Deerfield Beach
Florida

CITY OF DEERFIELD BEACH
BUDGET WORKSHOP MEETING MINUTES
Monday, June 22, 2020 at 6:00 PM

The meeting was called to order on the above date by Mayor Bill Ganz at 6:05 p.m. via virtual electronic meeting.

ROLL CALL

Present:	Commissioner Todd Drosky Commissioner Michael Hudak Commissioner Ben Preston Vice Mayor Bernie Parness Mayor Bill Ganz
Also Present:	David Santucci, City Manager Anthony Soroka, City Attorney Samantha Gillyard, CMC, City Clerk
Absent:	None

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice Mayor Parness.

APPROVAL OF THE AGENDA

June 22, 2020

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

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

Nays: 0

INTRODUCTION

David Santucci, City Manager, said over the next three (3) days staff will be presenting an overview of the proposed FY 2021 budget. This proposed budget directly represents the impacts COVID-19 has had on the economy and the City in the current fiscal year. Mr. Santucci stated that it will take community immunity to get rid of this virus and the only two (2) ways to do so, are through infection or vaccination; whereby, reports have shown that a vaccination may be available in the next six (6) months or so, but until then we are all in a position of uncertainty.

Continuing, Mr. Santucci said in FY 2020, the City was able to responsibly reduce the millage rate and the City's overall expenditures in the General Fund by $1 million. In FY 2021, staff expects to see a reduction from that upwards of 5%, which represents a larger decrease in the general fund revenue than any period

INTRODUCTION - CONTINUED

during the great recession. The budgets being presented this year are different than what was presented last year due to the economic uncertainty; whereas, the budgets presented last year represented approximately 97% of a completed proposed budget, which is not the case this year. This year, each department will be presenting their budgets as they are today, along with difficult decisions that may be needed in order to further reduce the budget. As of today, approximately $5 million still needs to be cut from the FY 2020 budget in order to balance. Further, Mr. Santucci explained that the Chief Financial Officer will provide a Revenue Forecast outlining expected revenues. He said the FY 2021 budget presentations include very little capital investment and do not contain many future planning expenses or operational enhancements; however, they do contain a contingency budget slide that outlines other cost saving measures that may be needed to balance the budget. He explained that the City started with a general fund budget expenditure of $115 million, which must be reduced to around $102.8 million.

Mr. Santucci thanked Tom Good, Assistant City Manager, Angelia Adediran, Assistant City Manager, Stephanie Tinsley, Chief Financial Officer, Allison Teslia, Budget Manager, Gilbert Hernandez, Budget Analyst, and TriMerge Consulting for their hard work and assistance in compiling the budget. Further, he outlined this evening's schedule and advised that the budget hearings will be presented in September. Lastly, the revenues being shown this evening are preliminary numbers; whereby, the ad valorem tax estimates and other estimates will be revised in the coming weeks. Thereafter, he introduced Ms. Teslia.

BUDGET 101

Allison Teslia, Budget Manager, provided an overview of the budget process to help residents understand the City's budget and requirements that must be followed.

What's in the Budget? - Ms. Teslia said the budget is a blueprint for the upcoming fiscal year which provides pertinent information to the readers per the Government Finance Officers' Association Best Practices. The budget document is broken down into sections that provide revenue and expenditure data, along with an overview of the City's financial health, strategic priority, staffing levels and management's goals for the year. In the transmittal letter, the reader will gain an understanding of the City Manager's vision, the critical issues facing the City, the recommended policy and procedural changes, as well as milestones reached during the current fiscal year.

Ms. Teslia said the introduction section provides a history of the City, an overview of its customers, its products and services, as well as a mission statement and philosophy. This section also includes a description of the budget process, budget calendar and miscellaneous statistical information. She explained that municipalities categorize revenues and expenditures into separate funds according to specific purposes. In the budgetary data by fund section, each department and division within the fund is identified, schedules of detailed revenue sources and expenditures are provided and the goals and objectives, along with performance measures for each department are outlined. The debt administration section provides an overview of the City's debt policy and gives a description of each outstanding bond issue and the City's existing debt service requirements, including future minimum lease payments.

Continuing, Ms. Teslia said the debt administration section also presents the calculation of the City's legally authorized debt limit and margin. The capital improvement summary provides a comprehensive listing and explanation of the City's capital needs for the next five (5) years and the impact of capital improvement on the current year's operating budget. The glossary provides the reader with a listing of terms and acronyms that are utilized within the budget.

