Deerfield Beach
Florida

CITY OF DEERFIELD BEACH
BUDGET WORKSHOP MEETING MINUTES
Wednesday, July 9, 2025 at 7:00 PM

The meeting was called to order on the above date by Mayor Todd Drosky at 7:17 p.m. at the Hillsboro Community Center, Deerfield Beach, Florida.

ROLL CALL

Present:
Commissioner Michael Hudak
Commissioner Tom Plaut
Commissioner Daniel Shanetzky
Vice Mayor Ben Preston
Mayor Todd Drosky

Also Present:
City Manager Rodney Brimlow
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 Vice Mayor Preston, seconded by Commissioner Hudak, to approve the agenda as submitted. Voice Vote:

Yeas: 5 - Commissioner Hudak, Commissioner Plaut, Commissioner Shanetzky, Vice Mayor Preston, and Mayor Drosky
Nays: 0

DEPARTMENTAL BUSINESS

Budget Process/Calendar - Rodney Brimlow, City Manager, highlighted a PowerPoint presentation. Thereafter, he provided a brief overview of the budget development and implementation processes, as well as the budget calendar. He explained that the City received the final assessments from the Broward County Property Appraiser's Office (BCPA) on July 1st; therefore, the final numbers will be presented at the September meetings.

Fiscal Overview - Mr. Brimlow stated that the City's proposed budget is $326 million, which is a $59 million reduction from the previous year, whereby, grant funding decreased from $11.8 million to $6.4 million; $40 million was cut from capital projects; and operations, personnel, etc. was cut by $15 million.

Oleg Gorokhovsky, Chief Financial Officer, said currently the insurance services fund is $5.5 million, but a slight increase is anticipated; nonetheless, the medical insurance services will remain at the same amount.

DEPARTMENTAL BUSINESS - CONTINUED

Further, the reduction in grant funding is also due to the American Rescue Plan Act (ARPA) Funds sunsetting. Thereafter, he outlined the fund structure.

Personnel Summary (All Funds) - Mr. Gorokhovsky said there is an increase in one full time position, whereby, three part-time positions are being eliminated. Further, various positions were reorganized to the Municipal Services Department and there will be no personnel increases to BSO.

Annual Budget Summary (All Funds) - Mr. Gorokhovsky outlined the percentage change in each fund from FY25 amended to FY26 proposed. He explained that city staff conducted three rounds of lean budgeting, which resulted in a $59 million reduction to the FY26 proposed budget. Thereafter, he outlined the General Fund revenue sources, whereby, the largest revenue source is property taxes (42%).

Mayor Drosky said the City will have to get creative when it comes to the revenue streams, as it is unknown what will happen with the ad valorem taxes during the next legislative session.

In response to Vice Mayor Preston's questions, Mr. Brimlow replied that the $59 million decrease is due to a reduction in grant funding, capital projects, and operations. Thereafter, he briefly outlined the job description for the Performance Management Specialist. Lastly, he said three part-time positions were eliminated, so the Performance Management Specialist could be added.

Vice Mayor Preston spoke in support of the position, but asked that they not act as a fiscal hawk.

Mr. Brimlow stated that the position is not being created to reduce spending, but to ensure spending is being allocated appropriately to the programming that is already established.

In response to Commissioner Shanetzky's questions, Mr. Brimlow replied that grant funding has been cut from the state and federal level. Thereafter, he briefly outlined the services that will be increasing, i.e. code compliance, personnel and insurance, Florida Power & Light (FP&L), etc.

General Fund Expenditures - Mr. Gorokhovsky said 45% of the General Fund expenditures are spent on the BSO contracts, and 23% are spent on personnel services. Thereafter, he continued outlining the expenditures. He said all expenditure increases, and revenue changes have been incorporated into the proposed budget.

Millage Rate History - Mr. Gorokhovsky said the proposed operating millage rate remains unchanged at 6.0018 mills. Further, he said there are two additional millages from the General Obligation Bonds, which will decrease by .0116 mills in FY26.

Ad Valorem Property Tax Collection - Mr. Gorokhovsky said the total citywide estimated tax collection is $70.98 million and the tax incremental revenue is $3.02 million, for a projected net General Fund of $67.96 million. Thereafter, the average taxable values for condos and single-family homes in Deerfield Beach was displayed.

Mr. Brimlow said the City's taxable value is less than the County's, which is challenging.

Total Property Taxes (FY25 Millage Breakdown) - Mr. Gorokhovsky said Broward County Schools receives the largest portion at 31.8%.

