Special Meeting Minutes
City Commission

Tuesday, November 9, 2021 | **7:00 PM** | **Commission Chambers**

CALL TO ORDER AND ROLL CALL

The meeting was called to order on the above date by Mayor Bill Ganz at 7:00 p.m., in the City Commission Chambers, City Hall, Deerfield Beach.

Present: 4 – Commissioner Todd Drosky
Commissioner Michael Hudak - via Zoom
Commissioner Bernie Parness
Mayor Bill Ganz

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

Excused Absence: 1 – Vice Chair Preston

MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE

Thereafter was a moment of silence, followed by the Pledge of Allegiance.

APPROVAL OF THE AGENDA

November 9, 2021

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

Yeas: 4 - Commissioner Drosky, Commissioner Hudak, Commissioner Parness, and Mayor Ganz

Nays: 0

CONSENT - AGREEMENT & EXPENDITURES

1. **Resolution 2021/154 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving the special event permit application submitted by Naked Warrior Project, Inc. for the Ryan Owens Memorial Four Mile Run at Deerfield Beach, 149 SE 21st Avenue, on November 13, 2021 from 6:00 am to 12:00 pm; providing for an effective date.** *(Funds from Account #001-7005-579-10-02 - Parks and Recreation/Administration - Special Events & Account #001-7005-579-35-74 - Parks and Recreation/Administration - Special Events)*

CONSENT - AGREEMENT & EXPENDITURES

2. **Resolution 2021/155 - A Resolution of the City Commission of the City of Deerfield Beach, Florida, approving the submission of a Hazard Mitigation Grant Program Application to the Florida Division of Emergency Management for the College Park Neighborhood Drainage Project; committing to the provision of matching funds in the amount of 25% of the project cost, if the grant funds are awarded; and providing for an effective date.** *(Funds from Account #460-5070-538-60-31 - Stormwater)*

There was no discussion amongst the Commission.

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

MOTION was made by Commissioner Parness, seconded by Commissioner Drosky, to approve Items 1 and 2 in concert. Roll Call:

Yeas: 4 - Commissioner Drosky, Commissioner Hudak, Commissioner Parness, and Mayor Ganz

Nays: 0

DEPARTMENTAL BUSINESS

3. **ORDINANCE 2021/ - AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF DEERFIELD BEACH, FLORIDA, ADOPTING AN AMENDMENT TO THE CITY BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2021; APPROVING DEPARTMENTAL BUDGET TRANSFERS IN THE AMOUNT OF $1,543,000 WITHIN THE GENERAL FUND; APPROVING SUPPLEMENTAL APPROPRIATIONS IN THE AMOUNT OF $63,885 FOR THE NUISANCE ABATEMENT FUND, AND APPROPRIATING THE LOAN PROCEEDS FROM FUND BALANCE OF THE ENERGY PERFORMANCE PROJECT FUND IN THE AMOUNT OF $1,829,000; APPROVING SUPPLEMENTAL BUDGET APPROPRIATIONS TO THE CRIME PREVENTION FUND FOR THE $7,350 PRIVATE CONTRIBUTION RECEIVED BY THE CITY; PROVIDING FOR CONFLICTS, SEVERABILITY AND AN EFFECTIVE DATE.**

The Ordinance was read by title only.

Stephanie Tinsley, Department of Financial Services, provided a brief PowerPoint presentation. Thereafter, she explained that the FY21 budget amendment consists of changes to the General Fund, nuisance abatement, energy performance project, and crime prevention funds. She advised that the Governmental Accounting Standards Board (GASB) and generally accepted accounting principles (GAAP) are national regulations that allow revenues to be recognized when they are measurable and available. Thereafter, she explained that property tax revenues received 60 days after the fiscal year must be recognized within that prior fiscal year, and all other revenue sources must be received within three (3) months of the end of the fiscal year. Additionally, Ms. Tinsley continued outlining state regulations, F.S. 166.241(7), which allows municipalities 60 days after the fiscal year to amend their budgets; and the handling of invoicing for expenditures incurred by September 30th, but not received until after the fiscal year.

Moreover Ms. Tinsley said Section 5.05 of the City Charter outlines regulations and requirements for adoption of budget amendments, whereas, subsection (1) provides for supplemental appropriations, which recognize access revenues and subsection (3) provides for the transfer of appropriations, which allows for the transfer of funds from one (1) department to the other. A special meeting was necessary because the supplemental appropriation must be approved by ordinance and requires two (2) readings.

