CITY OF DEERFIELD BEACH
BUDGET WORKSHOP MEETING MINUTES
Tuesday, June 13, 2023 at 6:00 PM

The meeting was called to order on the above date by Mayor Bill Ganz at 6:00 p.m. at the Hillsboro Community Center, Deerfield Beach, Florida.

ROLL CALL

Present:	Commissioner Todd Drosky - Tardy Commissioner Ben Preston Commissioner Michael Hudak - via Zoom Vice Mayor Bernie Parness Mayor Bill Ganz
Also Present:	David Santucci, City Manager Anthony Soroka, City Attorney Heather Montemayor, CMC, City Clerk

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 Vice Mayor Parness, seconded by Commissioner Preston, to approve the agenda as submitted. Voice Vote:

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

Nays: 0

CITYWIDE OVERVIEW

David Santucci, City Manager, thanked staff for their assistance in creating the budget. Thereafter, he outlined the workshop agenda and displayed a PowerPoint presentation.

Budget Process/Calendar - Stephanie Tinsley, Chief Financial Officer, provided an overview of the budget development and implementation processes. Thereafter, she stated that the City will receive the final assessments from the Broward County Property Appraiser's Office (BCPA) at the beginning of July; the preliminary fire assessment rate and nuisance abatement will go before the Commission on July 18th. The proposed budget will be presented on August 10th; thereafter, the budget will be submitted to the Commission no later than August 15th. The first hearing of the budget will take place on September 5th, with final adoption taking place on September 13th.

Demographics - Mr. Santucci outlined the City's demographics: 2.5% unemployment rate; median household income is $15,000 below the County average at $49,650; and poverty rate is higher than the County at 15.6%. The over 65 population and labor force participation rate are both higher than the County and State, the persons per household is at 2.33%, and persons without health insurance is at 23.2%.

Commissioner Drosky arrived at 6:11 p.m.

CITYWIDE OVERVIEW - CONTINUED

Economic Indicators - Mr. Santucci said the CPI is high and there is an uptick in consumer confidence which could reflect the inflation going down and interest rates stabilizing. Deerfield Beach is within the top five cities with the most sales; however, a majority sold were townhomes and condos. Lastly, he said the median sale price has increased from April 2022 to April 2023.

Single-Family Home Assessed Values - Mr. Santucci said the average assessed value increased by $26,659, which is still behind the County average; nevertheless, Deerfield Beach has the 11th lowest assessed value in Broward County, which is an improvement. Thereafter, he provided a brief explanation of the average taxable values for condos and single-family homes. Further, Mr. Santucci said the Broward County Property Appraiser (BCPA) collects taxes on behalf of all taxing authorities and the City receives an estimated 30%.

Millage Rate History - Mr. Santucci said the proposed millage rate is 6.2548 and the operating millage remains unchanged at 6.0018.

Ad Valorem Tax Revenue Projection - Ms. Tinsley stated that the ad valorem tax revenue projection is $59 million, which reflects the 95% collection rate; the City estimated $53.2 million for 2023.

Ad Valorem - Property Tax Collection - Ms. Tinsley said the total citywide estimated tax collection is $61.6 million and CRA's allocation is $2.6 million, for a projected net General Fund of $59 million. She explained that one mill generates $9.8 million of ad valorem tax revenue and the taxable property values increased by 10.21%.

Revenue Estimates for all Funds - Ms. Tinsley provided a brief overview of the City's revenue estimates for all funds, which total $299,845,182.

General Fund Revenue Sources - Ms. Tinsley said property taxes are the largest source of funding for the General Fund, followed by the fire assessment.

Citywide Recent Achievements - Mr. Santucci listed the citywide recent achievements: executive recruitment; pay and classification analysis and implementation; referendum for sale of 1045 SW 11th Way; acquisition of vacant beach lot; address recurring audit observations/findings; as well as others.

Citywide Current Initiatives - Mr. Santucci listed the citywide current initiatives: Enterprise Resource Plan (ERP) coordination and implementation; 1045 SW 11th Way development agreement, site plan and city entitlements; central city development; as well as others.

Citywide Future Considerations - Mr. Santucci outlined the citywide future considerations: concerns with national/global economic climate; public safety service levels; attainable housing opportunities; legislative mandates; as well as others.

General Fund Balance - Peer Comparatives - Ms. Tinsley said the City's total General Fund balance is at a 'AA' rating; total unassigned fund balance is at a 'AAA' rating; total General Fund Balance as a percent of revenues is in line at a 'AAA' Florida; and the unassigned fund balance as percent of revenue is at a 'AAA' rating.