Commissioner Hudak said the total millage rate is 20.3258, which is broken up between six governmental entities. The City's millage rate is 6.1851, which is 30.4% of the total; if the City were to reduce the millage rate, and another entity increased it, taxes would go up.

Mr. Brimlow agreed, whereby, if someone pays $2,000 in taxes, the City would only receive $600.

General Fund - FY26 Major Revenues - Mr. Gorokhovsky said the largest increase is ad valorem taxes at $4.5 million, which includes $1.3 million of delinquent taxes.

DEPARTMENTAL BUSINESS - CONTINUED

Mr. Brimlow said the major revenues are anticipated in increase by $6.2 million; however, the increases for code compliance, law enforcement, and fire rescue services exceed the increase, so monies will have to be pulled elsewhere.

Fire Assessment Fee - Mr. Gorokhovsky said the Commission set the preliminary fire assessment fee at $365. Thereafter, he provided a brief overview of the fee throughout the years. Further, the FY26 proposed budget was based on $315, which would cover 49% of the total cost for fire services; however, if the Commission decides to approve the rate at $325, it would cover 46%, and $350 - 49%.

In response to Commissioner Hudak's question, Mr. Brimlow replied that the fire assessment fee can only be used on a portion of the contract. Although the study was conducted in 2022, staff is still operating with the recommended fee of $372, even though costs have increased; nonetheless, staff will add a line outlining the accessible costs.

Mr. Gorokhovsky reiterated that the study was conducted in FY22; therefore, staff will look into having it redone, so the numbers can be reassessed. Further, he said the scenario that was approved at last night's commission meeting, $365, will be provided at a later date.

Charges for Services - Mr. Gorokhovsky said revenues are projected to increase by 2%. The single largest source of revenue is ambulance services at $3 million, followed by parking meter fees at $2.7 million. Mr. Brimlow said the City does not charge residents the balance from rescue transports.

In response to Mayor Drosky's question, Mr. Brimlow replied that staff will look into the estimated number not being charged to the residents and provide it a later date.

In response to Commissioner Shanetzky's question, Mr. Brimlow replied that if a resident does not have insurance, then they do not pay for the rescue transport.

Sales Tax - Mr. Gorokhovsky said the two main sales taxes are Communications Services Tax (CST) and Local Government Half-Cent Sales Tax, which represent 70% of the revenue stream. Further, state statutes provide the City with authorization to impose local communication service taxes; nonetheless, the revenue will remain flat into 2026.

Utility Service Tax - Mr. Gorokhovsky said the utility services tax is locally imposed, and is levied on six utility services: natural gas, liquefied petroleum, manufactured gas, electric water, and fuel oil/kerosene, which is projected to increase by 5.8%.

Franchise Fees - Mr. Gorokhovsky said revenues are projected to increase by 2%. Further, he said franchise fees are charges to service providers, which operate within the City and the charge is based upon a percentage of gross receipts, flat fee, or a combination of both.

Utilities Fund - FY26 Major Revenues - Mr. Gorokhovsky said there are no major increases, whereby, water sales are increasing by $79,000 and sewer services by $77,000.

Solid Waste Fund - FY26 Major Revenues - Mr. Gorokhovsky said the overall projected revenue is anticipated to increase by 3%.

Commissioner Shanetzky commented on light poles that are inoperable.

In response to Commissioner Shanetzky's question, Mr. Brimlow replied that the City only pays for electricity that is being utilized on city poles.

Stormwater Fund - FY26 Major Revenues - Mr. Gorokhovsky said there are no significant changes; however, staff will have a better understanding once the funds are received.

Grant Funding - Mr. Gorokhovsky said funding is expected to decrease due to the sunsetting of ARPA funds, as well as the decrease in state and federal funding. Moving forward, city staff will budget for the grants once confirmation of award is received.

DEPARTMENTAL BUSINESS - CONTINUED

In response to Mayor Drosky's question, Mr. Brimlow replied that everything outlined in the proposed budget has been funded, whereby, if grant funding is approved throughout the year, the information will be brought back to the Commission at a later date for their discussion and consideration.

Mr. Gorokhovsky said the same goes for the CIP projects, whereby, if the Commission decides to approve a different project, it will be brought before them for discussion and consideration.

Personnel Costs - Mr. Gorokhovsky said the insurance services fund increased by 51% due to the reallocation of a position. Other increases in personnel services are due to additional personnel costs, cost of living adjustment (COLA), merit increases, and compensation adjustments. Further, city staff is unsure of the total cost for fire rescue, law enforcement, and code compliance services; nevertheless, the FY26 proposed budget includes the full amounts that are being anticipated by city staff.

