



Meeting Minutes City Commission

Tuesday, June 2, 2020

7:00 PM

Virtual Meeting

CALL TO ORDER AND ROLL CALL

The meeting was called to order on the above date by Mayor Bill Ganz at 7:02 p.m., via virtual meeting technology.

Present: 5 – Commissioner Todd Drosky
Commissioner Michael Hudak
Commissioner Ben Preston
Vice Mayor Bernie Parness
Mayor Bill Ganz

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

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice Mayor Parness.

APPROVAL OF CITY COMMISSION MEETING MINUTES

Regular City Commission Meeting Minutes – May 19, 2020

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

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

Nays: 0

Special City Commission Meeting Minutes – May 12, 2020

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

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

Nays: 0

ACKNOWLEDGEMENT OF CITY BOARD MINUTES

Community Redevelopment Agency Meeting Minutes - March 10, 2020

Code Compliance Meeting Minutes - June 26, July 9, July 24, August 28, September 10, September 25, October 8, & October 23, 2019

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

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

Nays: 0

APPROVAL OF CITY COMMISSION AGENDA

June 2, 2020

MOTION was made by Commissioner Preston, seconded by Vice Mayor Parness, to approve the agenda as amended. Voice Vote:

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

Nays: 0

PUBLIC COMMENT

Dean Kallan, 3250 SW 2nd Court, Deerfield Beach, commented on the partial opening of the beach and advised that the regulations passed down to the residents were unnecessary. Further, he commented on the loss of revenue as beach parking was closed and voiced his concerns regarding other issues. Mr. Kallan also commented on having to wear masks or deciding not and on the decision made for wearing facial coverings, as he does not understand how the City Manager has that type power. Mr. Kallan said he is still waiting on a response from the City Manager on questions he has and asked that the Commission take a stand for what the residents want.

Mayor Ganz said the City's Manager's decision to not have beach parking was based on what the Commission thought was in the best interest of the residents. It would have been easier to open, but if things had gone wrong, it would have been difficult to back track. Additionally, some of the issues addressed by Mr. Kallan are County rules; i.e. masks. Mayor Ganz explained that nothing was done with mal-intent, but to assist a situation that could have become worsened.

Continuing, Mayor Ganz said as Americans, we all know what is going on in the Country and the challenges that are faced. Dealing with the COVID-19 is unprecedented and unfortunately, with the recent death of George Floyd, it is clear that certain things are not new. These things have been going on for far too long and as the Mayor of Deerfield Beach, he feels its appropriate to state the Commission is standing united with brothers and sisters who are not treated the same as someone like himself. Martin Luther King taught everyone about peaceful protests, but he also said a riot is a language of the unheard. In his opinion, for those who do not live and deal with overt or hidden racism on a daily basis, it is time to stay quiet and listen, so those voices do not remain unheard. It would be arrogant for him to say what it is like, as he never will; however, he is in a position to make change and assist with solutions. Mayor Ganz said he hopes everyone takes the time to listen and not look at this as an inconvenience as it is a time for action and for the Commission to listen.

CONSENT – BOARD APPOINTMENTS

1. Resolution 2020/ - A Resolution of the City Commission of the City of Deerfield Beach, Florida, appointing Amie Kay Tanner to the Historic Preservation Board; and providing for an effective date.

Mayor Ganz asked that Item 1 be tabled indefinitely. The board is currently not meeting, and while Ms. Tanner would be an excellent representative, there are a few things he needs to work out before moving forward.

**MOTION was made by Vice Mayor Parness, seconded by Commissioner Hudak, to table Item 1 indefinitely.
Voice Vote:**

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

Nays: 0

CITY COMMISSION BUSINESS

2. Presentation by administration regarding COVID-19 fiscal impacts.

Financial Update for FY20 - David Santucci, City Manager, advised that the presentation will outline the fiscal impacts of COVID-19 for the remainder of the fiscal year, the anticipated revenue shortfalls and what steps have been taken to bridge the gap. Later, he will discuss the budgetary gap measures, recap what has been done, what could potentially happen and additional options.

Economic Impact of COVID 19 – Mr. Santucci outlined various impacts to the economy as a result of the pandemic: 97% decline in air travel sales which is a direct reflection on the amount of business and tourism in the State; beaches and hotels are a staple revenue source in South Florida as we share in a lot of tourism dollars that come in; universities, schools, summer camps and daycares are closed and may remain closed during the summer. Notwithstanding, the Broward School Board is looking to open schools for the fall; as well as many universities while others are still utilizing online classes. The non-essential business closures have been detrimental to the economy over the last couple of months worldwide. It is positive to see the County has allowed for many reopenings, which is in Phase 1. Mr. Santucci commented on consumer confidence and how it plays a role with growing the economy by patronizing the businesses and tourist areas. Additionally, with the unemployment rate at 15%, there is not much disposable income. Immunity and vaccination is key to getting to a place of normalcy and while no timeframe can be given, it is encouraging to hear experts predicting normalcy within a year. There are also concerns for a second wave of the virus due to phased reopenings as well as the large scale protests.

COVID-19 Direct Costs – Mr. Santucci outlined the direct costs: personnel - \$326,000; operating - \$31,000; capital - \$89,000; totaling \$446,000. He explained that part of the personnel costs are attributed to federally mandated EFMLA which provides time off and benefits to those affected by COVID, as it is an unfunded mandate along with the emergency response critical incident employment pay policy. Personal protective equipment is also included in operating expenses, whereby, some has come in from the State. Capital expenses entails equipment for a more mobile workforce and into a telecommuting environment.