Existing Tax Supported Debt - Mr. Tinsley said the City's total debt is at $56.7 million, which includes general obligation and covenant bonds. Thereafter, she outlined the measures the City uses to analyze the current debt. The 10-year payout ratio is at a 'AA' rating; the debt to assessed value is between a 'AA' and 'AAA' rating; and debt service vs. expenditures is at a 'AA' rating.

In response to Commissioner Drosky's questions, Mr. Santucci replied that although inflation has decreased, costs for services, i.e. janitorial and landscape, maintenance, and repairs have increased. Additionally, there will be a 4.6% increase for fire rescue services, and a 6.2% increase for law enforcement; increases are also due to the capital improvement projects. Further, he reiterated that inflation has gone down but the housing market remains stable, so there won't be the same amount of increases in the ad valorem. Lastly, he said there are projects outlined in the western portion of the City.

FY 24 CIP PROJECT REQUESTS

General Capital Project Fund

General Fund Projects - David Santucci, City Manager, said $12 million is being requested, which includes: air pavilion at Oveta McKeithen; renovations to Central City Campus second floor; continuation of unified key management system; court resurfacing and enclosures; review of the fitness equipment; park lighting improvements; continuation of pavilions and playgrounds; Constitution Park community center; FEC fence; electric charging stations; International Fishing Pier; as well as others.

In response to Commissioner Preston's question, Teresa Rynard, Director of Parks and Recreation, replied that Mayo Howard Park, Villages of Hillsboro and Constitution Park will have their lighting reconstructed; whereby, the City intends to work with Florida Power and Light (FP&L) to seek additional discounts for energy efficiency lighting.

Commissioner Preston suggested adding 24-hour lighting to each park, as it would alleviate after hour activity.

In response to Vice Mayor Parness' request, Ms. Rynard stated that staff is working on the possibility of installing solar lighting, as the technology is becoming increasingly better and will be a cost savings to the City.

Commissioner Hudak said 24-hour lighting is not viable in many of the parks because the lighting will intrude into the surrounding homes.

Mr. Santucci stated that staff will ensure homes are not affected. Thereafter, he outlined the vehicle request, which includes light and heavy-duty vehicles, totaling $1.68 million.

Road and Bridge Fund

Road and Bridge Fund Projects - Mr. Santucci said $700,000 has been allocated to build funding for the design of the SE 15th Avenue bridge; citywide street lighting is a surtax project - $800,000; Dixie Highway streetscape improvements, which is connected to FDOT's RRR project - $564,000. Thereafter, he outlined other projects, for a total overall request of $19 million.

In response to Commissioner Preston's question, Mr. Santucci replied that the funding for the Dixie Highway streetscape improvements project is due from the City in fiscal year 2024, and construction will begin in fiscal year 2025 or fiscal year 2026. Thereafter, an overview of the project was provided.

In response to Commissioner Hudak's question, Mr. Santucci replied that there are no plans to rename FAU Research Park Boulevard.

Utilities Capital Fund

Utilities Capital Fund Projects - Mr. Santucci said projects include advanced metering infrastructure, which is funded through ARPA; ammonia and chorine conversion; Floridan well rehabilitation; control updates; as well as others, for a total overall request of $9 million

Solid Waste Fund

Vehicles and Equipment - Mr. Santucci said the vehicle and equipment request is $2 million.

Stormwater Fund

Stormwater Capital Fund - Mr. Santucci said projects include College Park, Crystal Lake, SE 8th Avenue, West Deerfield, Martin Luther King Jr. Avenue, as well as others, for a total overall request of $11 million.

FY 24 CIP PROJECT REQUESTS - CONTINUED

In response to Commissioner Preston's question, Pricilla Cygielnik, Director of Environmental Services, replied that the current funding allocated for Martin Luther King Jr. Avenue is for design, whereas, it takes approximately one year to design a project; nevertheless, staff is concurrently applying for grants.

In response to Commissioner Hudak's question, Ms. Cygielnik replied that the design for the SE 8th Avenue project has been completed, but staff is awaiting the surface water license through the County; once everything is approved construction is anticipated at 12 - 18 months.

In response to Commissioner Hudak's question, Mr. Santucci replied that recently purchased front loader was used at $250,000.

FINANCIAL SERVICES

Recent Achievements - Stephanie Tinsley, Chief Financial Officer, listed the recent achievements: pay and compensation strategy implementation; finalized reallocation of non-departmental and central service items; customer service enhancements on the website and lobby; as well as others.

Current Initiatives - Ms. Tinsley listed the current initiatives: BSO fire safety inspection billing/collections conversion to Gov-Easy; city hall customer service security enhancements; cost allocation plan (CAP) study; OpenGov budget development software and configuration; ERP preparation; as well as others.