DEPARTMENTAL BUSINESS - CONTINUED

Continuing, Ms. Tinsley stated that there is no change to the appropriation in the General Fund; however, there were adjustments made to financial services due to additional auditing and reporting services but monies are being covered by telephone charge savings in Central Services; law enforcement - unrealized vacancy credits that are being covered by programs, events and personnel from Parks & Recreation; and debt service - actual expenditures classified correctly but covered by non-departmental budget appropriation. Moving forward, non-departmental will be reclassified to provide for more transparency. Further, the nuisance abatement assessment fund had revenues that must be recognized in FY21, as well as expenses that incurred in FY21. The energy performance project fund must recognize the loan proceeds that were taken out for the related project expenditures. Lastly, the crime prevention fund received private contributions and expended it through programming within the same year.

In response to Mayor Ganz's question, Ms. Tinsley replied that the monies were received close to the end of the fiscal year.

David Santucci, City Manager, stated that some of the revenue sources came in throughout the fiscal year; therefore, in the future, staff would like to provide a mid-year budget amendment, if needed, as well as end of year. Further, if the Commission requests a greater frequency, staff will comply, without creating redundancies; nevertheless, he advised that this will be a normal occurrence moving forward.

Commissioner Drosky advised that he met with the City Manager, so he has no questions; however, he advised that a series of questions was received regarding the budget amendment and Ms. Tinsley provided detailed responses, which is attached.

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

MOTION was made by Commissioner Parness, seconded by Commissioner Drosky, to approve Item 2, on first reading. Roll Call:

Yeas: 4 - Commissioner Drosky, Commissioner Hudak, Commissioner Parness, and Mayor Ganz

Nays: 0

Prior to adjournment, Mayor Ganz reminded everyone of the Veteran's Day event at Branhilda Richardson Knowles Memorial Park and thanked staff for their efforts. Lastly, he advised that the next meeting will be held on November 16th at 7:00 p.m.

ADJOURNMENT

There being no additional business to discuss.

MOTION was made by Commissioner Parness, seconded by Commissioner Drosky, to adjourn the meeting at 7:19 p.m. Voice Vote:

Yeas: 4 - Commissioner Drosky, Commissioner Hudak, Commissioner Parness, and Mayor Ganz

Nays: 0

CITY OF DEERFIELD BEACH

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BILL GANZ, MAYOR

____

Samantha Gillyard, CMC, City Clerk

Todd Drosky

From: Todd Drosky <tdrosky@deerfield-beach.com>
Sent: Friday, November 05, 2021 3:49 PM
To: Todd Drosky
Subject: Fwd: 2021 Year-end Budget Adjustments (Attached)

Sent from my iPhone

Begin forwarded message:

From: chad.cheleden libertypmg.com <chad.cheleden@libertypmg.com>
Date: November 5, 2021 at 1:52:07 PM EDT
To: Stephanie Tinsley <stinsley@deerfield-beach.com>
Cc: David Santucci <dsantucci@deerfield-beach.com>, Todd Drosky <tdrosky@deerfield-beach.com>, Michael Hudak <mhudak@deerfield-beach.com>, Bill Ganz <bganz@deerfield-beach.com>
Subject: Re: 2021 Year-end Budget Adjustments (Attached)

Thank you, Stephanie.
I want to acknowledge your kind reply.
I will not be able to review this until Tuesday, next week, but will surely get to it then.

Regards,
-Chad

Charles (Chad) F. Cheleden, PMP, LCAM, PA
109 SE 13th Street
Deerfield Beach, FL 33441

From: Stephanie Tinsley <stinsley@deerfield-beach.com>
Sent: Friday, November 5, 2021 1:42 PM
To: chad.cheleden libertypmg.com <chad.cheleden@libertypmg.com>
Cc: David Santucci <DSantucci@deerfield-beach.com>; Todd Drosky <tdrosky@deerfield-beach.com>; Michael Hudak <MHudak@deerfield-beach.com>; Bill Ganz <bganz@deerfield-beach.com>
Subject: RE: 2021 Year-end Budget Adjustments (Attached)

Good Afternoon Mr. Cheleden,

Thank you for your inquiry. Below are the responses (in blue) as requested.