What is a Balanced Budget? - Ms. Teslia said per Florida Statutes, municipalities must adopt a balanced budget which is balanced when all sources of funds equal all uses of funds.

Total Sources of Funds - Ms. Teslia said the total sources of funds include any funds left over from the prior year and new revenues expected to come in during the fiscal year. Per State Statutes, ad valorem revenues are projected at 95% of the revenue estimate. Both contracts/grants and cash carryover are typically budgeted at 100%. Certain revenues can only be used for specific purposes; for example, gas taxes can only be used for transportation purposes, fire assessment fees for fire safety and stormwater fees for

BUDGET 101 - CONTINUED

stormwater related expenditures. Due to restrictions on these revenues, most cities elect to create special revenue or enterprise funds to account for those related revenues and expenses.

Total Uses of Funds - Ms. Teslia said total use of funds include operating expenses, such as personnel and expenditures used in regular operations, capital improvements, interfund transfers and any reserves.

Why do we Budget? - Ms. Teslia said pursuant to Florida Statutes, the City is required to adopt a budget each year and must follow specific guidelines to meet TRIM compliance. Staff must follow specific dates with filing forms and providing supporting documentation which assure requirements are being adhered.

Where do the Property Taxes Go? - Ms. Teslia said the property tax rate is referred to as millage, the amount property owners pay for every $1,000 of taxable value. She provided an illustration of how tax dollars are allocated between various governmental entities; whereby, the City only receives a portion of property tax revenue.

The Budget Process - Ms. Teslia said the City's fiscal year runs from October 1 to September 30, but the budget cycle never ends. As soon as the new fiscal year begins, preparation for next year's budget starts. In the late fall, staff reviews the strategic goals and develops a set of parameters for the upcoming budget year which may include anticipated changes in expenditures, staffing levels, tax rates and regulatory requirements. In January, budget meetings are held with departments to provide guidelines for the upcoming year. In these meetings, various topics are discussed to determine how they align with strategic priorities to ascertain what should be included in the draft budget. The revenues and expenditures to date are reviewed and any deviations that may need to be considered in next year's budget analyzed.

Continuing, Ms. Teslia said in June, the property appraiser releases the preliminary taxable property values which assist the City in budgeting for its largest source of general fund revenue, property taxes. Budget workshops are held with the City Commission for departmental presentations and recommendations for the next budget year. Final taxable property values are issued by the Property Appraiser in July; the City Commission adopts the tentative property tax rates based on those values. In mid-July, the State issues their projected shared revenues that cities and counties receive for funds related to sales tax, communication service taxes and fuel taxes. Once the rate is set, budget staff prepares the budget recommendation and capital improvement plan.

Lastly, Ms. Teslia said per the City's Charter requirements, the budget recommendation is provided to the City Commission no later than August 15th. In September, two (2) public hearings are held and the budget is officially adopted at the second public hearing and shortly after, the new fiscal year begins.

REVENUE FORECAST

David Santucci, City Manager, advised that Stephanie Tinsley, Chief Financial Officer, will provide an overview of the revenue forecast for FY 2021.

FY2021 Outlook - Ms. Tinsley explained that revenue forecasting is not simple, nor does it end once the budget is adopted. She explained that information was still being received late this afternoon; therefore, some of the slides may reveal inaccurate information but staff will continue to improve and finalize the numbers prior to final adoption. Further, she said staff looked back through the great recession period, then at the current financial aspect, and finally the financial conditions heading into the future.

Historical View: Fund Balance Over 10 Years - Ms. Tinsley said there were some low points toward the end of the great recession, then the City had a significant recovery over the last 5-6 years and continues to remain steady.

Financial Condition Heading into FY2021 - Ms. Tinsley said the General Fund Balance is healthy at approximately $26.7 million, which includes emergency reserves of $3.4 million and an unassigned fund balance of $17.6 million. The fund balance target of 10% for total General Fund expenditures and transfers has been met at 17%. Lastly, Ms. Tinsley said the bond ratings are solid at AA rating from S&P and AA- from Fitch.