General Fund Revenue Analysis – Mr. Santucci explained the trend of the general revenue over a three-year period. Gray (FY17/18), orange (FY18/19) and blue (FY19/20), illustrates consistency until March 2020 in the collection of revenues. Beyond that for both gray and orange, the revenues were pretty consistent as well. In the middle of March, the revenues began declining which is a direct result of the stay at home orders, business closures and city facility closures. By mid-June, the May figures will be available; however, it is suspected that they will be relatively low. With reopenings, the numbers may start to climb, but it will be based on consumer confidence and disposable income. He also pointed out the large spike in December is when a majority of the ad valorem taxes are collected. During the remainder of the fiscal year, other revenues such as state revenue, communications service taxes are collected. Other revenues that are reconciled at the end of the fiscal year are true-ups from the Enterprise Fund.

CITY COMMISSION BUSINESS – CONTINUED

General Fund Expenditure Analysis – Mr. Santucci said expenditures are not as consistent as revenues because it depends on when projects and large capital expenditures take place, or when invoices are received and paid. This graph shows the May numbers for expenditures are drastically lower than what they were in April, FY18 and FY19. Expenditures may go even lower as June approaches.

Current FY20 General Fund – Mr. Santucci said 97% of ad valorem taxes have been collected. The budget for revenues and expenses in the General Fund are \$108 million. The revenues received thus far are \$79.7 million and the expenses are \$66.2 million, placing the City in a positive net position at the end of April throughout the remainder of the fiscal year.

Revenue Shortfall – Mr. Santucci outlined the estimated shortfalls from the General Fund. For taxes, assessments and sales tax, the estimated shortfall is approximately \$4.9 million and comes from the State. Charges for service include costs for fees in recreational programming (\$200,000); inspections/permits (\$64,000); other governmental (\$840,000); lease/special events (\$200,000); totaling a \$6.2 million projected shortfall. He explained that a task force was created by Broward County City Manager's Association who sought assistance from highly experienced financial individuals within the association to create methodology on determining the revenue shortfall and what methods can be used to meet those budgetary gaps.

Revenue Scenarios – Mr. Santucci said he will outline the best and worst case scenario for revenue shortfalls. As previously discussed, the General Fund budget for FY20 is \$108 million and year to date, \$79.7 million has been received. An additional \$28.3 million must be received to completely balance the budget at the end of the fiscal year. There are revenues that will not be impacted by COVID-19 which are typically transfers in and out scheduled for the year. These may come from administrative costs from the Enterprise Funds or other revenues; whereby, an estimated \$10.1 million should be realized. This leaves approximately \$18.2 million ("variable"). Based on the projected revenue shortfall, in the most realistic situation, the revenue shortfall will be approximately \$6.2 million. If the economy bounces back sooner, the projected revenue could be \$15 million; in a worst case scenario, the City could only realize about \$9 million in revenue leaving a shortfall of \$9.2 million for FY20. Mr. Santucci advised that information was just recently provided on the State shared revenue; whereas, 50% less was received and for the remainder of the fiscal year, they are scaling contributions to local government to 50%. In the past, they would provide 95% of the revenue to local governments. He is hopeful that additional revenues will be received as the State recognizes some of their losses since revenues are typically received in arrears. It is important to note that these revenue savings do not reflect any expenditure savings in the remaining presentation.

Expenditures Scenarios – Mr. Santucci said the current expenditures as of the end of April is \$66.9 million leaving a remaining budgeted expenditure of \$41.1 million. Based on the best, current or worst case scenarios, the remaining allocation was depicted and illustrates how much can be spent toward the remainder of the year.

Expenditure Reduction Initiatives – Mr. Santucci outlined several steps staff has taken to reduce expenditures; frozen vacant positions in March for the remainder of the fiscal year; some positions have been placed in a no pay status where some operations were suspended; staffing schedules were scaled back for several reasons. During the response phase of the operation, when essential services were offered, operating and utility expenses were halted. Facility closures resulted in lower maintenance and operating costs; there were increased custodial costs as the amount of sanitation was needed throughout all facilities. Notwithstanding, some facilities were completely shut down. All personnel travel and training has been suspended and/or reduced to lower cost online options; program and event expenditures have been saved as a result of the closures and being unable to host programs/events; various operating, repair and maintenance expenditures have been suspended. Moreover, direction was given to scale back and varying capital improvement projects have been deferred to a later date.

Closing the Gap – Mr. Santucci said in terms of personnel savings, operating and capital project reductions amount to approximately \$2.9 million. There is continual budget line analysis to identify additional cost savings to bridge the budgetary gap. With the \$2.9 million reductions, the estimated additional general fund gap is \$3.3 million.

Budgetary Gap Measures – Mr. Santucci highlighted the steps taken to close the gap; freeze on unfilled positions; liquidated unfilled purchase orders; advocating for funding from CARES/HEROS; deferred capital expenditures; service level reductions have resulted in cost savings due to COVID-19 closures; reduced personnel costs. Regarding

CITY COMMISSION BUSINESS – CONTINUED

CARES/HEROS funding, there is a lot of uncertainty on what may come down to local government. The initial funding that came down from the federal government and the CARES Act did not become available to any local municipality with a population of less than a 500,000. Broward County received a significant amount of money from the federal government, upwards of \$350 million or more; staff is waiting to see how it will be handled. There is no indication that the County will provide any funding to the cities; however, it has been stated that the County has the ability to do so. Later in the agenda, he will seek approval of a memorandum of understanding with the County related to a small amount of funding they may provide to the cities through a code enforcement program. All in all, the County is not willing to provide the funding to the cities, but in all fairness, they are the grant recipient and if any one city did not spend the money appropriately, it wouldn't be the city responsible for repayment, but the County. There is good reason to be cautious, but there should be a way to ensure the cities would spend the money according to the grant requirements.

