



**CITY OF DEERFIELD BEACH
BUDGET WORKSHOP MEETING MINUTES
Wednesday, June 15, 2022 at 6:00 PM**

The meeting was called to order on the above date by Mayor Bill Ganz at 6:02 p.m. at the Hillsboro Community Center, Deerfield Beach, Florida.

ROLL CALL

Present: Commissioner Todd Drosky
Commissioner Ben Preston
Vice Mayor Michael Hudak - arrived at 6:03 p.m.
Mayor Bill Ganz

Also Present: David Santucci, City Manager
Anthony Soroka, City Attorney
Samantha Gillyard, CMC, City Clerk

Absent: Commissioner Bernie Parness – excused absence

MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE

There was a moment of silence, followed by the Pledge of Allegiance.

APPROVAL OF THE AGENDA

MOTION was made by Commissioner Drosky, seconded by Vice Mayor Hudak, to approve the agenda as submitted. Voice Vote:

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

Nays: 0

FY23 BUDGET WORKSHOP

David Santucci, City Manager, outlined the workshop agenda; thereafter, a PowerPoint presentation was displayed. Further, he said capital project requests will be highlighted differently this year so there is a better understanding of the near and long-term expenditures associated with the CIP, which was accomplished by the Commission's approval of a dedicated capital fund in FY22. Lastly, Mr. Santucci thanked the Department of Public Affairs & Marketing for spearheading graphics and compiling the budget presentations, as well as all staff involved in the budget process.

Budget Message - Mr. Santucci said this year's budget message is driving boldly by maintaining fiscal stewardship, investing in our City, planning for the future by considering the City's utility and stormwater infrastructures, and the anticipation of an economic downturn as extremely high inflation points to a recession. Unfortunately, the overall message for this budget is any gains received in revenues will be absorbed by inflationary costs; furthermore, the City's ad valorem tax revenues will mainly be absorbed by public safety costs.

FY23 BUDGET WORKSHOP - CONTINUED

Budget Process/Calendar - Mr. Santucci explained that the budget process is year-round. Thereafter, he outlined the critical dates: June 15th and 16 - budget workshops. Currently, staff is receiving preliminary revenue information and on July 1st, final values should be received from the State and County. At the July 12th City Commission meeting, the preliminary fire rescue assessment rate and nuisance abatement will be adopted; whereby, a rate increase is being recommended based on the fee assessment rate study. Also, another budget workshop will be held on August 9th so requests, recommendations, priorities, etc. can be discussed and finalized. The budget must be submitted to the City Commission by August 15th, and the public hearings will be held on September 6th and September 14th.

Demographics - Mr. Santucci outlined the City's demographics: unemployment rate - 2.5%, median household income is \$47,183, the County is at \$60,922; poverty rate is 17%, which is higher than the County and State average; population over 65 is higher than the State and County; the labor force, which indicates those actually employed, is 61.7%; persons per household is lower than the State and County; and the poverty rate is higher than the State and County's rate.

Economic Indicators - Mr. Santucci displayed a graph outlining the Consumer Price Index (CPI) from April 2019 - April 2022, whereby, the last month has trailed down but some of the increases in the budget line items are due to cost increases. Further, he said the U.S. Consumer Sentiment is low, which is another indication of an economic downturn. Thereafter, he displayed a graph outlining the unemployment rate in Florida, which has decreased over the last year. Lastly, Mr. Santucci displayed a photograph outlining the market sales; whereby, the City is once again one of the top 5 cities with the most sales.

Single-Family Home Assessed Values - Mr. Santucci said the average assessed value as of June for the City increased 10.3%, which is a \$79,872 difference from last year, and the County average increased 9.2%, which is an \$84,816 difference. The City still has the 10th lowest assessed value in the County.

Millage Rate History - Mr. Santucci displayed a graph outlining the millage rate history, which showed a decrease since 2015 and unchanged and consistent over the last three (3) years. He said the FY23 rate is an estimate because the debt millage rate, which continues to decrease, but must be paid; nevertheless, once the final numbers are received the information will be updated and provided at the August 9th workshop.

Ad Valorem Tax Revenue Projection - Mr. Santucci stated that the ad valorem tax revenue has steadily increased, which is due to the increased housing market.

Ad Valorem (Property Tax Collection) - Mr. Santucci stated that a portion of the City's tax revenue is dedicated to the CRA. The total citywide estimated tax collections are \$55.5 million; however, the CRA's allocation is \$2.3 million, so the projected net General Fund tax collections are \$53.2 million. He explained that one mill generates \$8.8 million for the City and the taxable value of properties increase was 8.5%

Revenue Estimates - All Funds - Stephanie Tinsley, Chief Financial Officer, displayed a graph depicting the City's revenue forecast for FY23; however, as new information is received, the numbers may change. Property taxes increased by almost \$3.3 million, due to the increase of assessed value and stagnant millage rate; fire assessment fees will generate almost \$17.5 million in revenue, approximate increase of \$1.5 million.

Mr. Santucci explained that the fire assessment fee is affected by a higher residential call volume; therefore, if the current rate is maintained, there would be a lower revenue and greater General Fund contribution to the overall fire services budget. He advised it would be discussed in greater detail at an upcoming Commission meeting.

In response to Commissioner Drosky's question, Mr. Santucci replied that the \$17.5 million in revenue is based on a residential rate of \$309. Thereafter, he outlined various scenarios.

