CITY OF DEERFIELD BEACH
BUDGET WORKSHOP MEETING MINUTES
Wednesday, June 12, 2024 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 Michael Hudak
Commissioner Bernie Parness
Commissioner Ben Preston
Vice Mayor Todd Drosky
Mayor Ganz

Also Present:
City Manager David Santucci
City Attorney Anthony Soroka
City Clerk Heather Montemayor

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 Preston, seconded by Commissioner Hudak, to approve the agenda as submitted. Voice Vote:

Yeas: 5 - Commissioner Hudak, Commissioner Parness, Commissioner Preston, Vice Mayor Todd Drosky, 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 - Mr. Santucci provided an overview of the budget development and implementation processes. He stated that the City will receive the final assessments from the Broward County Property Appraiser's Office (BCPA) on July 1st and the preliminary fire assessment rate and nuisance abatement will go before the Commission on July 9th. The proposed budget will be presented on August 16th and the budget will be submitted to the Commission no later than August 15th. The first hearing of the budget will take place on September 9th, with final adoption taking place on September 23rd.

Demographics - Mr. Santucci outlined the City's demographics: 3.1% unemployment rate; median household income is $5,513 below the County average at $70,978; and the poverty rate is lower than the County at 11.7%. The over 65 population is 19.7%; labor force participation rate is 58.7%; persons per household is 3.23%; and persons without health insurance is at 23.2%.

CITYWIDE OVERVIEW - CONTINUED

Economic Indicators - Mr. Santucci said the Consumer Price Index (CPI) has flattened out and the inflationary costs are seeing improvements. Further, Deerfield Beach is one of the top five cities with the most sales, but the majority sold are townhomes and condos. Lastly, the median sale price increased from April 2023 to April 2024.

Single-Family Home Assessed Values - Mr. Santucci said the average assessed value increased by $24,847, which is still behind the County average; nevertheless, Deerfield Beach has the 11th lowest assessed value in Broward County. 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 6.1857 and the operating millage remains unchanged at 6.0018.

Ad Valorem - Property Tax Collection - Mr. Santucci said the total citywide estimated tax collection is $66.26 million and CRA's allocation is $2.84 million, for a projected net General Fund of $63.42 million. He explained that one mill generates $10.7 million of ad valorem tax revenue and the taxable property values increased by 8.5%.

Revenue Estimates for all Funds - Mr. Santucci provided a brief overview of the City's revenue estimates for all funds, which total $308,170,440.

General Fund Revenue Sources - Mr. Santucci said property taxes are the largest source of funding for the General Fund, followed by the special assessments.

Citywide FY24 Achievements - Horace McHugh, Deputy City Manager, provided a brief overview of the citywide achievements: adopt strategic plan; staff emphasis on "SHARP" core values; staffing and recruitment; capital and infrastructure; community engagement; commission luncheon meetings; and fiscal controls and oversight.

FY 25 CONSIDERATIONS

Economic & Business Development, Redevelopment - Mr. McHugh listed the future considerations: finalize sale and development agreement for 1045 site; infrastructure investment; downtown masterplan; economic development incentives and programs; central city redevelopment; Dixie corridor assessment and rezoning; and building department service delivery method.

Public Safety - Mr. McHugh outlined the Broward Sheriff's Office (BSO) contract history and projections for fiscal year 2022 - 2029. Thereafter, he listed the future considerations: Public Safety Master Plan; add Fire Executive Officer; fire assessment recapture rate; code compliance service levels and delivery methods; and completion of new lifeguard stations and service expansion.

Community Engagement - Mr. McHugh listed the future considerations: Parks and Recreation Master Plan; municipal elections; and centennial celebration.

Business Process and Internal Controls - Mr. McHugh listed the future considerations: establish insurance services fund (medical); develop an internal service fund (fleet, IT, legal); complete cost allocation study; implement state uniform chart of accounts; ERP go live; procurement resources; employee relations; Fund Balance policy proposals; and fee study and revenue recommendations (impact fees, magistrate, parking, code, etc.).

FY25 CIP PROJECT REQUESTS

General Capital Project Fund

General Fund Projects - David Santucci, City Manager, said the anticipated General Capital Fund is $27.7 million. Thereafter, he briefly outlined the Capital Improvement Projects (CIP).

FY25 CIP PROJECT REQUESTS - CONTINUED

In response to Commissioner Parness' question, Mr. Santucci replied that the Pier restaurant will have its own restroom.

Mr. Santucci outlined the vehicle request, which includes light and heavy-duty vehicles, totaling $3.9 million.