Moreover, Mr. Santucci said there are other measures that can be considered; whereby, service levels could be reduced further; lower programming costs; maintain the reductions in service schedules, i.e. pier schedules; reduce the amount of garbage collection. Additional considerations: restructure contractual services which entails scaling back certain services like reducing frequency of lawn maintenance and tree services. He said staff is currently working with vendors to amend those contracts where reasonable. Additional personnel costs could be done, but there are not a lot of viable options as the collective bargaining agreements are very restrictive. Hopefully, through the second wave of the CARES/HEROS funding, there will be some revenue supplement for local governments, but it is not guaranteed. Nonetheless, \$1 trillion was recommended in the HEROS Act, but it has not been signed yet and he does not believe it will pass. There was a supplemental appropriation of \$545 billion proposed which is more reasonable for local governments, but what portion would be disseminated to Deerfield Beach is unknown.

Continuing, Mr. Santucci said FEMA cost recovery is another consideration and since this is a declared FEMA event, staff has been documenting all costs and because this is new for everyone, FEMA does not have clear guidelines. Direct costs are reimbursable through FEMA, but with personnel, they only reimburse overtime or additional personnel expenses via policy. Prior to the critical incident employment (CIE) policy, the only policy the City had to rely on for an emergency event was the emergency pay policy which states that employees working in the emergency received time and a half. Because that policy is in place during a hurricane event, FEMA would reimburse over the hourly rate. Under the pandemic, there may be consideration for all direct costs; whereby, an employee solely dedicated to COVID-19, could be reimbursed in its entirety for those hours. This has yet to be seen and is not guaranteed. Other options include, increasing charges for service thereby, increasing revenues; use of reserve funds; and the sale of surplus City property. He said he does not think it will be realized in the short span of time; recently, the property disposition policy was adopted and this could be a good time to advertise those properties. Thereafter, Mr. Santucci entertained questions of the Commission.

Mayor Ganz referenced the "Revenue Scenarios" slide and opined that the focus should be the worst case scenario, a \$9.2 million deficit. He said he looks forward to seeing recommendations on how to tackle the shortfall. Additionally, he does not anticipate receiving much from CARES or the County if any is given. The HEROS Act has not been approved and even if it is, the amount is unknown and most likely, will not be a huge help with the deficit. Further, he does not support the increase for charges for services and is not interested in passing down costs to residents and suggested cuts be made where necessary. As for the sale of surplus property, he agreed that it will not give an immediate positive impact to revenues.

Commissioner Hudak said service level reductions was discussed with the recycling program and the funds that it could save. He asked for the current status of that program as that is an option that may have to be expedited.

Ms. Santucci replied that options will be presented at the next City Commission meeting on recycling; however, the recycling program does not impact the General Fund and does not help bridge the monetary gap.

Commissioner Drosky agreed that the worst case scenario should be targeted. The measures for consideration should all be considered except the increase to residents. He also agreed with Mayor Ganz regarding CARES/HEROS Acts; however, the Broward League of Cities recognizes that the CARES money is very important as the localities have shouldered the lion's share of costs for COVID-19 and there is a lot of money to be recouped. Therefore, the Broward League of Cities has created a task force to help study the issue and advocate at the county level the municipalities'

CITY COMMISSION BUSINESS – CONTINUED

position for those funds. Commissioner Drosky advised that he is part of the task force and the CARES money is \$340 million controlled by Broward County. He explained that during their first meeting, a Broward County Commissioner attended and advised that they too have expenses; child care opportunities; 20,000 airport employees; antibody testing and others. He said that was a hint that the municipalities should not count on funding. Furthermore, the task force has advocated on behalf of the Broward League that the cities wish to consider an indemnification to the County if funds are shared and it is understood that the grantee is the County; if anything happens, the municipalities could be subject to audit/indemnification provisions. The County has accepted the funds from the Federal Government, but the County Administrator will recommend how to disperse those funds at their next meeting. There is still very little indication that the cities will share any substantive portion of those dollars. The HEROS is for \$1 trillion, but was only passed by the US House of Representatives and probably has no chance of being passed by the Senate and signed by the President. There is a bipartisan compromise bill of \$500 million being discussed, in lieu of the trillion and may be feasible as the crisis deepens as municipalities continue experiencing deficits. HEROS targets municipalities with a population of less than 500,000, but nothing is guaranteed. Commissioner Drosky said it takes many years for a FEMA reimbursement as the City is still waiting on funds from Hurricane Irma. Lastly, he reiterated that the focus be on the \$9.2 million shortfall and scrutinize the City's expenditures and revenues.

Commissioner Preston agreed that the worst case scenario should be the focus, as well as the employees. During the presentation, he said if things worsen, restructuring contractual services with outside companies should be considered and allow City employees to assume those services; i.e. medians. He emphasized the need to protect the employees as things may get worse before they are better.

In response to Mayor Ganz's question, Mr. Santucci replied that he agreed with the Commission on what the viable options are, review service level reductions and contractual service restructuring. He will also look at additional personnel cost reductions and ways it can be done. As previously mentioned, all vacant positions were frozen and options are generally limited. He said he will continue to work on measures to reduce the deficit, but he may not have that information available in two (2) weeks, and will keep everyone updated. He said he will likely have an update by the July meeting.

Vice Mayor Parness said the City can become more aggressive in monies owed to the City; i.e. stormwater fees and code violations. Though it is not an end all, it helps ease the situation.

Commissioner Hudak asked when figures for May would be provided.

Mr. Santucci replied that revenues can sometimes take up to 60 days in arrears.