Ms. Tinsley continued outlining the revenue estimates for all funds: intergovernmental, grants and distributions decreased due to the ARPA funds; loan proceeds decreased due to bond funds related to CIP projects that are underway; the use of fund balance is not finalized because expenditures are still being

FY23 BUDGET WORKSHOP - CONTINUED

accessed, and a final CIP is needed. Charges for services include charges for parks and recreation and Enterprise Funds.

Mr. Santucci stated that the local option gas tax has decreased, as the Governor implemented a sales tax holiday, and the sales tax holiday for gas will be October through November.

Revenue Estimates (General Fund) - Ms. Tinsley displayed a chart outlining the revenue estimates for the General Fund, whereas, 46% of the City's revenue is from property taxes and charges for services and fire assessment fees account for 29%.

Your City Taxes - Ms. Tinsley provided examples of how property values impact the ad valorem tax with a city tax rate of 6.3125; property valued at \$100,000 would have an ad valorem tax of \$315.63; property valued at \$198,168, ad valorem tax of \$935.31; property valued at \$450,000, ad valorem tax of \$2,500.

In response to Vice Mayor Hudak's question, Mr. Santucci replied that assessed and taxable value differ, whereas, the above-mentioned scenarios are based on taxable value which is what you will pay.

Total Property Taxes - Mr. Santucci displayed a breakdown of a tax bill, whereas, the total millage paid is 20.4690, but the City only represents 30.8%. The remaining percentage contributes to other taxing authorities: Broward County, the School Board, North Broward Hospital District, South Florida Water Management District and Children's Services Council.

Budget Considerations - Mr. Santucci outlined budget considerations: inflation, local housing market, bear-market scenario, economic uncertainty; pay and class study results; fire assessment fee study and recommendation; solid waste fund audit observation and fee assessment. He explained that he will be meeting with the City's disposal contractor as costs are increasing; nevertheless, the City has maintained the lowest cost for quite some time. Further, he continued outlining budget considerations: utility fund long-term rate assessment; and the reallocation of non-departmental expenses, i.e. pension expenses, insurance service allocation, etc.

FY23 CIP PROJECT REQUEST

David Santucci, City Manager, said this presentation includes an overview of the FY23-FY27 project requests, as well as a review of the FY23 requests. Thereafter, he displayed various slides outlining the five-year capital improvement projects from the General Fund, Utility Fund, Stormwater Fund, and Road & Bridge Fund.

General Capital Projects Fund

Information Technology - Mr. Santucci said this project consists of a backup upgrade to help mitigate risks and increase resiliency, for a total cost of \$275,000 from general operating funds.

Parks and Recreation - Maintenance - Mr. Santucci said the Crystal Heights North Playground will be replaced, for a total cost of \$175,000 from general operating funds. The addition of an outdoor, prefabricated restroom at Constitution Park, \$150,000 from general operating funds. The Oveta McKeithen pavilion replacement, \$200,000 from grant funding through the National Recreation and Park Association, and CDBG funding.

Parks and Recreation - Athletics - Mr. Santucci said the installation of a bulkhead for the aquatic center pool will expand its use as a multi-purpose, multi-functional system, \$250,000 from general operating funds. Additionally, he said due to the age of the pier, a structural assessment is needed to determine next steps, \$100,000 from general operating funds.

Parks and Recreation - Maintenance - Mr. Santucci said new furniture, fixtures, and equipment will be added to the Johnny L. Tigner Center as part of the construction project, \$370,000 from general operating funds. City Hall/BSO parking lot resurfacing and upgrades, \$140,000 from the general operating funds and citywide median improvements, \$250,000 from general operating funds.

FY23 CIP PROJECT REQUEST - CONTINUED

Commissioner Drosky said \$150,000 is budgeted in FY24 for the medians and asked if it could all be budgeted for FY23 as it is a priority of this Commission.

Teresa Rynard, Director of Parks & Recreation, stated that the FY23 budget is specific to the four main entryways into the City, and the FY24 budget is for the interior medians. Further, she spoke in support of completing all the medians in FY23, but didn't want her budget request to be costly.

Commissioner Drosky spoke in favor of completing all medians in FY23.

In response to Commissioner Preston's question (inaudible), Mr. Santucci replied that this is just a CIP request, which will require contractual services to complete larger projects. Furthermore, he explained that funds are allocated within the Parks and Recreation - Maintenance operating budget for internal work; nevertheless, if the Commission desires, monies can be allocated to the CIP request.

Commissioner Drosky suggested moving the funds for the City Hall/BSO parking lot improvements to the medians.

After a brief discussion, it was agreed that the City Hall/BSO parking lot improvements were a lower priority than the medians.

Mr. Santucci continued outlining the Parks and Recreation maintenance projects funded through general operating funds: the demolition and replacement of the Mayo Howard Park restrooms, \$160,000; replacement of the pavilions at Mayo Howard Park and OMRC, \$220,000; and replacement of playground equipment at Crystal Heights Central and Mayo Howard, \$300,000. The Pioneer Park Boat Ramp Project will be completed by the end of the week, but minor closures will be needed to maintain the concrete spalling; nevertheless, the remaining Pier 5 will need to be constructed at a cost of \$85,000.

Environmental Services - Construction & Facilities - Mr. Santucci said a city-wide unified key management system will be implemented for a first-year cost of \$85,000 and in year two, the BSO and Fire Stations will be completed. Further, staff recently received state grant funding to address drainage issues at the middle school aquatics parking lot. The CRA Board recently approved a contract for sea turtle replacement bollards; whereby, the City will be required to reimburse the CRA for the City's portion.

In response to Vice Mayor Hudak's question, Mr. Santucci replied that the CRA contract cost covers all the bollards; however, city monies must be allocated to reimburse the CRA.