In response to Commissioner Preston's question, David Santucci, City Manager, replied that the security enhancements are to alleviate safety issues brought forward by staff.

Future Considerations - Ms. Tinsley outlined the future considerations: CAP implementation; system implementations, which include ERP OpenGov, automated meter reading; as well as others.

Financial Services Operating Budget - Ms. Tinsley said the overall operating budget is $2.8 million.

Accounting & Treasury Management Operating Budget - Ms. Tinsley said the changes in personnel services are due to a budget transfer for temporary contractual services - $175,000; new intern - $21,000. Further, the changes in operating expenditures are due to Gov Easy - $20,000 increase; audit service for GASB implementation - $12,000 increase; temporary staff for ERP implementation - $50,000 increase; and bank charges for in-person payments - $55,000 increase.

Budget & Performance Management Operating Budget - Ms. Tinsley said the changes in personnel services are due to a budget transfer for temporary contractual services - $60,000; intern - $21,000. Further, the change in operating expenditures is due to the reduction of the onetime professional services for the development and implementation of OpenGov - $53,000.

Purchasing & Contract Administration Operating Budget - Ms. Tinsley said changes in personnel services is due to the intern - $21,000.

Customer Service Operating Budget - Ms. Tinsley said postage increased by $12,000; AMI support, file formatting, etc. - $20,000 increase; and bank changes decreased by $120,000.

In response to Commissioner Hudak's question, Mr. Santucci replied that the ERP is a multi-year project.

There was a brief recess from 7:34 p.m. to 7:41 p.m.

HUMAN RESOURCES

Recent Achievements - Karen Belle-Pierre, Assistant Director of Human Resources listed the recent achievements: completion of pay and class study; labor negotiations; concluded city-wide vehicle inventory; created electronic safety training library; executed alternate recruitment efforts; introduced new wellness activities; as well as others.

HUMAN RESOURCES - CONTINUED

Current Initiatives - Ms. Belle-Pierre listed the current initiatives: promote education tuition reimbursement; review pay and class study job descriptions; develop performance improvement process for insurance and inventory tracking for city property/asset; support ERP system implementation; creation of a total compensation calculator for recruitment and retention; as well as others.

Future Considerations - Ms. Belle-Pierre outlined the future considerations: evaluation of new onboarding/offboarding strategies; developing strategies for employee retention; improve professional development and training; new performance evaluation; 4% health insurance rate increase; and continuation of department preventative risk trainings.

Human Resources Operating Budget - Ms. Belle-Pierre said there was a budget transfer from personnel services to operating expenditures due to contractual services - $75,000. The operating expenditures decreased due to labor and personnel legal services; for an overall budget increase of 6.86%.

Insurance Services/Risk Management Operating Budget - Ms. Belle-Pierre said there was an increase in COBRA health due to turnover and dependent's selection of COBRA, but a decrease in retirees due to retirement age. Further, there was a decrease in personnel services due to the HR Director vacancy, and the increase in operating expenditures is due to mediation; for an overall budget increase of 7.55%.

INFORMATION TECHNOLOGY SERVICES

Recent Achievements - Ron McKenzie, Chief Information Officer, listed the recent achievements: academic and technical certification accomplishments; GIS created and implemented dashboard for capital improvement projects; upgraded audio visual upgrades to Commission Chambers; security achievement; as well as others.

Current Initiatives - Mr. McKenzie listed the current initiatives: obtained data backup system which encrypts data to maintain integrity and monitor data risk and threats; obtain circuits and equipment for wireless guest networks at multiple city facilities; researching new phone system; implement attack server to simulate network attacks and help increase our security platform; as well as others.

Future Considerations - Mr. McKenzie outlined the future considerations: ensure compliance with cybersecurity house bills; ERP implementation with new system and migration from old system; creating an app for rapid assessment reporting; creating a zero-trust atmosphere for remote applications; and workforce mobility in preparation for disasters.

Operating Budget - Mr. McKenzie said there is a $9,986 change in personnel services due to the request of an IT ERP Coordinator - $102,000, and the reallocation of two positions to utilities. The $58,053 increase in operating expenditures is due to services for software and support of new software. Further, no new projects are being proposed, so there is a $200,000 reduction in capital outlay; for an overall budget decrease of 3.60%.

In response to Commissioner Preston's question, Mr. McKenzie replied that cyber-attacks have occurred but were unsuccessful.

OFFICE OF THE CITY CLERK

Recent Achievements - Heather Montemayor, City Clerk, listed the recent achievements: audio/visual upgrades to Commission Chambers; two successful citywide elections; reduction of contractual services due to bringing ADA remediation inhouse; as well as others.