In response to Commissioner Hudak's question, Mr. Brimlow replied that city staff conducted a study on the cost for bringing code compliance services inhouse, which was $2 million. Currently, code compliance services are going through the procurement process, so staff is unsure of the number; nonetheless, the $2 million is what is being budgeted at this time. Further, he said the numbers for law enforcement and fire rescue services were provided by the vendor.

In response to Commissioner Shanetzky's question, Mr. Brimlow replied that the cost for code compliance services has not increased in 10 years. Further, the contract expires on September 30th, and costs will increase, which is why the Commission asked that a study be conducted to see how much it would cost to bring services inhouse, which was $2 million.

Lean Budgeting for 2026 - Mr. Brimlow explained that lean budgeting began in November 2024, which is an exercise that investigates duplicated efforts and inefficiencies. He explained that three rounds were conducted and $14 million was cut.

Fund Balance Policy & Initiatives - Mr. Gorokhovsky said the new fund balance policy will increase the current requirement for the Unassigned Fund Balance from 10% to 30% over the next four years. The Unassigned Fund Balance as of September 30, 2024 was 22.62% or $30.7 million, which is an increase of $2 million from the prior year. Additionally, the policy will include the creation of reserve requirements for utilities, solid waste, and coastal waterway funds. Lastly, the contingency funds are a part of the reserve fund balance, which will increase to $7.5 million in lieu of $5 million.

Major General Fund - Mr. Brimlow stated that the 30% recommendation will provide the City with 3.5 months of reserves. Further, FY21 and FY22 exceeded the 30%, partly due to COVID and ARPA funding.

Commissioner Hudak spoke in support of the policy change, as 30% is essential to keeping the City running.

Mayor Drosky agreed, whereby, the City must be prepared for the unexpected. Thereafter, he commented on the debris cleanup after Hurricane Irma.

Mr. Brimlow stated that having these savings is not only important for emergency situations, but speaks to the City's financial resiliency, whereby, being able to provide for our residents and businesses is extremely appealing to developers.

In response to Commissioner Shanetzky's question, Mr. Brimlow replied that six months is high, and would cause the City to double everything that is currently existing. Further, he said the four-year plan to 30% is reasonable; nonetheless, the City can amend the policy in the future, if desired.

Commissioner Plaut spoke in support of the policy change, as 30% is a necessity.

Mr. Gorokhovsky said city reserves are extremely important to the bond rating.

Vice Mayor Preston agreed with the savings plan, as well as the percentage; however, regardless of the amount, the reserves would not be able to handle a catastrophic event.

DEPARTMENTAL BUSINESS - CONTINUED

In response to Vice Mayor Preston's comment, Mr. Brimlow stated that the Government Finance Officers Association (GFOA) recently came out with a policy requiring that two months be the minimum, whereby, the City's current policy does not meet that requirement.

In response to Commissioner Shanetzky's question, Mr. Brimlow replied that the federal and state government is not giving any additional funding for potential catastrophes.

Financial Market Update - Ted Cole, Davenport, stated that the City's credit ratings consist of Fitch AA+ and S&P AA. Thereafter, he outlined the government rating agencies methodologies, whereby, 60% of the rating is finance and debt, which can be controlled by cities, but 40% is long term and cannot be controlled, so balance is needed. He explained that the City has strong investment grade ratings and is eligible to borrow at lower interest rates. Further, he recommended that the City consider reestablishing a Moody's rating, if there is a desire to issue debt in the future to fund capital projects. Mr. Cole stated that the current debt is $70 million, which has been issued overtime and will be paid off in 2044, whereby, the interest or debt service will not change unless it is proactively paid down or refinanced in the future. The three key debt ratios consist of 10-year payout, debt to assessed value, and debt service vs. expenditures, whereas, the City is extremely comparable to other governmental entities in Florida, and there is capacity. The City has utilized debt responsibly, not overleveraged, which resulted in the City having debt capacity.

In response to Commissioner Shanetzky's question, Mr. Cole reiterated that there are things the City can control, i.e. reserve level, the amount of outstanding debt, policies and procedures, etc., but the City cannot directly manage or control the tax base and sales tax growth or wealth and wage levels; nonetheless, the City can obtain the AAA, but it becomes more difficult.