In response to Commissioner Preston's question, Greg Warner, Director of Parks and Recreation, replied that there is some level of lighting to provide security within the parks.

Commissioner Preston asked that 24-hour lighting be installed at each park to improve safety measures.

Mr. Santucci stated that the City is currently working with FPL to install better lighting.

In response to Commissioner Preston's questions, Mr. Santucci replied that the Mayo Howard Park restroom has not been renovated, as the entire park will be renovated in FY26. Further, the Pioneer Grove Project will be funded through Surtax Funding - $2.8 million, and $1 million will come from the General Fund.

Commissioner Hudak asked that staff keep the neighboring residents in mind when installing lighting within the parks. Thereafter, he asked for an update regarding the Palm Plaza parking lot.

In response to Mayor Ganz's comments, Mr. Warner stated that not all lighting projects were completed; nonetheless, Johnie McKeithen Park is currently being worked on.

Thereafter, Mr. Santucci reiterated that Mayo Howard Park will be completely renovated in FY26 due to an opportunity that was brought forward.

Mr. Warner explained that the Constitution Park Project is not yet completed; whereas, the parks are being prioritized.

In response to Mayor Ganz's questions, Mr. Santucci replied that the citywide unified key management system project took longer than expected; nevertheless, it is now ready to move forward.

Mr. Warner explained that the beach restrooms will be torn down and replaced with slab and a pre-fabricated structure.

In response to Mayor Ganz's question, Priscilla Cygielnik, Director of Environmental Services, replied that there were other communities that ranked higher than the NE 3rd Avenue Project and funding from the Metro Planning Organization (MPO) was low. Also, funding was sought through Safe Streets and Roads for All (SS4A) grant program.

Mayor Ganz suggested that interior improvements be considered during the Pier Bait Shop Project.

Road and Bridge Fund

Vehicles and Equipment - Mr. Santucci said the vehicle and equipment request is $187,660 for a dump truck.

Utilities Capital Fund

Utilities Capital Fund Projects - Mr. Santucci outlined the projects: advanced metering infrastructure, which is funded through ARPA; East Water Treatment Plant Replacement Project; infrastructure rehabilitation and replacement; nanofiltration degasifier media replacement; as well as others. The total overall request is $5.6 million.

Vehicles and Equipment - Joshua Niemann, Assistant Director of Environmental Services, said the vehicle and equipment request is $51,993 for a pick-up truck.

FY 25 CIP PROJECT REQUESTS- CONTINUED

Solid Waste Fund

Capital Projects - Mr. Santucci outlined the projects: building security; CCC 1st Floor office renovation; CNG station expansion; and Fleet Garage ventilation and gas detection system. The total overall request is $350,000.

Vehicles and Equipment - Mr. Santucci said the vehicle and equipment request is $2,181,562.

Stormwater Fund

Stormwater Capital Fund - Mr. Santucci outlined the projects: citywide stormwater improvements; College Park stormwater capital improvement; and Martin Luther King Jr. Avenue stormwater improvement. The total overall request is $400,000.

In response to Mayor Ganz's questions, Mr. Santucci replied that the S-curve Utility Project is a carryforward from last year. Further, the Tigner Center will have a community center and office space.

Commissioner Preston suggested putting extra lighting at CCC to discourage the theft of equipment.

There was a brief recess from 7:37 p.m. to 7:43 p.m.

FINANCIAL SERVICES

FY24 Achievements - Horace McHugh, Deputy City Manager, outlined the FY24 achievements: FY24 Distinguish Budget Presentation Award; FY23 Clean Audit Opinion with no findings; OpenGov Budget & Planning software implementation; ERP implementation and training; procurement road map and strategic plan; as well as others.

FY25 Goals - Mr. McHugh outlined the FY25 goals: go live ERP implementation with Tyler MUNIS; Cost Allocation Plan (CAP) study implementation; Interactive Voice Recording (IVR) implementation for processing water and sewer utility payments via phone; increase purchasing rebate programs offered by vendors, Amazon, Home Depot, and Lowes; hosting Vendor Network Expo to increase vendor participation with the procurement acquisition process; and update policies and procedures.

Operating Budget - Mr. McHugh said there is an overall increase of $434,616 or 10%. Accounting and Treasury Management increased due to temporary contractual services - $298,000; auditing services - $8,810; CFO recruitment - $32,000; insurance allocation - $113,800; and higher pay range for new hires - $118,000. Budget and Performance Management increased due to temporary contractual services - $82,000; insurance allocation - $22,400; and OpenGov software maintenance - $6,777. Purchasing and Contract Administration increased due to the addition of a Senior Buyer - $99,000; insurance allocation - $59,100; and the vendor outreach program - $8,000; however, operating expenditures decreased due to eliminating supplemental contractual services for Purchasing and Contract Management. Customer Service increased due to the insurance allocation - $35,300.