REVENUE FORECAST - CONTINUED

FY2021 Overall Revenue Goals & Initiatives - Ms. Tinsley outlined the FY2021 overall revenue goals and initiatives: efficiently and effectively utilize tax dollars; monitor performance through financial reporting; communicate and report progress on the comprehensive financial report (CAFR); manage performance through metrics and tracking; maintain accountability and transparency; and implement policies and procedures.

FY2021 General Fund - Major Revenue Sources - Ms. Tinsley listed the major revenue sources for the General Fund: ad valorem tax - 46%; public service tax - 8%; franchise fees - 6%; permit, fees and special assessment - 13%; shared revenues - 7%; charges for services - 8%; administrative - 8%; and non-revenues - 4%.

Millage Rates: Setting the Rate - Ms. Tinsley explained that the ad valorem tax covers operating, and debt associated with the City's General Obligation Bond (GOB). The City Manager is recommending maintaining the operating millage at the rate of 6.0018, which represents a decrease of 7.23% from the previous year's General Fund budget. Further, she said the rolled-back rate provides the same tax revenue that was levied for FY2020, which is 5.6495.

Mr. Santucci clarified that the 7.23% decrease is for the overall general fund budget, which includes the CRA portion of ad valorem tax.

FY2021 Proposed General Fund - All Sources - Ms. Tinsley said the FY2021 proposed general fund resources are $102.8 million, whereby, the ad valorem taxes account for 43.9%; special assessment - 12.7%; sales & use, which covers public utility, communication sales and local business tax - 10.7%; miscellaneous - 8.5%; charges for services - 7.4%; intergovernmental - 6.3%; franchise fees - 5.5%; non-revenue - 4.1%; fines & forfeitures - 0.8%; and licenses & permits - 0.1%.

Revenue Description - Ms. Tinsley highlighted each revenue type.

FY2021 General Fund - Major Revenue Sources - Ms. Tinsley said there has been a slight increase in taxes throughout the years due to the uptick in value, as well as the sales in business licenses, etc.

Ad Valorem Tax Revenue History - At A Glance - Ms. Tinsley said over the last several years, the ad valorem tax has seen an increase; however, it is estimated to flatten for FY2020 and FY2021.

Ad Valorem Tax Estimate - FY2020 & FY2021 Est. - Ms. Tinsley said for FY20 the total citywide estimated tax collections is $45.3 million and the tax increment revenue (CRA's allocation) is $1.9 million, for a projected net general fund tax collection of $43.4 million. The citywide estimated tax collections for FY21 is $45.1 million and the tax increment revenue (CRA's allocation) is $2 million, for a projected net general fund tax collection of $43.1 million, which is a slight decrease from FY20.

Mr. Santucci stated that the City will receive the final tax values around July 1st.

Millage Rate - Historical Perspective - Ms. Tinsley said the overall millage rate has remained flat or decreased since 2017.

FY2021 Est. General Fund Revenue - $102.8 Million - Ms. Tinsley said taxes make up more than half of the revenue sources at $56 million; permits, fees and assessments - $18.7 million; charges for services - $7.5 million; intergovernmental - $6.4 million; miscellaneous - $8.7 million; non-revenue - $4.1 million; and fines and forfeits - $871,000.

Enterprise Funds - Ms. Tinsley said the City has three (3) major enterprise funds: water & sewer utility, stormwater utility and solid waste fund. Enterprise funds operate like regular business enterprises; whereby, the financial goal for enterprise funds is to charge a user fee that will be sufficient to cover the cost of providing services. Lastly, she said the charge for services represents more than 80% of the total revenue sources.

FY2021 Enterprise Fund - Major Revenue Sources - Ms. Tinsley outlined the major revenue sources for the enterprise fund: charge for services - 83%; cash carryover - 15%; and miscellaneous - 1%. She

REVENUE FORECAST - CONTINUED

explained that both operating, and capital projects are included within each enterprise fund, which is the reason behind the cash carryover. Further, she said over the last five (5) years, the City has been conservative implementing capital projects and maintaining the operating expenses; however, during the next couple days it may change, as staff continues to monitor the numbers.

Other Major Funds - Ms. Tinsley outlined other major funds: building service, senior service, insurance service trust fund, CRA, CDBG, special revenue, and other funds.

Revenue Opportunity and Enhancements - Ms. Tinsley said moving forward staff wants to improve the rates of collections and analyze user fees/full program costs recovery options.