DEPARTMENTAL BUSINESS

3. Resolution 2020/ - A Resolution of the City Commission of the City of Deerfield Beach, Florida, accepting and adopting the Comprehensive Annual Financial Report for the Fiscal Year ending September 30, 2019; authorizing submission to the State; providing for an effective date.

The Resolution was read by title only.

David Santucci, City Manager, announced that Stephanie Tinsley, Chief Financial Officer, and Branden Lopez, Marcum LLP, will provide an update on the FY 19 Comprehensive Annual Financial Report (CAFR).

Ms. Tinsley provided a brief PowerPoint on the CAFR.

Agenda – Ms. Tinsley outlined the components of the presentation: briefing on completion of the CAFR; review of net position and fund balance with improvements in OPEB (other post-employment benefits) liability, other operational audit recommendations; and the auditor's presentation of the CAFR.

Completion Process – Ms. Tinsley explained that cities must abide by Florida Statutes 218.32 which includes submission of the financial report within 45 days after the completion of the audit report but no later than nine (9)

DEPARTMENTAL BUSINESS – CONTINUED

months after the end of fiscal year (June 30th). It must be signed by the chair of the governing body which is the Mayor and herself, as the chief financial officer attesting to the accuracy of the information. It must be a single document, whereby, both the financial report and compliance portion must be together. She continued to outline other submission requirements and advised that the CAFR was completed on May 27th in collaboration with TriMerge Consulting, Gray CPA Consulting Services, City departments and Marcum, LLP. Thereafter, she commented on the cohesiveness among all the players listed.

Summary of Net Position to Governmental Activities (page 7) – Ms. Tinsley said for FY2019, the City's total net position has increased to \$25.9 million; largely due to the OPEB improvements and liability which decreased by \$33 million. Also, she pointed out an error in the reporting for FY2018 net position which was questioned by a resident. Under restricted net position, the City reflected \$33 million in capital assets, but those were already part of the net investment and capital asset line item. With it being in two places, it caused the unrestricted balance to seem more negative than it actually was, but the net position did not change. The decrease from FY 2018 restated to FY 2019 in restricted is about \$25 million and is related to about \$9 million in human services, \$10 million in parks and recreation and \$4 million in general government was spent. The net position improvements were primarily due to a decrease in total OPEB liability.

Mr. Santucci advised that the OPEB was a result of changes and improvements to the plan and a new actuarial study. During the last CAFR presentation, it was suspected that there would be a new actuarial study with new mortality tables; whereby, both occurred creating a positive impact on the total net position.

Summary of General Fund – Fund Balances (page 41) – Ms. Tinsley said on page 21 of the CAFR is the reconciliation from governmental net position to the general fund balances and is willing to discuss one-on-one with the Commission. Further, she said the fund balances are pretty stable and are broken down by fiscal year. There is no restricted funds and the emergency reserves are stable at approximately \$3.5 million. The subsequent year's budget are unspent appropriations in the current year that are carried forward into the next year; thus, \$4.5 million that was likely obligated toward a multi-year project was brought forward into FY 2019 budget. The unassigned fund balance is \$17.6 million which is relatively stable; all the funds yield a total fund balance of \$26.7 million. According to the fund balance policy for Deerfield Beach, the unassigned fund balance must be 10% of the general fund operating expenses and transfers.

General Fund – Summary of Audited Financial Results (page 82) – Ms. Tinsley outlined the final budget and actual revenues and expenditures for FY 2019. Total revenues showed a negative variance of \$600,000; however, it was within the 1% industry standard. Total expenditures were well under budget and used less than the fund balance. Other sources/uses include transfers in which were on target and transfers out were less than anticipated. The net change in the fund balance was approximately \$900,000 less. Continuing, Ms. Tinsley outlined the operating revenues, operating expenditures, transfers out and inflows which reveal a balanced budget. She advised that a lot less of the fund balance was used.

Fund Balance Policy Compliance – Ms. Tinsley advised that the fund balance policy requires a 10% minimum and with the transfers out, the actual unassigned fund balance is \$17.6 million which is closer to 16%. Further, over the past few years, the City has been above the policy requirement. The unassigned fund balance does not include the assigned emergency reserves.

Audit Finding & Observations – Ms. Tinsley outlined various audit findings from FY 2017 to FY 2019; whereas, the financial close and reporting has been a repeat finding which is being worked through. Further, the segregation of duties for payroll was partially addressed in FY 2019 and has been completed in FY 2020. The position has been filled and staff access for various duties has been split; the roles, processes and procedures will be analyzed continually with the Director of Human Resources and other pertinent staff. Ms. Tinsley also commented on how staff has taken proactive approaches to resolve the findings and/or observations; nonetheless, the AG audit will likely produce the same observations which are staff's priority. She continued to outline findings from FY 2018 and advised that there are no new findings for FY 2019, just the partial repeat findings. She advised that in FY 2017, there were about 10 other findings that were partially addressed and a lot of them were fully addressed by FY 2018.

Mr. Lopez reviewed various pages of the CAFR as well as their audit reports. The first report is the independent auditor's report, printed page 1 (PDF p. 20) of the agenda backup. The report reviews different items and on page 2

DEPARTMENTAL BUSINESS – CONTINUED

(PDF p. 21), their opinion is given and reveals an unmodified, clean opinion which is the best opinion. On page 4 (PDF p. 24), management's discussion and analysis is the most beneficial as it provides a comparison from last year to this year and an estimation of the variances outlined by Ms. Tinsley; it is created by management. On page 132 (PDF p. 157), outlines compliance reports. The first compliance report on internal control for financial reporting and compliance on other matters based on government auditing standards; this is where any internal control issues are disclosed or financial reporting and explains what a material weakness and significant deficiency are. A material weakness is the most severe and significant deficiency being less severe. This year, there was only one (1) significant deficiency due to transitions within the finance department and management, especially as it relates to the closeout of the year. The second finding from the previous year, related to bank reconciliations, was addressed and they assured that all were in compliance with the City's policy.