In response to Commissioner Hudak's question, David Santucci, City Manager, replied that the insurance allocations increased by 33%, $9.4 million to $12.5 million. Additionally, the City is currently in labor negotiations and has estimated cola and merit increases plus other factors that impacted the overall increase in personnel services.

In response to Mayor Ganz's question, Mr. Santucci replied that the reduction in the equipment lease agreement has been absorbed by the postage increase.

HUMAN RESOURCES

Commissioner Parness left the meeting at 7:54 p.m.

FY24 Achievements - Jacqueline Lindsay, Director of Human Resources, outlined the FY24 achievements: pay and class study implementation; enhance internal procedures to maintain accuracy for property

HUMAN RESOURCES - CONTINUED

insurance changes; long term preventative health effort for wellness; new performance evaluation; as well as others.

FY25 Goals - Ms. Lindsay outlined the FY25 goals: ERP system implementation; training initiatives; full automation of the job requisition process; continuation of preventative risk safety trainings; implement new labor contracts; and insurance services market analysis.

Operating Budget - Ms. Lindsay said there is an overall increase of $1,414,138 or 11% increase. Personnel services increased due to the insurance allocation - $43,000 and there was a decrease in operating expenditures due to legal services and other contractual services; for an overall budget increase of 9%. Further, medical related expenditures and revenues were moved from the Insurance Services Fund to a new medical insurance fund to report its own fund balance.

INFORMATION TECHNOLOGY SERVICES

FY24 Achievements - Ron McKenzie, Chief Information Officer, outlined the achievements: centralized access control; utilities automation; cybersecurity training; as well as others.

FY25 Goals - Mr. McKenzie outlined the FY25 goals: ERP rollout; obtain knowledge, develop policies, and manage Artificial Intelligence (AI) safely; meet or exceed state cybersecurity mandates; implement additional security tools; compliance with state and federal mandates; support all departments and initiatives securely and safely; and increase data redundancy and security by expanding cloud-based virtual server.

Operating Budget - Mr. McKenzie said there is an overall increase of $733,502 or 21%. Personnel services increased due to the request of an Assistant Director - $165,400 and insurance allocation - $130,200. The operating expenditures increased due to password manager - $30,000; secure access remote - $50,000; privilege access - $10,000; network access control - $20,000; kiosk software - $30,000; moving VM to cloud - $70,000 plus 5% - 7% increase to existing software. Lastly, the increase to capital outlay is due to the replacement of obsolete door locking system in city hall - $77,500.

Commissioner Preston spoke in support of the requests. Thereafter, he commended Mr. McKenzie for keeping the City safe.

Mayor Ganz thanked Mr. McKenzie for all his efforts and asked that all security measures continue.

OFFICE OF THE CITY CLERK

FY24 Achievements - Heather Montemayor, City Clerk, outlined the FY24 achievements: upgraded JustFOIA for efficiency; implemented website advertising; reduced code supplements; completion of Advisory Board handbook; completed redistricting; as well as others.

David Santucci, City Manager, recognized the Office of the City Clerk for doing a tremendous job with processing public records request with such a quick turnaround time.

FY25 Goals - Ms. Montemayor outlined the FY25 goals: creation of an electronic records management policy; records storage contract; audio/visual upgrades to HTC; QR code for Commission agendas; county recording payment coordination; employee development; and March 2025 Citywide Municipal election.

Operating Budget - Ms. Montemayor said there is an overall increase of $209,447 or 34%. Personnel services increased due to the insurance allocation - $28,000. Further, there is a decrease in advertising and codification - ($10,000); however, there is an increase in operating expenditures due to the upcoming March 2025 Citywide Municipal election - $136,000.

In response to Mayor Ganz's question, Ms. Montemayor replied that once the new ERP system is established, staff will look into an electronic payment system for lobbyist registrations.

PUBLIC AFFAIRS & MARKETING

FY24 Achievements - Rebecca Medina-Stewart, Director of Public Affairs & Marketing, outlined the FY24 achievements: proof of performance video communications on projects; graphic design services; rebranded City newsletter; DFB livestream experience; recipient of three awards; as well as others.