Current Initiatives - Ms. Montemayor listed the current initiatives: completion of the advisory board handbook; installation of touch screen TV in the lobby area; ADA remediation of the City website; evaluation of website advertising; as well as others.

Future Considerations - Ms. Montemayor outlined future considerations: implementation of electronic submission and payment for lobbyist registrations; JustFOIA upgrade; creation of an electronic records management policy; as well as others.

OFFICE OF THE CITY CLERK - CONTINUED

Operating Budget - Ms. Montemayor said the decrease in personnel services is due to staffing changes. Further, there is an increase in programming and software due to the upgrade of the public records request software, but a decrease in contractual services due to document remediation being brought inhouse; for an overall budget decrease of 26.50%.

PUBLIC AFFAIRS & MARKETING

Recent Achievements - Rebecca Medina-Stewart, Director of Public Affairs & Marketing, listed the recent achievements: graphic design services; educational campaigns; DFB livestream experience; recipient of three Silver Telly Awards; as well as others.

Current Initiatives - Ms. Medina-Stewart listed the current initiatives: strategic plan design and layout; additional DFB livestream cameras, i.e. rainforest/bird cameras; DEEResident Spotlight; educational campaigns, to include AMI and composting; and addition of a text communications tool, which was under budget.

Future Considerations - Ms. Medina-Stewart outlined future considerations: launch YouTube Tourism Channel called Destination Deerfield Beach; promotional campaigns for Bezos Academy and Braithwaite Center; use of artificial intelligence (AI); city podcast; as well as others. Further, she explained that the AlertDFB contract will be terminated in December; therefore, staff must seek alternate services.

Operating Budget - Ms. Medina-Stewart said the increase in personnel services is due to the addition of an administrative support specialist - $35,000, which will be a cost share with ocean rescue. Further, the decrease in operating expenditures is due to the decrease in the communication tool; for an overall budget increase of 7.16%.

Commissioner Preston cautioned staff on the use of AI technology. Further, he suggested part-time employment to assist with the increased workload.

PLANNING & DEVELOPMENT SERVICES

Recent Achievements - Eric Power, Director of Planning & Development Services, listed the recent achievements: completion of the Comprehensive Plan; Vision Zero pilot program; and major development project review, to include Vista Clara, Axis Apartments, etc.

Current Initiatives - Mr. Power listed the current initiatives: conversion of the BSO fire life safety inspection to Gov-Easy; completion of the records retention process; completion of the NW Area Improvement Plan; land use and zoning category amendments; Vision Zero Master Plan; central city redevelopment plan; and land development code update.

Future Considerations - Mr. Power outlined future considerations: potential impact of new state statutes; additional review and regulations from Broward County, i.e. 25-year inspections; update planning, building and impact fees; public art program; seek grant opportunities for Safe Streets and Roads 4 All; and 1045 SW 11th Way development. Thereafter, he provided a brief overview of the steps staff is taking to prepare for the Live Local Act.

Planning & Development Services Operating Budget - Mr. Power said the operating budget consists of the General Fund, Building Services Fund, and Tree Preservation Trust Fund.

Planning & Zoning Operating Budget - Mr. Power said there is a slight increase due to consulting services. Further, staff is requesting to develop a career path classification from Planner to Planner I, II, and III; for an overall increase of 0.73%.

Building Services - Operating Budget - Mr. Power said staff is anticipating a revenue increase due to upcoming development; for a total overall increase of 11.31%.

PLANNING & DEVELOPMENT SERVICES - CONTINUED

Tree Preservation Operating Budget - Mr. Power said the increase is due to the Dixie Highway Fence Phase II Project and increases in the right tree/right place and shade tree program; for an overall increase of 82.35%.

Building Permits - Mr. Power stated that the projected revenue for FY23 is around $5.5 million. Further, he explained that the costs of building permits varies.

In response to Commissioner Preston's question, Mr. Power replied that the increase in revenue in 2019 and 2020 was due to the completion of major developments, i.e. JM Family, Publix improvement, etc.

In response to Vice Mayor Parness' comment, Mr. Power said the new state statutes can be provided, as well as the building inspection reports, which are provided to city staff on a monthly basis.

ECONOMIC DEVELOPMENT

Recent Achievements - Kris Mory, Director of Economic Development, listed the recent achievements: 1045 SW 11th Way referendum approval; 64 graduates from the Ready2Work program; small business and entrepreneurship training; central city redevelopment implementation model; Level Up business program; Broward Up implementation; as well as others.