In response to Vice Mayor Parness' questions, Mr. Santucci replied that it is anticipated that the property values will continue to increase through FY21 because they have not been impacted by the economic downturn at this time. If the economic downturn continues and becomes more substantial, it is likely property values will decrease next fiscal year. Further, he reiterated that the property values in Deerfield Beach have increased for FY21; however, the non-ad valorem sources of revenue are taking a significant loss.

In response to Commissioner Drosky's question, Mr. Santucci replied that the current year's general fund budget is $108.4 million.

After a brief discussion regarding the difference between this year and next year's general fund budget and ad valorem tax estimates, Mr. Santucci said the current general fund budget being presented during these three (3) workshops is approximately $108 million with a $5 million gap remaining. Further, he explained that each department will be presenting a contingency slide, which represents programs, services, etc. that are being considered to further reduce the budget. These items are being presented, so the Commission can provide direction, should the budget need to be reduced further.

In response to Commissioner Drosky's question, Mr. Santucci replied that the contingency slides consist of items that staff is recommending should additional cuts be needed. He asked that the Commission provide feedback on those additional cuts.

Commissioner Preston said all the departments have cut their budgets and the City is still at a $5 million shortfall; therefore, he asked if there is a way staff can reduce their budget further. He stated that he previously suggested looking into contractual services as a way to save money and asked if savings could be made if the City moved away from outsourcing.

Mr. Santucci reiterated that each department has a contingency slide, which outlines additional cost saving measures. Moreover, he said staff cannot put a hold on all expenses due to obligations on certain contractual services, i.e. BSO Police and Fire; however, discretionary spending has been halted.

Commissioner Preston said the unassigned fund balance is for a rainy day, which we are in; therefore, he asked if that could be used to make up the shortfall in FY20. He also asked about the enterprise fund account balance.

Mr. Santucci replied yes. Thereafter, he explained that there are several enterprise funds and does not currently have the balances for each but will provide later.

MAJOR FY21 BUDGET INITIATIVES & CHANGES

Angelia Adediran, Assistant City Manager, provided a brief overview of the FY21 citywide programs and initiatives.

Citywide Initiatives and Goals - Ms. Adediran said the FY21 budget is comprised of legal mandates and contractual obligations; thereafter, she outlined goals and initiatives.

MAJOR FY21 BUDGET INITIATIVES & CHANGES - CONTINUED

Draft Proposed Budget - Ms. Adediran said prior to mid-March, Deerfield Beach was well underway in its budget development cycle, whereby, departments submitted capital improvements, asset management improvements technology improvements, cost of living adjustments, merit increases and fully funded programs, staffing and personnel.

Revised Proposed Budget - Ms. Adediran said the impact of COVID-19 on the worldwide economy has not left Deerfield Beach without impact. She outlined changes based on today's and the foreseeable future's economic climate, some capital improvements may be deferred, maintaining aged equipment and facilities, consolidating existing technology and maintenance agreements, and funding staff in accordance with the deliverables being made in this climate.

Refocused Priorities - Ms. Adediran said this budget provides a fiscal plan that is sustainable in the current and foreseeable economic climate; acknowledges the existence of economic contractions and retractions impacting revenues across the board through the reduction in state shared revenue, gradual increase in local revenues and market movement in an upward swing throughout the recovery period; as well as an unchanged millage rate.

Operating Budget - Ms. Adediran said the overall proposed General Fund budget is $102.8 million, which is a 5.3% decrease from FY20. This budget also reflects the estimated available resources based on decreases in federal, state, and local revenues. The proposed budget is a responsible approach to fiscal constraints that exist in this climate. Ms. Adediran said the City will continue to invest in the enhancement of a business-friendly community, support the residents with quality programs and services, and support the mandated and contractual obligations of the City.

Senior Services Fund Proposed Budget - Ms. Adediran said the proposed senior services fund budget is $2.85 million, which is an 8.0% decrease from FY20. The reductions reflect the lack of ability to provide programs and services because of COVID-19, CDC guidelines and requirements for in-house services; however, the Center for Active Aging has restructured the use of staff to provide some services.

Solid Waste Fund Budget - Ms. Adediran said the proposed solid waste fund budget is $16.2 million, which is an 8.3% decrease from FY20. This budget also reflects departmental consolidation in sanitation management, reductions in debt service, and reductions in non-departmental costs.

