing was closed.

There was a brief discussion referencing the $295 and $257 rate and its impact on the city and residents; notwithstanding, the rate selected tonight is the max rate which can be decreased should the Commission choose at the September budget hearing.

**MOTION was made by Vice Mayor Hudak, seconded by Commissioner Drosky, to approve a maximum residential rate of $295 for the fire assessment fee; adopted Resolution 2022/121. Roll Call:**

**Yeas:** 3 - Commissioner Drosky, Vice Mayor Hudak, and Mayor Ganz

**Nays:** 1 - Commissioner Preston

### 17. Resolution 2022/122 - A Resolution of the City of Deerfield Beach, Florida, relating to the collection of Nuisance Abatement Services Assessments; adopting findings of fact; directing the preparation of an assessment roll; providing for notice; and providing an effective date.

The Resolution was read by title only.

Anthony Soroka, City Attorney, explained the process for nuisance abatement services related to code enforcement issues; wherein, the special magistrate authorizes the City to go onto a property to abate the nuisance and charge the cost to the property. This is the mechanism used to recoup the City's costs by placing it on the tax bill.

In response to Mayor Ganz's question, Rodney Brimlow, Director of Public Safety, replied that the 2023 cost reflects the actual cost incurred this year; last year, it was higher and will vary by year. Furthermore, the work has already been done and it will be paid in 2023.

Mayor Ganz explained how the assessment was implemented because homes were being abandoned and not cared for; thus, who ever owns the property will pay taxes and reimburse those costs. Thereafter, Mayor Ganz opened the public hearing; however, there were none to speak and the public hearing was closed.

**MOTION was made by Vice Mayor Hudak, seconded by Commissioner Drosky, to approve Item 17, adopted Resolution 2022/122. Roll Call:**

## DEPARTMENTAL BUSINESS – CONTINUED

**Yeas:** 4 - Commissioner Drosky, Commissioner Preston, Vice Mayor Hudak, and Mayor Ganz

**Nays:** 0

## COMMENTS BY ADMINISTRATION & LEGAL

### CITY ATTORNEY

House Bill 105 - Anthony Soroka, City Attorney, advised that he is in the process of creating an ordinance regarding no smoking on public beaches or parks; it will be forthcoming at a future meeting.

### CITY MANAGER

Billboards - David Santucci, City Manager, advised that Code Enforcement has begun inspecting various billboards to address possible code violations.

## CITY COMMISSION BUSINESS

**20. ORDINANCE 2022/ - AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF DEERFIELD BEACH, FLORIDA, AMENDING SECTION 66-58 "PARKING PROHIBITED ON CERTAIN STREETS AND COMMERCIAL VEHICLE PARKING RESTRICTIONS" OF THE CITY CODE OF ORDINANCES TO PROHIBIT PARKING ON NW ELLER STREET BETWEEN NW 2ND COURT AND NW 2ND TERRACE; PROVIDING FOR CONFLICTS, SEVERABILITY, CODIFICATION AND AN EFFECTIVE DATE.**

The Ordinance was read by title only.

David Santucci, City Manager, advised that this ordinance was presented by Commissioner Preston due to him witnessing various problems at the location. If approved, the ordinance will allow the enforcement of no parking in the area of the roadway. Also, curbing was installed to deter parking in the swale area.

Commissioner Preston said there are 18-wheelers parking illegally throughout his district and although the police have addressed it, when the police are present, the drivers comply. He said they are parking in the roadway so the residents do not have access to the roadway and sometimes, the trucks stay on all night. He thanked staff for looking into this as the problem needs to be resolved.

Mayor Ganz opened the public hearing.

***Janice Fulmore-Tigner, 1090 SW 4th Terrace, Deerfield Beach,*** thanked Commissioner Preston for bringing this forward and advised that the 18-wheelers are parking all over and recommended continual fines to stop the illegal parking. Ms. Fulmore-Tigner advised that she has experienced it also.

Mayor Ganz closed the public hearing.

**MOTION was made by Commissioner Preston, seconded by Vice Mayor Hudak, to approve Item 20 on first reading. Voice Vote:**

**Yeas:** 4 - Commissioner Drosky, Commissioner Preston, Vice Mayor Hudak, and Mayor Ganz

**Nays:** 0

## COMMENTS BY MAYOR & CITY COMMISSION

### VICE MAYOR HUDAK DISTRICT 1

No Report.

### COMMISSIONER PRESTON DISTRICT 2

Football Camp - Commissioner Preston applauded staff for the success of the camp. He also commented on a student who committed suicide and his mother continues to address suicide prevention. He also commented on a forum (Channel 10) held on mental health issues, the expert panel engaging the topic and how enlightening it was.

District 2 Community Meeting - Commissioner Preston advised that the district meeting will be held on August 1, 2022 at the Hillsboro Community Center at 6:00 p.m. to discuss the Historical Society.

4th of July Fireworks - Commissioner Preston applauded the fireworks display and staff for a great job.

### COMMISSIONER DROSKY DISTRICT 4

4th of July Fireworks - Commissioner Drosky applauded the event as well as staff's efforts with the clean-up and fireworks display; he thanked all involved for making it successful and safe.

Saturday Office Hours - Commissioner Drosky advised that his Saturday office hours will be held on August 6, 2022; contact the City Manager's Office for an appointment.

### MAYOR BILL GANZ

Jim Lusk - Mayor Ganz advised that he passed recently, which was a tremendous loss. He outlined the contributions Mr. Lusk made to the City through the Observer Newspaper.

Massage Parlors - Mayor Ganz said Mr. Lusk made sure the massage parlors were operating as required and asked that BSO continue to do the same.

Sprinkler System Malfunction - Mayor Ganz asked that the sprinkler system along Natura be investigated.

4th of July Fireworks – Mayor Ganz said he has received outstanding feedback from the residents on the event. He thanked Chief Adam Hofstein, Broward Sheriff's Office, and Chief Mike Brown, Ocean Rescue for keeping the residents safe.

Boil Water Notification - Mayor Ganz thanked staff for getting the word out on the boil water notice. The water affected, supplied about 20% of the drinking water, but there were no issues with the City's water plant, but the Broward County well that supplies the water. He encouraged people to sign up via social media, so they are aware.

## ADJOURNMENT

There was no additional business to discuss.

**MOTION was made Commissioner Preston, seconded by Vice Mayor Hudak to adjourn the meeting at 10:12 p.m.**

**Yeas:** 4 - Commissioner Drosky, Commissioner Preston, Vice Mayor Hudak, and Mayor Ganz

**Nays:** 0

CITY OF DEERFIELD BEACH

BILL GANZ, MAYOR

Samantha Gillyard, CMC, City Clerk