Mr. Santucci continued outlining the Environmental Services construction & facilities projects: replacement of nine (9) lifeguard towers and the construction of one (1) additional tower on the North Beach. He explained that staff plans to replace two (2) every year, for a completion date of 2026.

In response to Vice Mayor Hudak's question, Mr. Santucci replied that the \$435,600 is a locked in price and will replace two (2) towers.

Sustainable Management - Coastal & Waterways - Mr. Santucci said the joint beach nourishment project with the Town of Hillsboro is currently in permitting and funded through American Rescue Plans; however, staff is working on obtaining possible reimbursement through grant funding from the Florida Department of Environmental Protection.

In response to Vice Mayor Hudak's question, Mr. Santucci replied that staff continues to find ways to retain our sand, as do the permitting agencies.

Vehicles and Equipment - Mr. Santucci said vehicles include a rescue, engine, etc.

In response to Commissioner Preston's question, Mr. Santucci replied that many of the stations need repair; however, accomplishments have been made to include, life safety upgrades to Fire Station 66; interior and exterior renovations to Fire Station 75; replacement of Fire Station 111; and Fire Station 51, which was originally in Pompano Beach, is a brand-new station and facility. Thereafter, he outlined fire stations that still need repairs.

FY23 CIP PROJECT REQUEST - CONTINUED

Commissioner Preston said a modern, updated multifunctional facility for our fire department is needed, as our firefighters are beneficial to the City, and their living situation is outdated. Further, he said bond funding may be needed and should be investigated.

Commissioner Drosky agreed and said bond funds will be needed as CIP and general funds are not enough. Further, he explained that it will also have to be approved by the voters and suggested that the bond for parks and fire stations be added to the ballot with the FARDA referendum.

Utility Fund Capital Projects

Environmental Services - Utility Maintenance - Mr. Santucci outlined two water and wastewater projects: FAU Research Park Boulevard Water & Sewer Upgrade project, \$600,000, and funded through the Utility Fund debt services; Pioneer Grove Water & Sewer Upgrade Project, \$600,000. Both projects will improve the water and wastewater for their respective areas.

Environmental Services - Water Plant - Mr. Santucci said the Water Plant Site Security Upgrade Project will assist with the compliance of federal government requirements and recommendations related to security assessment at the Water Plant. Thereafter, he outlined some of the upgrades, for a total cost of \$270,000.

Environmental Services - Utility Maintenance - Mr. Santucci said negotiations for Advanced Metering Infrastructure Project have been completed; the award will be on an upcoming commission meeting for Commission consideration.

Environmental Services - Water Plant - Mr. Santucci said the Ion Exchange System Project will assist with phasing out the lime softening system, for a cost of \$1.8 million. The New Reclaimed Water Main Project has a total cost of \$7 million and is associated with the SW 10th Street Project; whereby, staff has not received anything definitive from FDOT on what they will be funding, but other state funded loans were sought.

Vehicles and Equipment - Mr. Santucci displayed the vehicle and equipment request which included a backhoe, dump truck, etc.

Stormwater Fund Capital Projects

Environmental Services - Stormwater - Mr. Santucci said the Citywide Stormwater Improvements Project is not specific to any area; nevertheless, staff is aware that stormwater projects must be completed as the need arises. Further, he said the request is for \$400,000, as the areas are beyond repair and maintenance, and this amount will allow staff to build up capital for current and future projects. The SE 8th Avenue Stormwater Project addresses a stormwater drainage deficiency affecting a specific area in the City, for a cost of \$2.4 million. The West Deerfield Stormwater Project is estimated at \$4.9 million and funded through Enterprise Fund operating and debt and grant (ARPA) funding. He advised that as the project designs near completion, costs are being refined and increasing.

Vehicles and Equipment - Mr. Santucci said vehicles and equipment include a dump truck, replacement vehicles and a second street sweeper to increase compliancy with federal and state requirements.

Road and Bridge Fund Capital Projects

Infrastructure Maintenance - Mr. Santucci said roadway improvements for FAU Research Park Boulevard and Pioneer Grove Corridor are being requested through surtax dollars. He stated that the Pioneer Grove Corridor area is SE 2nd Avenue from Eller Street to SE 10th Street to include SE 4th Street from Dixie to SE 2nd Avenue and Eller Street from the railroad to NE 6th Avenue. The City has been awarded a LAP Project for Safe Routes to School for both Deerfield Elementary and Middle Schools. The project includes sidewalk and pedestrian improvements, etc., for an approximate cost of \$500,000. Further, the City Bridge Rehabilitation Project includes the rehabilitation of one (1) bridge which is funded through surtax; however, the requested amount is for staff to begin building a capital reserve for repair and replacement of city bridges. Mr. Santucci said the FEC Fence Project caught the attention of State Representative Ted Deutch,

FY23 CIP PROJECT REQUEST - CONTINUED

who suggested that an appropriation be submitted for completion of this project to Deerfield Beach's border, for a proposed cost of \$2.6 million.

Vehicles and Equipment - Mr. Santucci displayed the vehicle and equipment requests from the road and bridge fund.

Solid Waste Fund Capital Projects

Vehicles and Equipment - Mr. Santucci said the requests include replacement vehicle for a light duty truck, as well as heavy duty equipment, i.e. front-end loader, etc.

FINANCIAL SERVICES

Recent Achievements - Stephanie Tinsley, Chief Financial Officer, listed the FY22 achievements: business license tax from Naviline to GovEasy; banking fee reduction, whereby, staff was able to save upwards to \$70,000; as well as many others.