Utility Fund Budget - Ms. Adediran said the proposed utility fund budget is $28.5 million, which is a 3.1% decrease from FY20. The utility fund budget consists of a conservative administrative approach based on fiscal constraints; development and activation of new billing system and meters; invests in enhancements for customer service, billing system, and payment options; and supports mandated water quality treatment for public consumption.

FY21 Key Budget Strategies - Ms. Adediran said the overall FY21 key budget strategies are based on the following principles: adaptation to shifts in global market; understanding of economic system; deliver quality public services and programs; facilitate unemployment rebound and focus on workforce investment and training for new market needs; and develop staff and infrastructure to enhance our overall community optics.

FINANCIAL AND CUSTOMER SERVICES

FY20 Achievements - Stephanie Tinsley, Chief Financial Officer, outlined the various staffing changes within the Financial Services Department this past year. Thereafter, she outlined the FY20 achievements: improved fiscal oversight by reducing findings and observations; created an SOP for procurement code; increased p-card rebates by $11,000; increased certifications; earned the NPI Achievement of Excellence in Procurement, GFOA Distinguished Budget Presentation Award, and GFOA Certificate of Achievement for Excellence in Financial Reporting; and implementation of DMV registrations holds.

FY21 Goals - Ms. Tinsley outlined the FY21 goals: improve financial close and year end audit process; collaborate with HR to implement payroll best practices; develop/execute action plan to Auditor General outlining the audit results; increase vendor participation by exploring various sourcing methods; implement pay stations capital upgrade program and many others.

FINANCIAL AND CUSTOMER SERVICES - CONTINUED

Operating Budget - Ms. Tinsley said Financial and Customer Service incorporates six (6) different divisions, whereby, five (5) are from the General Fund and one (1) is from the utility fund, which is Customer Service. The divisions included in the General Fund are split between administration, which is finance, budget, purchasing and public safety, which includes parking authority and crossing guards. The overall budget is $3.9 million, which is a decrease of $481,882.

Finance - Operating Budget - Ms. Tinsley said the personal changes are due to defunding the part-time cashier ($26,000) and other salary savings due to turnover and vacancies ($64,000). Operating expenditures has a $500,000 decrease from the elimination of the ERP system; for an overall FY21 budget of $1.8 million, which is a 21.1% decrease.

Purchasing & Contract Administration - Operating Budget - Ms. Tinsley said the reduction in personal services is due to insurance services and the reduction in the operating expenditures is from the annual vendor outreach and office supplies; the overall FY21 budget is $437,196, which is a 3.5% decrease.

Budget & Performance - Operating Budget - Ms. Tinsley said the reduction in personal services is due to intern program hours, insurance services and the reduction in operating expenditures from other contractual services for ADA remediation and travel & training; for an overall budget of $283,183, which is a 6.5% decrease.

Parking Authority - Operating Budget - Ms. Tinsley outlined the reduction in personal services due to employee turnover, the increase in operating expenditures is due to banking charges and capital outlay consists of pay station upgrades through CALE's current contract, which will be done during a five-year period to absorb costs; for an overall budget of $741,304, which is a 12.5% increase.

Crossing Guards - Operating Budget - Ms. Tinsley said operational expenditures covers contractual services for the crossing guards, whereby, half are city employees and the others are contracted out; for an overall budget of $267,472, which is a 0.4% decrease.

Utility Billing & Customer Service - Operating Budget - Ms. Tinsley said the operating budget for utility billing and customer service is $379,601, which is a 0.2% decrease.

Future Considerations Beyond FY21 - Ms. Tinsley outlined the future considerations beyond FY21: long term economic recovery and growth; revenue enhancements by mitigating fine schedule; unfunded mandates; new ERP and other automation and upgrades through pay stations, lobby kiosks, etc.; OpenGov financial transparency tool; and continuous process improvements and internal controls.

Contingency Budget - Additional 10% Reduction Goal - Ms. Tinsley outlined the contingency budget: bank charges - $169,750; other contractual services - $75,000; interactive voice response (IVR) - $30,000; office supplies, printing, other - $24,375; dues and memberships - $1,700; travel and training - $14,100; and salaries, clothing allowance - $9,000.

Annual Credit Card Sales - Ms. Tinsley stated that mobile app payments are increasing and is hopeful they will continue to increase, which will result in the City having less hardware to maintain.