Mr. Lopez provided an overview of PDF p. 159, report on compliance, regarding uniform guidance and Chapter 10 – 550 Rules of the Auditor General. He said when a municipality receives funding from the State or Federal Government, if passed a certain threshold, they are required to undergo a single audit. It is a compliance audit to make sure funds are being used in accordance with grant agreements. In prior years, there were two (2) findings of non-compliance, but that was not the case this year. Further, the two (2) issues from the prior year were addressed, in FY 2019. On PDF p. 170 is the management letter in accordance with the rules of the Florida Auditor General which requires a communication from the auditors to ensure the City is in compliance with certain Florida Statutes throughout FY 2019 and an update on any prior year management letter comments. These comments do not rise to the level of a significant deficiency or material weakness and are only observations/recommendations by the auditor. Over the years, the City has been addressing those observations year to year. On PDF p. 173, is an update of the status of prior year and current year observation. There were no new observations this year and the prior year, observations were all addressed except the one (1) partially addressed as outlined by Ms. Tinsley regarding payroll. Regarding OPEB, last year was the first year with GASB No. 75 which required all municipalities to record on the books, their OPEB liabilities. In the past, it was disclosed through notes but not required for reporting. The City made amendments to the plan and in that process, the actuarial performed an updated evaluation which decreased the liability.

Continuing, Mr. Lopez said the last report he will comment on is on PDF p. 176 which is a compliant report pursuant to Section 218.514 FS. It advises the City of its compliance with the City's investment policy; no issues were encountered as part of the audit for 2019.

Mayor Ganz clarified that three (3) years ago, there were 12 findings, last year there were seven (7) and now there are two (2), with one (1) being addressed and the other partially addressed.

Mr. Lopez agreed.

Commissioner Hudak thanked the Financial Services Department for their hard work.

Commissioner Drosky said due to the length of the document and the timeframe received, he wishes to table until the next meeting and give them and the citizens time to digest it. Thereafter, he referenced PDF p. 5 and asked for clarification on restriction on use.

Mr. Lopez replied that this is a separate letter outside the CAFR and is a communication to those charged with governance. This letter, required by auditing standards, informs the Commission on whether there were any difficulties dealing with management, significant findings, or uncorrected adjustments. The City Commission has the right to distribute that information to whomever they choose; also, this is a public document and is placed on the City's website. Additionally, Mr. Lopez advised that due to the improvements year to year, it is commendable and even with the transitions in the Finance Department, to make sure everything was done correctly, making sure the findings are addressed is really important. Lastly, Ms. Tinsley has stated that observations are being addressed so there are no findings which is commendable and provides comfort in moving forward.

Mayor Ganz opened the public hearing.

DEPARTMENTAL BUSINESS – CONTINUED

Glenn Sullivan, 2377 Deer Creek Trail, Deerfield Beach, provided an e-mail which was read into the record. He outlined various issues in the CAFR that should be addressed and asked that the vote be delayed so the residents have additional time to review it.

Mayor Ganz closed the public hearing. Thereafter, he asked if any questions can be addressed at this time.

Mr. Santucci replied that Ms. Tinsley will reach out to the resident directly. Further, staff has identified room for improvement in the budget and how the information is presented and how it is provided in the CAFR as well as the monthly reports which are given to the Commission every month. Staff will be looking into updates for the monthly report. Some of the questions were addressed tonight, but Ms. Tinsley will reach out to Mr. Sullivan to resolve the remainder.

MOTION was made by Vice Mayor Parness, seconded by Commissioner Drosky, to table Item 3 until June 16, 2020. Roll Call:

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

Nays: 0

CONSENT - AGREEMENTS & EXPENDITURE REQUESTS

- 4. Resolution 2020/059 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving the submission of a grant application to the Florida Department of Environmental Protection, Division of Air Resource Management for the Electric Vehicle Charging Infrastructure Phase 1 Grant; authorizing matching funds in the amount of \$5,000; authorizing execution of a Grant Agreement; and providing for an effective date. (Funds from Account #453-4558-534-39-99 - Contingency)**

Mayor Ganz opened the public hearing for Items 4 – 6; however, there were none to speak and the public hearing was closed.

There was no discussion amongst the Commission.

MOTION was made by Commissioner Preston, seconded by Vice Mayor Parness, to approve Items 4 – 6 in concert. Roll Call:

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

Nays: 0

- 5. Resolution 2020/060 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving the termination of the Maintenance Agreement with Utility Service Co. for the 300,000-gallon water tank; providing for an effective date. (Funds from Account #401-5020-533-32-99 - Other Contractual Services)**
- 6. Resolution 2020/061 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving a Work Authorization with Stantec Consulting Services Inc. in the amount of \$93,328.00 for professional design services for drainage improvements for the City Hall Wind Retrofit and Drainage Project related to the Hazard Mitigation Grant Program; authorizing execution of the Work Authorization; and providing for an effective date. (Funds from Account #182-8000-522-32-99 - Non-Departmental/Other Contractual)**

ADDENDUM

- 7. Resolution 2020/062 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving an Interlocal Agreement with Broward County for the Enforcement of COVID-19 Emergency Orders; authorizing the Mayor and City Manager to execute the Interlocal Agreement; providing for severability and an effective date.**

The Resolution was read by title only.