Current Initiatives - Ms. Tinsley listed the current initiatives: fire inspection billing and collections conversion from FireHouse to GovEasy; continued fiscal year end business process cleanup and improvements; customer service enhancements, which is a collaborative project with PAM to clean up the website; as well as others.

Future Considerations - Ms. Tinsley outlined the future considerations: Attorney General operational audit results; cost allocation plan study, which includes the continued improvement of processes and cleanup; OpenGov implementation; AML, which consists of automated meter reading implementation that will take 3-4 years to complete; interactive voice response (IVR) or "pay by phone"; as well as others.

Operating Budget - Ms. Tinsley displayed the overall operating budget, which includes three (3) divisions operating from the General Fund and Customer Service from the Utility Fund.

Accounting & Treasury Management Operating Budget - Ms. Tinsley said transfers were completed in FY22 to accommodate temporary contractual services. Further, she stated that the salary allocation for the Revenue Collection Manager was changed from 100% utilities to 75% utilities and 25% General Fund.

Budget & Performance Management Operating Budget - Ms. Tinsley said changes include personnel services: budget transfers to operating expenditures for temporary contractual services.

In response to Mayor Ganz's question, Ms. Tinsley replied that the Budget Performance & Analysis position, which was budgeted in FY22, is vacant and currently in recruitment.

Purchasing & Contract Administration Operating Budget - Ms. Tinsley outlined changes for personnel services: budget transfer to operating expenditures for temporary contractual services, whereas, currently there are two (2) vacant positions.

Customer Service Operating Budget - Ms. Tinsley said the slight decrease in personnel is due to the salary reallocation of the Revenue Collection Manager. She explained that there was a huge increase in bank charges, which is across the board; an increase in postage; and the implementation of the IVR, which is \$30,000.

David Santucci, City Manager, explained that bank charges consist of credit card fees and cannot be directly controlled.

In response to Mayor Ganz's questions, Ms. Tinsley replied that the ERP Project is a capital improvement project which is currently in the design phase. She said the consultant, Government Financial Officers Association (GFOA), made recommendations to the auditor general which will be implemented. Further, she said the RFP will be issued in July 2022; nevertheless, she wants to assure the proper staff is in place to run the system.

FINANCIAL SERVICES - CONTINUED

Mayor Ganz asked if the ERP system will allow employees to adjust their direct deposit information, W-2 forms, etc. or will it strictly be an accounting system.

Ms. Tinsley said staff hopes that is the case, but an ERP system has not yet been chosen and reiterated that an RFP will be issued in July 2022.

Mayor Ganz said this project has taken way too long and has been mentioned year after year. Since the project analysis was completed, this project should have been done; nevertheless, he asked that staff look into where this project is lacking and fix it, quickly. Thereafter, he commented on the outdated systems that are in place and provided feedback on certain initiatives he would like included, i.e. updating direct deposit information. Further, Mayor Ganz said he appreciates staff's concerns but reiterated his concerns with the length of time it has taken and advised that moving forward it must be corrected. Further, he said an IVR is being requested but the AMI has not been completed, which was outlined in last year's budget and asked for clarification.

Mr. Santucci replied that the AMI was held up in negotiation, which has now been competed, and will be coming before the Commission at an upcoming meeting.

Mayor Ganz said projects that have been discussed for years must be completed before new projects are considered.

In response to Mayor Ganz's questions, Ms. Tinsley replied that the Budget Performance & Analysis position was the only new position requested in FY22; whereby, no new positions were requested in FY23. Further, she said there are vacancies within her department that would oversee the ERP system and commented on issues with filling positions. Ms. Tinsley stated that currently, there are four (4) vacant positions within her department.

In response to Mayor Ganz's question, Mr. Santucci replied that current staff is capable of overseeing the ERP system; however, their workload has increased due to other vacancies. Further, he said two (2) positions are vacant due to one promotion, and one being new.

In response to Mayor Ganz's question, Ms. Tinsley replied that no new positions are being requested in FY23; however, additional financial consulting services are being requested.

Mayor Ganz said if the proper staff isn't in place to perform their job, that needs to be evaluated.

HUMAN RESOURCES

Recent Achievements - Amanda Robin, Director of Human Resources and Risk Management, listed the FY22 achievements: revised employee handbook; emergency pay policy; revised recruitment policy, which was based on comments from the auditor general; citywide vehicle inventory insurance project; as well as others.

Current Initiatives - Ms. Robin listed the current initiatives: enhanced training, which will assist in employee retention; property/asset inspections; union negotiations were reopened; temporary employment services; revision of Article IV; as well as others.

Future Considerations - Ms. Robin outlined the future considerations: increased temporary services due to the "Great Resignation"; whereas, there are currently over 100 vacant positions with 51 in recruiting. She explained that previously, many applications were received for an administration assistant position, and now staff is lucky to receive 10. Additional considerations include implementation of pay & class recommendations; minimum wage is current but will need to be addressed in the future; as well as others.

Operating Budget - Ms. Robin said there is a 7.7% increase in human resources and a 4.5% decrease in insurance services.

HUMAN RESOURCES - CONTINUED

Administration Operating Budget - Ms. Robin said due to the increase in training and development, a training & development specialist position is being proposed at a midpoint salary of \$73,000, which will be a cost split between HR and risk management. Further, she said there is a decrease in operating expenditures due to the pay & class study being budgeted in FY22.