Annual Credit Card Transactions - Ms. Tinsley reiterated that the mobile payment is slowly ticking up and there is a downward slope in card transactions.

Coin Transactions Trend - Ms. Tinsley said the coin transactions are on a downslope and although there is no transaction fee, this form of payment does cost the City money, whereas, the money is picked up from City Hall regularly.

In response to Commissioner Preston's question, Ms. Tinsley replied that the 11% reduction in the overall operating budget is prior to the contingency budget.

In response to Commissioner Hudak's' question, Ms. Tinsley replied that the ERP system is challenging; nevertheless, staff is working on ways to fund a new ERP system which is difficult with the cuts being proposed.

FINANCIAL AND CUSTOMER SERVICES - CONTINUED

David Santucci, City Manager, said planning for an ERP system can take between 12 - 18 months, whereby, the City did not have a CFO for a few months and that position is instrumental in overseeing implementation. Thereafter, he provided a brief overview of the process.

Commissioner Hudak said he understands the process is lengthy, but the challenges and issues were brought up last year, so he was under the assumption that the process had not only begun but that staff was ready to move forward with a new system. Thereafter, he presented other questions regarding the budget.

Ms. Tinsley replied that the total banking charges for FY21 is $400,000, which is an increase of $100,000. Additionally, the consulting firm will be done by August 2020.

In response to Mayor Ganz's question, Ms. Tinsley replied that the total cost for an ERP system is upwards of $3 million.

Mayor Ganz advised that he was also under the impression that a new system was in the works and asked if the delay was solely due to the change in CFO's.

Mr. Santucci replied that the City not only changed CFO's but hadn't had one since September. Additionally, dollars could have been allocated towards a consultant to begin the process but because of revenue shortfalls it was taken off the table so staff could regroup and begin an RFP process internally.

Mayor Ganz said it would be helpful to know what we are losing by not having an ERP system moving forward, as he thought this was a priority; therefore, he reiterated that it would be helpful to know what is being lost with this cut.

Mr. Santucci said the approach staff would like to take is procuring the solution holistically and look into financing a system over a period of five (5) years through a bank loan.

Mayor Ganz said his concern with that is the systems are extremely antiquated, whereby, he does not want the City paying for something down the road that will be outdated before it's even paid off.

In response to Mayor Ganz's question, Mr. Santucci replied that CALE is the parking meter system, which is different than the ERP system. Further, he said there are issues with the displays on the meters; whereby, the plan is to replace several meters at a time and over five (5) years replace the entire system.

Mayor Ganz reiterated his concerns with paying for technology systems over time, whereas, he does not want to pay for something that is antiquated. Further, he would like more clarification on the effects of not having an ERP system in place.

Ms. Tinsley reiterated that the ERP implementation typically occurs within 12 - 18 months but the system stays in place for a long period of time because it is extremely labor and time intensive; therefore, if a well-known product or brand is chosen, the City will be investing in a product that will be around for 10 - 15 years.

Commissioner Hudak said he understands that the implementation of a system is extremely time consuming, but he thought a system had at least been chosen based on the comments last year and the issues that are still occurring. He said choosing a system takes at least 17 - 18 months and asked if one had been chosen because not only is the current system costing the City money and time, but reports are being lost and/or provided late, etc.; therefore, he asked where staff is with a new system.

Mr. Santucci replied that staff was looking into the Tyler ERP system but due to the change, then vacancy in the CFO position, staff decided not to move forward with the product, as it is important that there is buy in across all departments to ensure the system works for everyone. He said the system is still on the table and an existing contract can be reviewed but if that system is not the right fit, going through an RFP process is recommended.

INFORMATION TECHNOLOGY SERVICES

FY20 Achievements - Ron McKenzie, Chief Information Officer, outlined the FY20 achievements: obtained and deployed Darktrace which is an analytical tool; replaced end of life firewalls and backup equipment; replaced internal storage; maintained employee awareness and training; migrated maps from ArcGIS Server to Esri Online; mobility; business continuity; as well as many others.

FY21 Goals - Mr. McKenzie outlined the FY21 goals: increase cyber security awareness and resources; business continuity services; cleanup existing geospatial data to ensure its reliability and easy access for various city systems; implement 2-factor authentication for all city critical applications and others.