Continuing, Mr. Cole said the utility-supported debt, which is $29 million, is a separate fund, primarily water and sewer, and has a similar setup. The annual debt service is $2.5 to 3 million each year, but will increase in the next few years, level out, then in 2035 it will significantly decrease due to a large bond reaching its final maturity in 2034. Furthermore, there will be significant needs in the near future, not only in the General Fund, but utility, as the City will need to manage how much debt might be needed to fund the utility capital. Thereafter, he briefly outlined the Water and Sewer Revenue Note, Series 2024. Mr. Cole said the City has not over leveraged, so there is capacity. Additionally, the City has taken advantage of low interest loan programs over the years and a five-year rate plan was established. Lastly, Mr. Cole stated that the City has an excellent Capital Improvement Plan (CIP) process, which staff is looking to refine and evolve.

Thereafter, Mr. Cole entertained questions posed by the Commission.

Items to Monitor - Mr. Brimlow said city staff, as well as the Commission are doing their very best to ensure the City is kept at a secure financial position, and being financially transparent. Thereafter, he provided a brief overview of items the City must continue to monitor: FEMA changes, state level issues regarding property and sales taxes, insurance costs, police & fire rescue costs/contracts, code compliance and building services contracts, public safety facilities/infrastructure, as well as others.

There was a brief recess from 9:17 p.m. to 9:25 p.m.

Five-Year CIP Summary - Eric Power, Director of Planning and Development Services/Interim Director of Environmental Services, said the State of Florida requires that municipalities and counties create a five-year program that outlines all infrastructure improvements and budgets. Thereafter, he outlined the FY26 projects.

Mr. Brimlow reiterated that $40 million worth of capital projects was eliminated from the CIP due to the lack of operational capacity, funding, or project completion can be done at a later date. Further, if future funding is provided, the allocation of the funding will be decided by the Commission at that time.

Thereafter, discussion ensued regarding the locations of the FY26 projects.

Commissioner Shanetzky asked that sidewalks be installed or improved on NW 18th Avenue and Green Road, as they are currently in disrepair and unsafe.

DEPARTMENTAL BUSINESS - CONTINUED

Mr. Brimlow replied that staff will look into incorporating those projects.

Mr. Power explained that 18th Avenue is a local road, but Green Road is not; nonetheless, this would not be considered a CIP project, whereby, funding has been allocated for sidewalk improvements.

Commissioner Shanetzky asked that something also be done to SW 17th Circle, which is off Military Trail, as the area is unsafe. Additionally, he asked that Fire Station 66 be updated, as the facility is dilapidated. Mr. Brimlow explained that unfortunately Fire Station 66 cannot be budgeted; however, the facility is a part of the Public Safety Master Plan. Thereafter, he briefly outlined the Master Plan.

Mayor Drosky said this commission understands the need to either upgrade or replace all the fire stations, which is why the Master Plan was created. Thereafter, he encouraged everyone to get involved to ensure the facilities are up to par.

Parks & Recreation - FY26 Initiatives - Mr. Brimlow said playground renovations will be conducted at various city parks. Unfortunately, the basketball air pavilion at Oveta McKeithen has been eliminated due to the lack of funding; nevertheless, if the $1.5 million becomes available, it will be added back. Lastly, he said new fitness stations will be installed at various locations.

In response to Mayor Drosky's question, Mr. Brimlow replied that there is enough funding in the FY25 budget for the Centennial Park.

Special Events - Mr. Brimlow said the total cost for special events is around $1 million. Thereafter, he displayed the major city events, as well as their budgeted amounts and cost per participant. Further, there are three new events in FY26, Surfers for Autism, Pier Gala, and the Firefighter Challenge; however, if they are not approved, the funding can be allocated elsewhere.

In response to Commissioner Shanetzky's questions, Mr. Brimlow replied that there currently is no funding for fireworks in west Deerfield Beach, whereby, funding would have to be reallocated from another event to fund the fireworks. Further, he said the special events are not district specific, but citywide; nonetheless, events are more determined by venue availability. Lastly, he said if the Commission desires to pursue a Senior Olympics event, it would need to be added and budgeted appropriately.

Commissioner Shanetzky suggested adding money to the budget for veterans in case they need assistance, i.e. air condition, freezer, etc. replacement.

Mr. Brimlow said it would not fall under special events, but if it is something the Commission desires to add, then direction would need to be provided. Furthermore, he reminded Commissioner Shanetzky that the City already has programs in place.

Commissioner Hudak said although he thinks it's a great idea, he agreed that programs have already been established by the City, i.e. grant funding program.