Risk Management Operating Budget - Ms. Robin said there is an increase in COBRA due to turnover; retiree operating expenditures decreased by 26% due to the continued trends in plan modifications; risk operating expenses decreased due to training and evaluations of insurance; and the increase in personnel cost is from the new position split.

In response to Vice Mayor Hudak's question, David Santucci, City Manager, replied that the total cost for the new position includes benefits, etc., which is consistent throughout these presentations.

In response to Commissioner Drosky's question, Ms. Robin replied that no one currently oversees the trainings. The trainings are sometimes handled by her or conducted by an outside entity; nevertheless, this new position would handle the administrative aspects of the in-house trainings, i.e. scheduling, finding a trainer, etc.

Commissioner Drosky commented on trainings leading to employee retention and asked Vice Mayor Hudak for his input.

Vice Mayor Hudak said money is a short-term motivator but employee morale is a long-term motivator.

In response to Vice Mayor Hudak's question, Ms. Robin replied that the position would be split 50/50, and oversee HR and safety trainings, which would free up staff time to work on analytical tasks.

In response to Commissioner Drosky's comments regarding the positions' job duties, Ms. Robin said she would provide a draft job description. Thereafter she outlined some of the functions the position would oversee.

In response to Mayor Ganz's question, Ms. Robin replied that \$45,000 has been budgeted for trainings, but isn't earmarked for specific things.

Mayor Ganz said last year \$40,000 was requested for training and this year \$45,000 is being requested plus \$73,000 for a trainer; therefore, he requested clarification as the budget should decrease, not increase.

Ms. Robin said the proposed position would take on some of the trainings, but not all, due to the skillsets needed for each training.

Mayor Ganz continued to express concerns with the increase plus the new position; therefore, he spoke in opposition of the new position.

Commissioner Preston said many of our internal issues stem from a lack of personnel, which causes the existing system to suffer because it cannot function at the appropriate level; therefore, when something is being requested it needs to be looked into and if it is denied we must understand the net result. Further, he said this administration is fiscally responsible and aware of what they need, but if people don't want to work, how is the City going to get better.

INFORMATION TECHNOLOGY SERVICES

Recent Achievements - Ron McKenzie, Chief Information Officer, listed the FY22 achievements: obtained software for vulnerability scanning (NESSUS); implemented multi-factor authentication for critical applications; implemented electronic paystubs; implemented Deerfield electronically entered permit system (DEEPS) application to help the Building Division with addresses; as well as others.

INFORMATION TECHNOLOGY SERVICES – CONTINUED

Current Initiatives - Mr. McKenzie listed the current initiatives: working on policies and procedures for compliance with HB 7055 Cybersecurity Bill; completing technology for Fire Stations 51 and 111; electronic notice for business tax renewals (BTR); field data capture (FDC) application for Parks & Recreation; as well as others.

Future Considerations - Mr. McKenzie outlined future considerations: Cybersecurity Bill compliance, which goes into effect July 1, 2022, and mandates ransomware, training, etc. Thereafter, he provided a brief overview of how ransomware works and how the backup upgrade (CIP) will assist with these type threats. Additional considerations include, creating a zero-trust atmosphere for remote applications; workforce mobility in preparation for disasters; as well as others.

Operating Budget - Mr. McKenzie said there is a 37.2% increase due to the allocation in capital projects.

Information Technology Budget - Mr. McKenzie said increases are due to telephone charges now being funded by ITS, which were previously a non-departmental fund; network communications (Comcast) increased to \$38,386; software maintenance and professional services have increased \$30,000 each; and other minor increases are due to inflation. Further, he said capital outlay projects include backup upgrade; upgrade to the security information event monitoring (SIEM), which allows staff to review various reports; automated attack server, which allows staff to simulate attacks; as well as others.

In response to Mayor Ganz's question, David Santucci, City Manager, replied that the ERP system is in the General Fund Capital Improvement Program, so it will come from the Capital Fund.

Mayor Ganz reiterated his comments regarding the ERP system and stated that it must move forward.

Commissioner Preston commented on a cyber issue that occurred at the City of Riviera Beach and commended Deerfield Beach ITS staff for a job well done.

Commissioner Drosky expressed concern regarding the calculation for the budget increase; whereas, the General Fund shows a 37% increase from \$2.6 million to \$3.5 million. Further, he expressed concerns with the pay & class study results as it is going to add millions to the budget. He also commented on the millage rate remaining steady, and even decreasing this year, as well as the increasing costs to the BSO contracts. With that being said, cost requests must be accurate, as these requests are going to make a huge difference on future budgets.

Mr. Santucci agreed, and advised that this is not a presentation of the final budget, only budget requests, which are not always guaranteed.

Vice Mayor Hudak commented on the cost discrepancy as well. Further, he commented on the increase to the lifeguard stations, as well as revenue increases due to labor costs, software, capital expenditures, etc. He said the pay & class study is going to be eye opening and expressed concerns, whereas, employee retention is not just based on training but wages as well.

OFFICE OF THE CITY CLERK

Recent Achievements - Samantha Gillyard, City Clerk, listed the FY22 achievements: enhanced required public records training to include comprehensive training of state statutes, lawsuits, city policy changes and the utilization of JustFOIA; reduction of contractual services for document remediation; remediation of campaign treasurer reports for elected officials dating back to 2009 for incumbents; and revision of the City Clerk webpages to simplify navigation.