Anthony Soroka, City Attorney, advised that there was ambiguity in the agreement; a nine-month term, but the payment covered only seven (7) months. It has been corrected and is before the Commission for consideration.

David Santucci, City Manager, said the County is providing CARES Act funding and through this program, the City will receive approximately \$131,000. He advised that the funds are meant to utilize the County's 311 system to monitor and steer people to this service for handling of code violations related to COVID orders.

In response to Mayor Ganz's question, Mr. Santucci advised that the calls coming through normal channels will be inputted into 311.

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

MOTION was made by Commissioner Preston, seconded by Vice Mayor Parness, to approve Item 7, adopted Resolution 2020/062. Roll Call:

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

Nays: 0

DEPARTMENTAL BUSINESS – CONTINUED

- 8. Resolution 2020/063 - A Resolution of the City Commission of the City of Deerfield, Florida, accepting the Investment Policy and Internal Controls Certification from the City's Chief Financial Officer for the fiscal year ending September 30, 2019; providing for an effective date.**

The Resolution was read by title only.

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

There was no discussion amongst the Commission.

MOTION was made by Commissioner Hudak, seconded by Vice Mayor Parness, to approve Item 8, adopted Resolution 2020/063. Voice Vote:

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

Nays: 0

- 9. ORDINANCE 2020/ - AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF DEERFIELD BEACH, FLORIDA, AMENDING THE CITY CODE OF ORDINANCES CHAPTER 66 "TRAFFIC AND VEHICLES," ARTICLE II "STOPPING, STANDING, PARKING," DIVISION 4 "PARKING AREAS," SECTION 66-76 "PARKING AREAS REGULATED" TO PROVIDE FOR REGULATED PARKING ON THE WEST SIDE OF N.E. 20TH AVENUE; PROVIDING FOR CONFLICTS, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.**

The Ordinance was read by title only.

DEPARTMENTAL BUSINESS – CONTINUED

David Santucci, City Manager, advised that the proposed ordinance provides for regulated parking for spaces outlined on the aerial. They are current parking spaces and are within the parking system.

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

MOTION was made by Commissioner Hudak, seconded by Vice Mayor Parness, to approve Item 9 on first reading. Roll Call:

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

Nays: 0

10. ORDINANCE 2020/ - AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF DEERFIELD BEACH, AMENDING SECTION 30-28 OF ARTICLE II "CIVIL EMERGENCIES" OF CHAPTER 30 "EMERGENCY SERVICES" OF THE CITY CODE TO PROVIDE FOR ADDITIONAL EXTENSIONS OF A STATE OF LOCAL EMERGENCY; PROVIDING FOR CONFLICTS, SEVERABILITY, PUBLICATION, AND AN EFFECTIVE DATE.

The Ordinance was read by title only.

Anthony Soroka, City Attorney, advised that in recognizing COVID, a state of local emergency was called. It is called by the Mayor and lasts 7 days, but can continue for a 30 day period as approved by the City Commission. It was written in the context of hurricanes and does not contemplate a pandemic that can last multiple months. For the Commission to extend further than 30 days, an emergency ordinance was adopted in one (1) reading to allow for further extensions beyond the first 30 day period which was done and multiple extensions have been adopted. Under the City Charter, the emergency ordinance is only valid for a certain period which will soon expire. To provide for additional extensions and in the future, should this type situation occur again, to avoid the emergency ordinance process, the proposed ordinance codifies the Commission's ability to extend for additional 30 day period as needed based on the circumstances of the emergency.

Commissioner Hudak asked why isn't there language in the Code to allow the extension to tie into a countywide state of emergency so extensions are not ongoing.

Mr. Soroka replied that the Commission is not prevented from providing those extensions, but there could be an issue to make it automatic. He said potentially if there is a state of emergency in the City, either in timeframe or scope could be different if the entire county is not impacted. For example, a hurricane could impact Deerfield Beach and not a city like Weston. Further, he advised that many cities prefer to retain their own independent abilities and not tie in with the County.

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

Vice Mayor Parness said the City needs to maintain their independence. He asked if the City has the authority to make further restrictions when an order is given by the Governor or County.

Mr. Soroka advised that this item does not impose any restrictions of any kind or loosening them; it codifies the Commission's ability to provide multiple 30 day extensions whereas the existing code only provides for one (1) 30-day extension.

MOTION was made by Commissioner Preston, seconded by Vice Mayor Parness, to approve Item 10 on first reading. Voice Vote:

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

Nays: 0

COMMENTS BY ADMINISTRATION AND LEGAL

CITY ATTORNEY

Business Operations – Anthony Soroka, City Attorney, provided a brief overview of the current business regulations; whereas, many businesses are now open. Notwithstanding, businesses are not required to open, this is a “may” open stipulation for those who are not comfortable opening. Under the County order, the following businesses must remain closed: bars, night clubs, banquet halls, cocktail lounges, cabarets and breweries. There is an exception for food takeout and delivery services. Additionally, movie theaters, concert houses, auditoriums, play house, bowling alleys and arcades; there is an exception for drive in movie theaters. Vacation rentals are still prohibited in the County and City with the exception of the essential lodgers. The County has submitted an application to the State which is the process to allow for vacation rentals to eventually open in the County; however, that plan must be approved and may not happen for a couple of weeks. Furthermore, casinos or pari-mutuels are closed with the certain exceptions, like only opening for a certain event. The more recent openings, effective yesterday, were the massage and tattoo parlors with adherence to the County guidelines. Before these, the beaches, commercial gyms and fitness centers were opened.