FY25 Goals - Ms. Medina-Stewart outlined the FY25 goals: establish media cloud storage facility; department support of essential projects listed in strategic plan; centennial marketing; implementation of a digital marketing campaign strategy for strategic plan initiatives; launch destination Deerfield Beach channel; and launch text notification tool. Thereafter, she stated that having a Digital Marketing Specialist will assist with the digital marketing campaign strategy for strategic plan initiatives and destination Deerfield Beach channel.

Operating Budget - Ms. Medina-Stewart said there is an overall increase of $214,663 or 31%. Personnel services increased due to the request of a part-time administrative assistant - $31,157; digital marketing specialist - $94,197; and insurance allocation - $57,300.

Commissioner Preston said the underwater camera has been a hit and commended staff for their efforts. Further, he suggested a full-time administrative assistant in lieu of part-time.

In response to Mayor Ganz's questions, Ms. Medina-Stewart replied that staff is currently utilizing some AI, and is working with IT staff on implementing other AI features. Further, she said Alert Deerfield Beach is still active, the proposed administrative assistant position will not be shared with Ocean Rescue, and the contracted Digital Marketing Specialist is still being utilized.

PLANNING & DEVELOPMENT SERVICES

FY24 Achievements - Chris Suneson, Assistant Director of Planning & Development Services, outlined the FY24 achievements: Vision Zero Master and Action Plan; Vision Zero website and dashboard; SS4A grant for SW 3rd Ave/MLK demonstration awarded; code changes; as well as others.

FY25 Goals - Mr. Suneson outlined the FY25 goals: moving forward with Vision Zero year 0 - 3 goals; update to public notice; business use, parking, and lighting code updates; implement online plan review; evaluation of CGA building contract; evaluation of building and planning fee schedules; and evaluation of impact fees.

Operating Budget - Mr. Suneson said Planning and Development Services operates under the General Fund, Building Services Fund, and Tree Preservation Trust Fund; whereby, there is an overall increase of $170,361 or 2%. Planning and Development Services has a 4% overall increase due to the insurance allocation - $86,000; however, operating expenditures decreased due to the NW Area Improvement Plan and Central City Corridor project completion. Capital outlay has a FY25 recommendation of $3,500. Further, building increased due to the insurance allocation - $7,500 and capital outlay for FF&E and improvements to the Building Division - $350,000. The payment of permits for major projects will impact projected revenue and staff plans to evaluate the Building Fund to meet the required State Statutes and to include fees for private providers.

Continuing, Mr. Suneson displayed a bar graph of the projected revenue for FY24, which is $5.8 million, and a bar graph depicting the number of permits for FY24. Tree Preservation has a major decrease and will continue due to limited vacant land for new and redeveloped property; nevertheless, the current annual spending is $25,000, but can go as high as $50,000. Lastly, the proposed projects, which will exceed the current fund, consist of tree mitigation for stormwater projects, Center for Active Aging, Dixie Highway fence, future improvements to NE 3rd Avenue, SW 3rd Avenue (MLK), and NE 2nd Avenue.

In response to Mayor Ganz's question, Mr. Santucci replied that there is a public art program; however, the City must first establish a Public Art Master Plan, which would assist with artwork placement throughout the City. Thereafter, he commented on a workshop he attended with County Commissioner Lamar Fisher and stated that he hopes to schedule a meeting with Commissioner Fisher to discuss grant opportunities for the City's upcoming projects.

Mayor Ganz suggested carrying over the FY24 Public Art Program goal.

COMMUNITY SERVICES

FY24 Achievements - Jonathan Salas, Director of Community Services, outlined the FY24 achievements: Northeast Focal Point (NEFP) at Braithwaite Center for Active Aging facility; census growth in Alzheimer's & Adult Day Care facility & Senior Center; awarded Broward County Public Schools 2023 - 2024 Municipal Partner of the Year for education initiatives; successfully transitioned Affordable Housing Programs inhouse; as well as others.

FY25 Goals - Mr. Salas outlined the FY25 goals: expand the NEFP volunteer program to leverage operational funding; Non-Profit (NGO) coordination; host an attainable housing workshop, NEFP health fair, and Senior Center Town Hall meetings; expand the education internship program; develop and finalize the CDBG five-year consolidated plan; assess and evaluate the transportation program challenges; develop and implement a robust marketing plan to increase community impact; establish a food pantry at Braithwaite Center for Active Aging through local community partnerships; and establish resources for a crisis fund to support low-income seniors in Deerfield Beach.