Current Initiatives - Ms. Gillyard listed the current initiatives: create a brief, informative video to share with field and office personnel, not required to attend the training, on how to properly handle public record requests; completion of an advisory board handbook, as well as an online tutorial for newly appointed advisory board members; create an internal policy for remediation which will help new employees understand the importance of remediation and provide a timeline for reviewing the webpage; preparation for the March municipal election, as well as the November referendum that will consist of the term limit

OFFICE OF THE CITY CLERK - CONTINUED

question, submitted in May 2022 for placement on the ballot; and audio/visual updates to the commission chambers to enhance the in person and virtual attendance experience.

Future Considerations - Ms. Gillyard outlined the future considerations: synchronize lobbyist registration system with the online registration form, which will allow staff to manage the registration process and ensure payments and forms are received and complete. Ms. Gillyard stated that staff is currently using a paper system, which she outlined. Further, the implementation of an electronic payment portal for lobbyist registrations and public records requests to reduce the receipt of paper checks, foot traffic, and alleviate postal issues. Lastly, staff is looking to develop a minute's transcription tutorial and online training to help staff better manage the transcription of minutes.

Operating Budget - Ms. Gillyard said the operating expenditures decreased by 2.6% mainly due to the reduction in contractual services for document remediation. Further, the main increase is in the election budget, whereas, the November referendum is a little less than \$35,000. The cost estimate for the Districts 1 and 2 March municipal election is \$66,100; however, if the property disposition question is added, it would require all Deerfield Beach polling places be open. Ms. Gillyard said the new SOE provided a cost breakdown based on the number of registered voters, approximately 49,000; whereby, the cost is \$2.79 per registered voter, regardless of voter turnout, for an estimated cost of \$150,000. Lastly, she was advised that if an additional question is added the cost would remain as is, but that is unlikely.

In response to Mayor Ganz's question, Ms. Gillyard replied that since Financial Services has a payment portal, the preference is to collaborate, so there aren't multiple systems doing the same thing.

PUBLIC AFFAIRS & MARKETING

Recent Achievements - Rebecca Medina-Stewart, Director of Public Affairs & Marketing, introduced her staff. Thereafter, she listed the FY22 recent achievements: 11,000 Instagram followers; 43,000 YouTube subscribers with 4 million views; website and mobile app redesign; training for content creators; 1.1 million website visits; pier signage and artwork; DFB City newsletter; surf and sports cameras; and others.

Current Initiatives - Ms. Medina-Stewart listed the current initiatives: DFB live naturescapes; DFB resident spotlight, which will include ordinary residents doing extraordinary things within the community; DFB employee spotlight; fish page; redesigned city flag; new underwater camera technology; as well as others.

Future Considerations - Ms. Medina-Stewart outlined future considerations: installation of arboretum cameras; continued advances in social media, i.e. Citibot texting communications tool for the public; marine tracking technology; as well as others.

Operating Budget - Ms. Medina-Stewart said there is a decrease in personnel costs due to the augmented contractual services. Further, she said the \$31,000 increase in capital outlay is for the addition of the naturescape cameras.

Commissioner Preston commented on fishermen at Juno Beach discussing Deerfield's underwater camera. Further, he said the redesign of the city flag is forthcoming and suggested that it be installed at every city park, along with the American flag. Thereafter, he commented on the Juneteenth promo and commended staff for a job well done.

Commissioner Drosky spoke in support of text communications, as it is one of his priorities. Thereafter, he outlined the services provided by Citibot and asked what services will be included.

Ms. Medina-Stewart said the main services include text reminders for city meetings, events, etc.; whereby, the text alert wouldn't be utilized because the City currently has a system through the State, which is an emergency alert and call/text/e-mail back system, which has been well received.

Commissioner Drosky said he would like the text alert communication included, as it would be more beneficial than listening to a 30 second message. Further, public safety is one of the core functions in government, so the easier the information can get out, the better.

PUBLIC AFFAIRS & MARKETING - CONTINUING

In response to Commissioner Drosky's question, Ms. Medina-Stewart replied that baseline services would be around \$15,000.

In response to Mayor Ganz's question, David Santucci, City Manager, replied that he would research the costs associated with the installation/maintenance of the flags at every park and provide the information at a later time. Further, he said it is customary to also display the State flag.

Mayor Ganz said many of the existing park flags were installed by service organization projects and suggested that staff reach out to the Eagle Scout, lodges, etc.

Vice Mayor Hudak said 30% of the City's residents are seniors and are not computer savvy and asked how communication is filtered to them.

Ms. Medina-Stewart replied that communications are currently filtered through the phone bill. Additionally, information is added to the Century Village reporter, their local channel or events area.

In response to Commissioner Preston's question, Ms. Medina-Stewart replied that Comcast previously provided a free public service channel but started charging and not everyone has Comcast.

Mayor Ganz clarified that staff can see when residents receive and check e-mails/notifications.

PLANNING & DEVELOPMENT SERVICES

Recent Achievements - Eric Power, Director Planning & Development Services, listed the FY22 achievements: anticipated completion of the 2021 Comprehensive Plan, early next month; B-tactical NE 3rd Avenue installation; Dixie Highway landscape improvements; linked Broward e-permits to city building permits; as well as others.

Current Initiatives - Mr. Power listed the current initiatives: NW area improvement plan - Phase 1; FAU partnership for a walkability study of Tedder/Tallman Pines area, which will consist of utilizing a software program that will help the City better understand the needs of people who walk, bike or use public transportation; online submittal for building permits; 10th Street aesthetic and architectural review; and others.