CITY MANAGER

Public Input – David Santucci, City Manager, advised that for the quasi-judicial item scheduled for the June 16th City Commission meeting, there will be in person interaction at the Commission Chambers to give the public every opportunity to participate for those who cannot participate via phone or electronically. Social distancing requirements will be in place. There will be one (1) additional screen for the public to interact and view the meeting from the Chambers as well.

Calvin Giordano & Associates (CGA) – Mr. Santucci said he has been negotiating with CGA on the building services contract; however, the contract is set to expire soon. The current contract allows the Administrator a 120 day extension, which he may move forward with until negotiations are done.

COVID-19 Testing Site – Mr. Santucci thanked Commissioner Preston for his help on a testing site in the City as well as Mayor Ganz. He is working to have something in place by next Monday; it is not a hard date but the definitive date will be shared when available. The testing site will be walkup and will be around as long as it is in use.

News Release – Mr. Santucci said there was a news release sent out today regarding the International Fishing Pier announcing repairs. Those repairs had previously taken place some time ago; the language in the news release were necessary for compliance with the FEMA grant reimbursement.

Upcoming Agenda Items – Mr. Santucci said the recycling presentation will come forth on June 16th and hopes to have the CRA presentation ready as well; if not, it will be July 7th at the latest.

Mayor Ganz applauded Commissioner Preston’s efforts with the testing site.

CITY COMMISSION BUSINESS – CONTINUED

- 11. Resolution 2020/064 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, denouncing Antisemitism Anti-Asian bigotry, and all hateful speech, violent action, and the spread of misinformation related to COVID-19; providing for severability and an effective date.**

The Resolution was read by title only.

Mayor Ganz asked the Commission for their support on this item; thereafter, he opened the public hearing.

Eric Ross, 5323 NW 119th Terrace, Coral Springs, said as an employee of the Anti-Defamation League, he supports the proposed resolution and thanked Mayor Ganz for bringing this item forward. He commented on how hatred is being unchecked and how people are placing blame for the pandemic on the Asian Americans and Jewish community.

CITY COMMISSION BUSINESS – CONTINUED

This resolution will tell the entire country that Deerfield Beach is firmly opposed to COVID-19 related hate.

Mayor Ganz closed the public hearing.

Vice Mayor Parness asked that the Resolution include all minorities as he has heard many rumors against those of the African-American race.

Commissioner Preston thanked the Mayor for bringing the Resolution forward as this is a serious matter.

There was a brief discussion to add racism to the Resolution which was accepted by the Commission.

MOTION was made by Commissioner Preston, seconded by Commissioner Hudak, to approve Item 11 as amended, adopted Resolution 2020/064. Voice Vote:

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

Nays: 0

COMMENTS BY MAYOR AND CITY COMMISSIONERS**COMMISSIONER HUDAK****DISTRICT 1**

Saturday Office Hours – Commissioner Hudak said he will have District 1 office hours on Saturday, June 13th from 10 a.m. till noon via Zoom or phone. Appointments can be scheduled through the City Manager's Office.

Racism in America - Commissioner Hudak said the pandemic affecting this Country has dominated the news and has the ability to affect every American regardless of race, age or gender. The pandemic he's referring to is racism. In 2004, the reality of two (2) Americas was brought to the forefront, the America of the privileged and wealthy and the America of those who live paycheck to paycheck. The difference in the education provided to each, the difference in the loan rates offered, and the opportunities provided all pale in comparison to what is being experienced today. Today we get to see a harsh example of two (2) Americas. Hall of Fame player Kareem Abdul-Jabbar wrote in an editorial published by the Los Angeles Times this week that racism in America is like dust in the air; it seems invisible even if you're choking on it, until you let the sun in then you see it everywhere. Thereafter, Commissioner Hudak commented on growing up in South Florida; whereby, he never saw racism and treated people equally. He thought that is how everyone acted and for a majority of his life, he believed racism happened in the Deep South during the 50s and 60s and had long ended when Dr. Martin Luther King educated America.

Commissioner Hudak commented on what he thought racism was, but over the past few years, he has learned how wrong he was. Though he believes a majority of Americans treat everyone equal and are color blind, he now realizes that racists are not only in back wood towns or impoverished cities, but in every city, town, community and economic and educational level of this Country. Racism is a learned behavior as parents and communities teach it with words and actions. When any authoritative figure projects racism, it spreads throughout the Country. This is the pandemic that has infected America. To eradicate racism, it must be eliminated on an individual level and reinforced by leaders, parents, police officers, elected officials, teachers and preachers. He encouraged people to pray for the courage to be the change and that thoughts become words, words become actions and actions become you. As an elected official, a father and husband, he will do everything in his authority, thoughts, words and actions to perpetuate the elimination of racism in the City. Commissioner Hudak said he fully respects the Commission, City staff and the Police Chief as he knows their character and professionalism. Together, we can vaccinate, reduce and eradicate this cancer.

COMMISSIONER PRESTON**DISTRICT 2**

George Floyd – Commissioner Preston thanked Mayor Ganz for his comments regarding Mr. Floyd at the beginning of the meeting.

COMMENTS BY MAYOR AND CITY COMMISSIONERS – CONTINUED**COMMISSIONER PRESTON****DISTRICT 2 - CONTINUED**

COVID-19 Testing Site – Commissioner Preston thanked the City Manager and staff for working with the doctor from Broward Health to set up a testing site in the City.