Current Initiatives - Ms. Mory listed current initiatives: Dixie Highway rezoning and market study, which will assist with aligning the new zoning proposals in the central city area; cultural arts district strategy; city hall master plan; 1045 SW 11th Way real estate development; pier restaurant invitation to negotiate; city ride share program; as well as others.

Future Considerations - Ms. Mory outlined the future considerations: economic landscape; densification and affordability issues; live-work proximity; permitting automation; commuter rail transit development strategy/obstacles; increased focus on entrepreneurship and small business development; and public private partnerships for infrastructure and facility projects.

Operating Budget - Ms. Mory said the increase in personnel services is due to the expansion of the economic development program. Further, notable expenditures include Dixie Highway rezoning - $35,000; central city development - $60,500; and workforce training - $40,000; for an overall budget increase of 1.25%.

COMMUNITY SERVICES

Recent Achievements - Jonathan Salas, Director of Community Services, listed the recent achievements: $4.1 million in awarded competitive grants and appropriations; $3.1 in awarded entitlement grants; $26.9 million in pending grants and appropriations; attainable housing program impact; reopening of adult daycare; as well as others.

Current Initiatives - Mr. Salas listed the current initiatives: Braithwaite Center for Active Aging construction, enrollment and programming; caregiver support groups; explanation of utilities assistance program; community engagement; as well as others.

Future Considerations - Mr. Salas outlined future considerations: intergenerational opportunities; grant trends and inflation impacts; legislation impacts, i.e. Live Local Act, etc.; CDBG five-year consolidated plan development; and addressing areas of the City designated as a "food desert."

Community Services Operating Budget - Mr. Salas said the overall budget has a slight decrease, 0.88%.

Administration Operating Budget - Mr. Salas said the FY23 personnel service transfer into capital projects was for the purchase of furniture - $100,000. Further, staff is requesting a facilities attendant position - $88,000, to assist with additional programming and extended hours. Other increases include the transfer of janitorial services - $29,000; community outreach - $4,500; lobbyist services - $84,000; and health and social service expenses - $5,000; for an increase of 9.79%.

COMMUNITY SERVICES - CONTINUED

Grants & Housing Operating Budget - Mr. Salas said staff is to add two housing coordinator positions which will be funded through CDBG and Ship - $170,000. Further, the Grants Coordinator position is filled and a better fit, so staff is recommending closing the grant writer position - ($74,000).

Health & Social Services Operating Budget - Mr. Salas said the operating expenses were transferred to the Administration Division and a slight decrease in local service program and Alzheimer's disease due to COVID funding decreasing.

Community Development Block Grant (CDBG) - Mr. Salas said staff has compiled a list of potential projects that may be funded through CDBG, which is the reason behind the increase. Thereafter, the miscellaneous grants were displayed.

American Rescue Plan Act (ARPA) - Mr. Salas said $4.7 million is the carryforward but can change.

Community Participation Grant - Mr. Salas said staff received 15 requests, totaling $265,409; nevertheless, the FY24 budget is $150,000. Further, a committee has been established to review the applications and once finalized a recommendation will be presented to the Commission.

David Santucci, City Manager, stated that $125,000 was the original funded amount; however, the committee is recommending $150,000, which should not be an issue.

Commissioner Drosky spoke in support of the increase to lobbyist services, and suggested the possibility of increasing it further, especially with issues coming before the City, i.e. SW 10th Street.

Commissioner Preston commented on the growth at Braithwaite Center for Active Aging. Further, he's had discussions with the community regarding a community garden and will provide information once it's further developed.

Mayor Ganz suggested allocating a onetime cost of $210,000, which could be pulled from the reserves, to assist the Historical Society with operations and possible renovations to the Butler House.

Mr. Santucci said this type request would not be a part of the community participation grant process; however, staff will review other funding mechanisms.

Mayor Ganz said these presentations are more informative than anything else; nevertheless, the Commission will review further and provide their input and recommendations to the City Manager.

PUBLIC INPUT

Darryl Adams, 1430 SW 5th Terrace, Deerfield Beach, asked if there were plans on building an amphitheater within the City.

Mayor Ganz said there has not been any commentary on the development of an amphitheater; although it would be a great addition to the City, he is unsure of a viable location. Thereafter, he thanked all for their presentations this evening.

ADJOURNMENT

MOTION was made by Commissioner Preston, seconded by Vice Mayor Parness, to adjourn the meeting at 9:15 p.m. Voice Vote:

Yeas: 5 - Commissioner Drosky, Commissioner Hudak, Commissioner Preston, Vice Mayor Parness and Mayor Ganz

Nays: 0

_____
BILL GANZ, MAYOR

_____
Heather Montemayor, CMC, City Clerk