Mayor Drosky said the City has a budget, which much be adhered too; nonetheless, if there is a program or something specifically directed to veteran's that Commissioner Shanetzky wishes to fund, then he must remember to bring forth a recommendation to eliminate elsewhere. Further, he suggested that each elected official think about the events they want and bring them forward to Mr. Brimlow individually, and thereafter, they can possibly be discussed in a public forum, if needed.

Vice Mayor Preston said Deerfield Beach has become known for certain events throughout the years. Thereafter, he recommended bringing the pre-prom event back, which would be a nominal fee. Additionally, he requested that monies be set aside for cultural arts, i.e. guitar, singing, etc. to allow children the opportunity to do something else besides sports. Lastly, he asked that the budget for Juneteenth be increased, as it has the ability to become a signature event.

In response to Commissioner Shanetzky's questions, Mr. Brimlow replied that funding was not allocated for the Florida Atlantic University and Broward College student performers, but it can be added. Further, staff will look into the All-America City Award.

DEPARTMENTAL BUSINESS - CONTINUED

Commissioner Hudak agreed with Mayor Drosky, whereby, the special events need to be reviewed thoroughly by each commissioner, discussed individually with Mr. Brimlow, and possibly discussed at a future commission meeting, if warranted. Thereafter, he commented on the increase in participation for Juneteenth, as well as the family events, which he spoke in support of and recommended possibly combining Juneteenth with Community Days. Further, he agreed with the addition of events, but agreed that others will need to be eliminated, which must be thought out and not decided in one night.

Mr. Brimlow said these are tough choices, as many events are associated with Deerfield Beach's identity; nevertheless, he agreed with working, individually, with each elected official to prioritize the events.

Commissioner Plaut suggested holding some events bi-annually, i.e. Community Day. Further, he agreed with each elected official meeting, individually, with Mr. Brimlow to discuss their priority events.

In response to Commissioner Shanetzky's question, Mr. Brimlow replied that funding, $50,000, for the electronic permitted process was allocated in the FY25 budget.

After a brief discussion, it was the consensus of the Commission to meet individually with Mr. Brimlow to discuss their special event priorities.

Parks & Recreation - Other Costs - Mr. Brimlow displayed the overtime costs for each event. Further, when the City hosts a one-mile parade, the public safety cost is $11,400.

Commissioner Hudak spoke in support of the high-level breakdown, as it's a much better process and more informative for all.

In response to Commissioner Shanetzky's question, Mr. Brimlow replied that the sidewalk recommendations that were brought up under the CIP will be reviewed by staff and updates will be regularly provided.

Commissioner Shanetzky spoke in support of the workshop format. Thereafter, he thanked Mr. Brimlow for the commentary.

Commissioner Plaut spoke in support of the lean management exercise, as well as the presentation format. Thereafter, he commented on the previous budget workshops, whereby, this evening was a simpler approach.

Vice Mayor Preston spoke in support of the presentation format, as it was much more productive and provided a better financial overview of what is happening in the City.

Mayor Drosky spoke in support of the presentation format as it was extremely informative and easy to follow. Further, he encouraged residents not to wait until September and to reach out and make their comments throughout the year. Thereafter, he commended Mr. Brimlow for a job well done.

PUBLIC INPUT

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

- ***Roger Freitag, 418 SE 2nd Street, Deerfield Beach.***
- ***Gregory Murray, 4891 NW 13th Avenue, Deerfield Beach.***
- ***Joseph Cummings, 267 Oakridge P, Deerfield Beach.***
- ***Michael Estrada, 1431 SW 6th Way, Deerfield Beach.***
- ***Gwyndolen Clarke-Reed, 1430 SW 6th Way, Deerfield Beach.***
- ***Katy Freitag, 418 SE 2nd Street, Deerfield Beach.***
- ***Dan Herz, 330 SE 19th Avenue, Deerfield Beach.***
- ***Darryl Adams, 1430 SW 5th, Terrace, Deerfield Beach.***
- ***Annette Mitchell, 760 SE 2nd Avenue, Deerfield Beach.***

ADJOURNMENT

MOTION was made by Vice Mayor Preston, seconded by Commissioner Plaut, to adjourn the meeting at 11:02 p.m. Voice Vote:

Yeas: 5 - Commissioner Hudak, Commissioner Plaut, Commissioner Shanetzky, Vice Mayor Preston, and Mayor Drosky
Nays: 0

TODD DROSKY, MAYOR

Heather Montemayor, CMC, City Clerk