George Floyd Video Footage – Commissioner Preston said we are all God's children, regardless of race/ethnicity and a little over a week ago the world witnessed the video footage of George Floyd asking a police officer to let him breathe. His plea for breath and life were ignored and when Mr. Floyd stopped breathing, for a brief second, humanity, compassion and hope stopped breathing also. Everyone looked on in horror and disbelief and asked why. In real time, this single incident and reprehensible act of one (1) human being against another while three (3) others stood complicit would spark a movement that would awaken the moral consciousness of the Country. Perversity provoked diversity; the protests around the Country subsequent to Mr. Floyd's death brought all ethnic groups together, holding hands, signs and the heartbeat of hope reviving the inspiration of humanity and giving compassion a meaning. Commissioner Preston commented on how peaceful protests turned into looting, burning, and rioting without consideration or respect for the rule of law as if it were okay to break the law because one (1) bad act deserved another.

Deerfield Beach Community Day - Continuing, Commissioner Preston said because of Mr. Floyd's death, there has been a global protest, USA, Berlin, New Zealand and Brazil, just to name a few. All have the same message, we are all God's children, saying no to injustice and yes to tolerance of brothers and sisters. There are more people globally that are good than those who are bad. The good on the earth have already won the war on hate whenever the ugly head of racism rises, it will be swiftly put down by the good of society. It must be asked what the City has learned and how do we make our City better. Commissioner Preston asked his colleagues to work together and promote harmony and be the standard bearer in unification and togetherness. He asked that the Commission work together to hold a Deerfield Beach Community Day to be held annually; the purpose, to promote diversity, brotherhood and sisterhood. To allow children to play and get to know each other and bring the City together. He recommended that it be held in each district so everyone comes together.

Vice Mayor Parness said he would work with Commissioner Preston on implementing a Community Day.

VICE MAYOR PARNES**DISTRICT 3**

Safeguards – Vice Mayor Parness said he receives many e-mails from his residents and calls each one to understand their concerns. He tries to explain why certain steps are taken and how to make things better, but preserving one's life is of the utmost importance. While people are aggravated, they need a kind word and simple explanation, along with brotherly love so they understand the City is trying to save their lives. Vice Mayor Parness outlined various safeguards that should be followed; wearing masks, gloves when touching the gas pump, encouraging businesses to turn away people without masks to protect employees and other customers.

COMMISSIONER DROSKY**DISTRICT 4**

Saturday Office Hours – Commissioner Drosky said this Saturday, June 6th, he will have office hours via Zoom or phone from 10 a.m. till noon; appointments can be made with him directly or call City Hall to schedule.

Protesting & Free Speech – Commissioner Drosky said he believes that his colleagues know where each other align on this issue. Further, he said the right to protest is guaranteed by the first amendment to our Constitution as well as the right to free speech. When there is an injustice we have the right and duty to protest. There is a right and wrong way; therefore, he applauded Deerfield Beach residents for doing it the right way as they have taken the appropriate actions and protocol. He thanked them for their calmness in a turbulent and traumatic situation as Mr. Floyd's death.

Deerfield Beach Community Day – Commissioner Drosky said he supports Commissioner Preston in doing whatever possible to promote harmony in the City as a team.

COMMENTS BY MAYOR AND CITY COMMISSIONERS – CONTINUED**MAYOR BILL GANZ**

Responses – Mayor Ganz thanked the Commission for their words. Additionally, he said the Commission supports Commissioner Preston and thanked him for the insight in dealing with life in general and the situation in the community and country. He thanked Commissioner Preston for sharing his perspective as he does not have the same perspective and it is greatly appreciated.

Peaceful Protests – Mayor Ganz said Deerfield Beach residents want to speak out, and while there are outside characters destroying the peaceful protest, there is meaning behind the protesting. The man that everyone points to in leading peaceful protests, Dr. Martin Luther King, Jr. was murdered. Tommy Smith and John Carlos in the '68 Olympics put up their fists at the time; it was completely controversial and they were hated just like the NFL players who took a knee. It was silent protest for the same issue that happened with Mr. Floyd. If no action is taken or voices are not heard with peaceful protests, then the road is being paved toward an unpeaceful protest.

COVID-19 Testing Site – Mayor Ganz thanked Commissioner Preston for bringing the testing site to the City; Vice Mayor Parness worked diligently bringing one close to the City and both will have a huge impact on containing the virus.

County Directives – Mayor Ganz said the County typically blindsides the mayors with a new executive order. Last Sunday, when the curfew was implemented, the mayors did not have anything until 15 minutes before the effective time.

Broward County School Board – Mayor Ganz said the School Board has not provided any assistance in trying to do something for the graduates who will not receive the pomp and circumstance that is a normal part of the senior year. He commented on the last memory the students have with each other was gathering for Bryce Gowdy's funeral. The Superintendent and School Board remain silent and has placed the responsibility on the cities and school principals to do something for the graduates. He explained that Deerfield Beach High School serves many children outside the City just like Monarch High School, located in Coconut Creek. To place this on the City is completely wrong as the City should be an ancillary support and to put the onus on the principal is not right. Further, cities are not allowed to use School Board property to do anything which shows their level of commitment. Lastly, Mayor Ganz said he wishes the City could do more.

Price Gouging – Mayor Ganz said he has heard that some hardware stores are charging extraordinary prices and anyone with questions or concerns may call 1.866.966.7226 to report it.

Comprehensive Annual Financial Report (CAFR) – Mayor Ganz said he is glad there is more time to review the CAFR; whereas, it is good news for the City.

Reserves – Mayor Ganz said he does not believe the reserves should be the sole consideration for the shortfall, but spending should be analyzed. He commented on the steps taken in the past to increase the reserves, which if they weren't followed, there would not be any reserves to deal with the shortfall now.

ADJOURNMENT

There was no further business to discuss.

MOTION was made by Vice Mayor Parness, seconded by Commissioner Hudak, to adjourn the meeting at 9:55 p.m. Voice Vote:

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

Nays: 0

BILL GANZ, MAYOR

Samantha Gillyard, CMC, City Clerk