Future Considerations - Mr. Power outlined future considerations: tactical urbanism is a planning tool utilized to create temporary improvements to roadways; whereby, a \$25,000 request is being made to assist with the creation of a multi-year plan that will allow the use of similar methods of tactical urbanism throughout the City. Thereafter, he outlined various areas within the City for tactical urbanism. Additional considerations include NW area improvement - Phase II and possible Phase III; county rezoning initiative for annexed areas; evaluation of the building fee schedule; as well as others.

Operating Budget - Mr. Power said Planning & Development Services consists of Planning & Zoning and Building; Code Compliance is now under Public Safety.

Planning & Zoning Operating Budget - Mr. Power said an additional 20% of the director and assistant director salary will be allocated to the building fund. Previously, the salaries were previously split three (3) ways and now it'll be split 50/50. Further, he reiterated the \$25,000 request for the tactical urbanism program.

Building Services - Operating Budget - Mr. Power said there are a few upcoming major projects, so staff is projecting a slight decrease in permit fees.

Permits by Year - Mr. Power displayed a graph outlining the permits by year, which are reviewed by multiple departments. Further, he said permits have decreased over the years because of the economy but remain steady.

Building Revenue by Year - Mr. Power said there will be a slight decrease in revenue in FY22 and a slight decrease from FY22 to FY23 as well due to the value of permits.

PLANNING & DEVELOPMENT SERVICES - CONTINUED

City Revenue - Mr. Power said due to CGA contract revisions, the City is now tracking a 20% retainership of revenue, an increase from the previous contract of 15%.

Mayor Ganz asked that staff be cautious when allocating salaries to certain funds to assure they are being done correctly.

David Santucci, City Manager, agreed and advised that all scenarios have been scrutinized. Further, the cost allocation study will also help.

Commissioner Drosky said the Tree Programs are one of his priorities and suggested that funds be allocated to expand them, so residents can beautify their area, as well as the City.

Mr. Power said there is currently \$643,000 in the landscape fund; whereas, this past year staff requested to budget money for these programs. Though staff was conservative the first year, moving forward values can be increased. Additionally, there aren't annual contributions to the fund and these funds are used for large scale beautification projects, which he outlined.

In response to Commissioner Drosky's question, Mr. Power replied that the City Commission can allocate money to the landscape fund.

Commissioner Drosky said the large-scale beautification projects are important, but wants residents and HOA's to have a chance to participate; therefore, he recommended an allocation and commission notification if additional funding is needed. Thereafter, he commented on a tree assessment that was done in his community and how the Shady Tree Program was a huge benefit to many. Lastly, he agreed with the cost share component, but the City must do better to assure that these type programs are funded, even if the programs require a waiting list.

Mayor Ganz said the City has received praise from other cities regarding the B-tactical Project and commended staff for a job well done.

ECONOMIC DEVELOPMENT

Recent Achievements - Griselle Chazu, Economic Development Coordinator, listed the FY22 achievements: continued COVID response to minimize negative impacts on businesses and workers; 92 graduates from the Ready2Work Program, which is the workforce initiative the City has provided over the last two (2) years; over 800 participants in the small business and entrepreneurship training, which has had an international reach; Deerfield Beach was recently designated as the business recovery center for disasters; the Hire DFB Program supported Publix's new expansion and 600 new jobs were created, 69 were city residents; as well as others.

Current Initiatives - Ms. Chazu listed current initiatives: small business development center will be opening a satellite office and business incubator with programming from FAU; business education; connecting expanding and potential businesses with resources; invitation to negotiate real estate development; as well as others.

Future Considerations - Ms. Chazu outlined future considerations: potential recession due to the significant slowdown in global growth; implementation of the central city strategy; implementation of the job creation incentive with the Greater Fort Lauderdale Alliance; increased focus on entrepreneurship and small business development, whereas, a publication of "How to Open a Business in Deerfield Beach" is located on the City's website; film initiative, which consists of working with Broward County's Film Executive Director on capturing all the content creation done during COVID; as well as others.

Operating Budget - David Santucci, City Manager, said an administrative support specialist is being requested, as well as the reclassification of the Economic Development Coordinator to Business Development Manager, due to the expansion of position's current roles, responsibilities and time commitments. Further, he said workforce training is being increased, as they pay dividends and continue to benefit the City. Lastly, Mr. Santucci said marketing is being increased so staff can market the City's economic strategy further.

ECONOMIC DEVELOPMENT - CONTINUED

Commissioner Preston commented on the Urban Land Institute (ULI) study, whereby, great ideas were provided but unfortunately those ideas did not come to fruition due to funding. Further, he said District 2 is underdeveloped and economically deprived compared to the other districts, which causes residents to have a greater dependency on social services and asked if a plan has been put in place.

Mr. Santucci replied that the infrastructure projects, i.e. Pioneer Grove, FAU Research Park Boulevard, etc. will help beautify the area, but the ULI provided various recommendations, i.e. zoning, to spark development within the private sector, which requires man power and resources. Further, he said the increases in the operating budget will assist with ensuring the City has the resources to implement these major projects. Mr. Santucci said there have been discussions on how to financially support this area, and the creation of a CRA was suggested by Commissioner Preston, but all options must be researched. Thereafter, he commented on staff finding information from years ago regarding economic organizations establishing economic funding to bring up this area but was never followed through on. Lastly, he said if a CRA was created for that area it would be TIF-less because the County would not participate.

In response to Commissioner Preston's question, Mr. Santucci replied that the information found was meant to spark development in the central area, but was never fully vetted; nevertheless, now that this new information has been brought to staff's attention, all options will be researched and brought forward to the City Commission.