Operating Budget - Mr. McKenzie said the reduction in personal services is due to removal of one (1) GIS Specialist - $49,200; removal of one (1) IT Intern - $13,480; and adding an IT Security Analyst - $70,000; for a total of $1,222,207, which is a 5% decrease. Currently, the GIS Specialist and Intern are vacant.

Continuing, Mr. McKenzie said when new equipment is procured, there is maintenance for three (3) years, which reduces the amount being paid per year; therefore, the operating expenses are $902,602, which is a 19% decrease. Capital outlay is being reduced by $125,000 due to new equipment being purchased, whereby, the remaining cost of $20,000 is to replace switches; for an overall budget of $2,144,809, which is a 15.7% decrease.

Future Considerations Beyond FY21 - Mr. McKenzie outlined the future considerations beyond FY21: ERP replacement; new access control throughout the City; paperless environment; centralize city phone system; and interactive voice response system.

Contingency Budget - Mr. McKenzie outlined the contingency budget: switches and routers Smartnet - $10,000; Zoom subscription - $12,400; travel and training - $25,000; part-time salaries - $27,478; furlough 10% of regular salaries for staff that make over $50,000 - $76,623; employee training - $15,000; and Gartner Professional Services - $50,000.

IT Services - Mr. McKenzie said their system BoSSDesk tracks the number of incidents/issues that IT staff provides support for: hardware, software, GIS, network, general support, etc.

In response to Commissioner Preston's question, Mr. McKenzie replied that the cuts outlined in the operating budget have already been considered; however, the contingency budget contains additional cuts if needed.

Commissioner Preston commented on the security breach that took place in Rivera Beach and the importance of having cyber security and properly trained staff.

In response to Commissioner Hudak's question, Mr. McKenzie replied there are currently 12 IT personnel.

Commissioner Hudak said it is extremely difficult to not only find knowledgeable staff, but to retain them; therefore, he disagreed with the 10% cut and suggested that other options be sought.

There was a brief discussion regarding the difference between reductions in the departments overall operating budget and the additional cuts in the contingency budget.

HUMAN RESOURCES

FY20 Achievements - Amanda Robin, Chief Human Resources Officer, outlined the FY20 achievements: implemented workers compensation procedure; continued online safety training program; 25% increase in employees who earned monthly wellness incentives; implemented emergency paid sick leave and emergency family medical leave and others.

FY21 Goals - Ms. Robin outlined the FY21 goals: create an employee communication plan; develop a new risk management manual; continue to analyze and assess the City's employee benefits programs; improve employee on-boarding and off-boarding; convert to paperless personnel files, etc.

HUMAN RESOURCES - CONTINUED

Human Resources - Operating Budget - Ms. Robin said the reduction in personal services is due to a decrease in insurance services and the hiring of staff at a salary less than projected in the FY20 budget; for a total of $520,012, which is a 3.3% decrease. There is a slight decrease in the operating budget; however, there were items increased within this budget, i.e. scanning services for paperless personnel files. The total operating budget is $262,495, which is a 3.2% decrease; for a total overall budget of $782,507, which is a 3.3% decrease.

Risk Management - Operating Budget - Ms. Robin said the increase in personal services is due to the timing of merit increases; for a total of $198,428, which is a 1.4% increase. The operating expenditures decreased due to the increased stop-loss deductible, as well as the reduction in employee health claims for a total of $10,222,398, which is a 5.3% decrease. The operating expenditures for retirees have decreased due to reduced enrollment, aging out of subsidy and increase in equivalents; for a total of $1,242,000, which is a 35.4% decrease. She explained that there was a 23.2% increase in operating expenditures for COBRA due to attrition; for a total operating budget of $11,745,926, which is a 9.6% reduction.

Future Considerations Beyond FY21 - Ms. Robin outlined the future considerations beyond FY21: COVID-19 and the new normal work environment, i.e. virtual job interviews, telecommuting, etc.; other post-employment benefits; Patient-Centered Outcomes Research Institute (PCORI) fee back for self-insured programs; and Supreme Court Issues Ruling: Title VII Prohibits Discrimination Against LGBTQ Employees.

Human Resources Contingency Budget - Ms. Robin outlined the Human Resources contingency budget: NeoGov - $9,500; service awards - $12,000; employee appreciation party - $22,600; paperless files project - $10,000; and citywide training - $28,000.