Operating Budget - Mr. Salas said there is an overall increase of $220,334 or 4%. Administration increased due to the insurance allocation - $58,000 and purchase of additional furniture and equipment for the new facility. Grants and Housing has an overall 4% decrease. Health and Social Services increased due to the insurance allocation - $83,200. Transportation increased due to the insurance allocation - $33,700 and custom wrapping for buses - $40,000. Thereafter, the miscellaneous grants were displayed, which has an overall decrease of 18%.

Commissioners Preston and Hudak commended Mr. Salas for a job well done.

In response to Commissioner Hudak's questions, Mr. Salas replied that the application has been approved for the Adult Day Care Center, and staff is awaiting an inspector; whereby, the lobbyist has been notified of the status and is working on expediting the process. Further, the Bezos Day Care Center is expected to open up next school year.

In response to Commissioner Preston's question, Mr. Salas replied that the Braithwaite Center was approved as a historical site, whereby, the sign should arrive in about six months.

In response to Mayor Ganz's question, Mr. Salas replied that the five-year consolidated plan for the CDBG is due in 2025.

Mayor Ganz expressed concerns with certain areas in the City being a food dessert, and suggested marketing Freebee in those areas, as there is a Publix in the CRA District.

ECONOMIC DEVELOPMENT

FY24 Achievements - Kris Mory, Director of Economic Development, outlined the FY24 achievements: small business and entrepreneurship training; personalized business assistance; central city outreach; ULI density workshop; Dixie Highway development opportunity marketing; commercial real estate brokers event and video; as well as others.

FY25 Goals - Ms. Mory outlined the FY25 goals: downtown Deerfield feasibility study; downtown Deerfield ULI TAP; Central City Strategic Action Plan; cultural arts/historic district; the well project; Dixie Highway rezoning; formation of redevelopment enterprise fund; develop Central City catalytic incentive program; 1045 project entitlement; Economic Development Council (EDC) partnership; economic development dashboard; CDBG Ready2Work Program; microloan formation; City real estate management; online business portal; and partner with EDC on Deerfield Beach promotional campaign.

Operating Budget - Ms. Mory said there is an overall increase of $92,711 or 12%. Personnel services increased due to the insurance allocation - $26,130 and Capital Outlay increased due to the Well Feasibility Study - $30,000.

In response to Commissioner Hudak's question, Ms. Mory replied that Economic Development has a strategic master plan and a vision.

ECONOMIC DEVELOPMENT - CONTINUED

David Santucci, City Manager, stated that the four district areas within the City have their own plan and vision, whereby, the land development and zoning code is the guide for the entire city.

In response to Mayor Ganz's question, Mr. Santucci replied that Eric Power, Director of Planning and Development Services, initiated the Dixie Highway rezoning project in this current year and the Laserfiche repository has started and should be completed fiscal year 2025 for permitting automation.

In response to Mayor Ganz's questions, Ms. Mory replied that the commuter rail strategy has been completed. Further, the Public /Private partnership is currently being worked on as a P3 model. Thereafter, she commented on a meeting staff had with the property appraiser regarding marketing appreciation. Lastly, she said to better identify future real estate opportunities the City will sign up with a subscription program that will be able to identify when properties become available.

Mayor Ganz suggested adding the subscription program as part of the current goals.

Mr. Santucci stated that the City was awarded the demonstration portion of the SS4A grant; however, staff is seeking a larger grant amount.

PUBLIC INPUT

The following individuals expressed personal opinions/concerns, and asked questions:

- ***Dan Herz, 330 SE 19th Avenue, Deerfield Beach.***
- ***Thomas Plaut, 3920 NW 4th Court, Deerfield Beach.***
- ***Gwyndolen Clarke-Reed, 1430 SW 6th Way, Deerfield Beach.***

COMMENTS BY MAYOR & CITY COMMISSION

Mayor Ganz said this will be his last budget workshop. Thereafter, he commented on the budget process since he's been in office, which has come a long way. In the future, he would like the presentations to be presented to the Commission prior to the meeting, so that there can more engagement amongst everyone.

David Santucci, City Manager, replied that he appreciates the feedback and agreed with the recommendation.

Commissioner Hudak said the budget workshops have improved since he's been in office, but additional improvements are needed. Thereafter, he commended staff for their hard work.

ADJOURNMENT

MOTION was made by Commissioner Preston, seconded by Commissioner Hudak, to adjourn the meeting at 9:40 p.m. Voice Vote:

Yeas: 5 - Commissioner Hudak, Commissioner Parness, Commissioner Preston, Vice Mayor Drosky and Mayor Ganz
Nays: 0

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BILL GANZ, MAYOR

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Heather Montemayor, CMC, City Clerk