Mayor Ganz commented on the investments made over the last 10 years within District 2, i.e. Tigner Center, relocation of the teen center, Boys and Girls Club expansion, etc., which may have not happened if a CRA wasn't in the beach area. The CRA was created in 1999 and at that time, the beach area was a blighted area and in need of redevelopment; nevertheless, two (2) CRA's should have been created and additional planning and foresight should have been done. Thereafter, he commented on the increase in property values due to the creation of a CRA.

Thereafter was a lengthy discussion regarding redevelopment in the City and the creation of a CRA in District 2.

Commissioner Drosky said Hillsboro Boulevard from Dixie Highway to I-95 will look significantly different on its own 5-10 years from now, but on Dixie Highway, from Hillsboro Boulevard to Sample Road needs help, as that area is key for this city developing in the future. Unfortunately, no one has been able to figure out how to move forward with redevelopment and it's not going to happen overnight, as multiple layers are involved. Also, the ULI recommendations will go a long way, and the implementation of the coordinator and zoning changes are a good start, but buy-in is needed from the residents. Further, Commissioner Drosky recommended the Economic Development Department recruiting a business to come into the area, which will bring more businesses.

Commissioner Preston commented on the blighted area and the struggles staff may face when dealing with developers and suggested offering incentives.

Thereafter, discussion ensued regarding the redevelopment of the Dixie Highway corridor.

COMMUNITY SERVICES

Recent Achievements - Jon Salas, Acting Director of Community Services, listed the FY22 achievements: \$3.2 million in awarded grants and appropriations; \$5.7 million in pending grants and appropriations, which includes the fencing along the Dixie Highway corridor; \$1.7 million in entitlement grants, i.e. SHIP, HOME, etc.; assisted 29 residents with housing assistance; provided 118 households with rental and utility assistance; assisted two (2) seniors through the high school scholarship program; as well as other.

Current Initiatives - Mr. Salas listed the current initiatives: community outreach, i.e. book & toy drive, food distribution, etc.; education advisory board partnership with schools; tutoring initiatives; back to school block party, which will be in memory of Deputy Harold Morrison; health and support services; American Rescue Plan Funds project management, which consists of staff working with the consultant on the 22 projects, 16 of which are funded directly through ARP and 6 indirectly funded; etc.

COMMUNITY SERVICES - CONTINUED

Future Considerations - Mr. Salas outlined future considerations: implementation of My Senior Center & Civic Rec software technology; intergenerational collaborations with Parks & Recreation; census data analysis; CDBG 5-year consolidated plan development; potential federal, state and county government funding cuts, whereby, the CDBG allocation decreased this year; city affordable housing crisis; and tenant protection for rent increases.

In response to Commissioner Hudak's question, David Santucci, City Manager said the allocation for purchasing a home is \$50,000, but recommendations from the granting agency have been made to increase it to \$70,000, which will be presented to the City Commission.

Operating Budget - Administration - Mr. Salas said there is a 29% increase in personnel services due to the addition of a business manager, which will assist with providing more accountability and maintaining compliance. Further, there is an increase in operating expenses due to the transfer of lobbyist services from non-departmental, as well as a \$6,000 increase for the volunteer appreciation program.

Operating Budget - Health & Social Services - Mr. Salas said there is an increase in personnel services due to transferring two (2) recreation coordinators from Parks & Recreation to Community Services; they currently assist daily with programming.

Operating Budget - Grants & Housing - Mr. Salas said staff is requesting the merge of grants and housing divisions, as they both deal with grants, and the merge will include transferring one (1) existing position. There is a decrease in CDBG due to the funding allocation in FY23 and the HOME funding allocation has not been received for FY23, so the estimate is based on the previous year. Miscellaneous grants consist of Shot Spotter - \$595,000, a federal appropriation, and the JAG grant - \$27,314, through the US Department of Justice. The hazard mitigation grant allocation is \$120,000 for a generator at the lift station near the middle school. Disaster recovery grants include hurricane loss mitigation, which has an allocation of \$194,000 and can only be used for hurricane hardening. The CDBG-CV, is in the fourth round, but could aid three (3) programs, Ready2Work, senior technology and hot food. Lastly, Mr. Salas said the SHIP allocation is pending.

Community Participation - Mr. Salas said the community participation program was designed to provide financial resources to local non-profits and organizations to assist in serving the public and City. Thereafter, the organizations and requested amounts were displayed. In FY22, 10 applications were received and \$125,000 was awarded; FY23, 14 were received and \$181,021 is being requested.

David Santucci, City Manager, requested feedback from the Commission on how they would like staff to rank these organizations moving forward.

Mayor Ganz suggested keeping it Deerfield Beach centric and organizations must outline their return on investment.

Commissioner Drosky agreed and welcomed changes from staff to better the program.

PUBLIC INPUT

Katy Freitag, 418 SE 2nd Street, Deerfield Beach, commented on a piece of equipment that runs the entire server room at City Hall that needs to be replaced, as it has become a fire hazard and asked that it be addressed.

Gwendolyn Clarke-Reed, 1430 SW 6th Way, Deerfield Beach, said many of the things discussed should have been done prior to the workshop; nevertheless, she asked how contact information can be changed on the DFBAAlert system. Further, she said the Dixie Highway corridor is continuously discussed, but no one wants to sit down with the community to establish a plan for the area. Thereafter, she commented on the history of the area and agreed with incentives being offered.

ADJOURNMENT

MOTION was made by Vice Mayor Hudak, seconded by Commissioner Preston, to adjourn the meeting at 10:23 p.m. Voice Vote:

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

Nays: 0

BILL GANZ, MAYOR

Samantha Gillyard, CMC, City Clerk