Risk Management Contingency Budget - Ms. Robin outlined the Risk Management contingency budget: the Gehring Group - Liability Brokerage Services - $60,000; HealthWell Solutions - $17,600; COBRA & retiree billing administration - $70,000; BenTek - $35,000; contingency budget that covers large liability claims - $250,000; and stop loss for health - $936,000.

Mayor Ganz asked if the stop loss for health is something that is done for one (1) year only and reinstated the following year.

Ms. Robin replied that it could, but staff would have to review the contract terms to see what it would entail. She is also unsure what the impact would be if we ended up with large claims over the year; whereby, we may be hit with a higher premium than what is already in place.

In response to Commissioner Preston's questions, Ms. Robin replied that there are seven (7) employees total within Human Resources and Risk Management; whereby, contractual services could be brought back inhouse but would result in a loss of service for many other operations performed. Thereafter, she provided a brief example of how eliminating contractual services would have a negative impact on services. Further, she said some of the expertise comes in contractual services. Thereafter, she provided a brief overview of staff's responsibilities and duties.

PUBLIC AFFAIRS & MARKETING

FY20 Achievements - Rebecca Medina-Stewart, Public Information Officer, outlined the FY20 achievements: added a city resource page to the website; designed new themed pole banners; rebuilt the underwater camera network system; live streaming and virtual events; created COVID-19 web page; increased number of followers and views on social media and others.

FY21 Goals - Ms. Medina-Stewart outlined the FY21 goals: complete the DFB dive page; redesign and audit of the City website; work with Parks to explore potential for city radio station; stabilize repairs and maintenance of the underwater camera; and replace the underwater camera platform.

Operating Budget - Ms. Medina-Stewart said there was a reduction in the operating budget due to eliminating travel and training, award entries and city/county events expenses, for a total of $489,846, which is a 2.9% decrease.

PUBLIC AFFAIRS & MARKETING

Future Considerations Beyond FY21 - Ms. Medina-Stewart outlined the future considerations beyond FY21: enforced restrictions and regulations; more video and animated graphics; additional underwater camera options; and funding for an e-commerce merchandise shop.

Contingency Budget - Ms. Medina-Stewart outlined the contingency budget: social media consultant - $25,000 and underwater camera - $20,000.

OFFICE OF THE CITY CLERK

FY20 Achievements - Samantha Gillyard, City Clerk, outlined the FY20 achievements: superior records management; serves as Supervisor of Elections; timely responsive and accurate public information; liaison between departments & general public; specialized training & development; revitalized the agenda management software; implementation and updates to Civic Clerk and adaptation of virtual meetings.

FY21 Goals - Ms. Gillyard outlined the FY21 goals: paperless environment & electronic records access; enhance advisory boards by providing training and educational material to the members; remediation of city's website; revamp municipal candidate process by providing all documents on a thumb drive and encourage electronic completion of forms and continued employee training and development on records management and public records.

Operating Budget - Ms. Gillyard said there is a 13.8% reduction in personal services due to the elimination of the receptionist position. Although there is a slight decrease in operating expenditures, there is an increase of $30,000, which will be split amongst all departments for ADA document remediation; for a total operating budget of $538,146, which is an 11.2% decrease.

Election Budget - Ms. Gillyard said the election budget for FY17 totaled $123,321, but the City only paid $114,000. She explained that the Supervisor of Elections Office provided an estimate of $102,000 for the 2021 city-wide election; however, due to the cost of the 2017 city-wide election, she is recommending a budget of $139,950.

Future Considerations Beyond FY21 - Ms. Gillyard outlined the future considerations beyond FY21: online public records payment portal; campaign financing software to assist with ADA remediation, etc.; changing the municipal election from March to November; city facility to house records; and online notarization.

Contingency Budget - Ms. Gillyard outlined the contingency budget: travel and training - $4,100; programming and software - $46,400; and personal services - $1,000.

In response to Commissioner Drosky's questions, Ms. Gillyard replied that the previous figures provided were incorrect and have since been revised; whereby, the figures displayed are correct and an updated presentation will be provided to the Commission electronically.

PUBLIC INPUT

There were no public comments.

ADJOURNMENT

MOTION was made by Commissioner Hudak, seconded by Vice Mayor Parness, to adjourn the meeting at 9:08 p.m. Voice Vote:

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

Nays: 0

BILL GANZ, MAYOR

Samantha Gillyard, CMC, City Clerk