Please do not hesitate to reach out to me directly for any further questions or clarifications.

In addition I am available to meet and discuss at your convenience.

Thanks,
Stephanie

Stephanie Tinsley
Chief Financial Officer
150 NE 2nd Avenue
Deerfield Beach, FL 33441
954-420-5571
https://www.deerfield-beach.com/
stinsley@deerfield-beach.com

From: David Santucci
Sent: Wednesday, November 3, 2021 4:27 PM
To: Stephanie Tinsley <stinsley@deerfield-beach.com>
Subject: FW: 2021 Year-end Budget Adjustments (Attached)

David Santucci
City Manager
150 NE 2nd Avenue
Deerfield Beach, FL 33441
954.480.4261

From: chad.cheleden libertypmg.com <chad.cheleden@libertypmg.com>
Sent: Monday, November 1, 2021 12:46 PM
To: Michael Hudak <MHudak@deerfield-beach.com>; David Santucci <DSantucci@deerfield-beach.com>
Cc: Bill Ganz <bganz@deerfield-beach.com>; Todd Drosky <tdrosky@deerfield-beach.com>; editor@newpelican.com
Subject: 2021 Year-end Budget Adjustments (Attached)

Gentlemen,

I am in receipt of the email and Agenda for the Special Meeting to discuss and approve adjustments to the 2021 Budget, at year-end. I have a few questions I would like you to respond to, please:

1. Why wait until year-end to make these adjustments ? These over runs, especially BSO were evident during the fiscal year. You should not be waiting until the year is over to address deficits.

[SMT]
According to GAAP and GASB standards, we must recognize/book actual expenditures related to the goods and/or services received on or before 9/30/2021. Many invoices that are related to the goods and/or services received on or before 9/30/2021 are received during the first two weeks in October. We post those expenditures into FY2021.

The State recognizes this requirement and provides for the ability to then revise the associated budget appropriation as needed:

Florida Statue, 166.241(5)(c), the governing body of each municipality at any time within a fiscal year or within 60 day, may amend the budget for a purpose not specifically authorized in paragraph 166.241(5)(a) or paragraph (b), must adopt the budget amendment in the same manner as the original budget.

Note: In the real business world, the proper way to deal with Budget Adjustments is via Quarterly Budget Reforecasting.

Note: GAAP does not include addressing Budget Deficits in a Group AFTER the money's been spent.

2. How did the City pay the bills resulting from the deficit, at the time they occurred ? Was the money simply transferred from other Department Budgets ?

[SMT]
I monitor the overall budget at a Fund level to ensure overall expenditure appropriation is not exceeded and/or excess revenue collections covers the expenditure.

The budget appropriation is transferred via the budget amendment.

2. What would have happened if the other budget line items/ departments did not have a Surplus ?

[SMT]
Article 5 of the City Charter provides that if there are revenues in excess of those estimated in the budget, the Commission by ordinance may make supplemental appropriations for the year up to the amount of such excess.

3. Why did Parks & Recreation have such a Surplus ? If the answer is Covid and layoffs, or freezing of positions, please list the position, period of time frozen and the amount associated with that adjustment.

[SMT]

The continuation of the pandemic did not allow us to continue normal programming and were either cancelled or significantly down-sized. There were also vacancies due to the national disruptions in the job market, but not related to the conditions you mentioned.

4. Are these deficiencies and surplus accounts being adjusted for the 2022 Budget year ?

[SMT]
Expenditures are budgeted based on projections, assumptions, and approved requests to support the expected levels of services and programming for the FY2022.

5. Having to add this much money to the debt service is alarming. How was it paid over the year (what accounts were tapped to take the money from ?).

[SMT]
Non-departmental includes Debt Service. A category called Debt Service already exists and debt service payments are being expended from that category to be more transparent. Going forward and in the FY2022 budget all debt service payments from the General Fund are budgeted in that category.

6. What is the reason for such an underfunded budget versus the actual costs ? You should provide a Quarterly Reforecast with a Variance Analysis Report.

[SMT] It was being tracked and monitored to bring forth in one overall budget amendment for efficiency.

7. Is there a problem with the Energy Savings? Why? The energy savings were promised to pay the debt service or else, the Contractor was obligated to cut a check to cover the difference. Why didn't this happen?

[SMT] Essentially, this is a housekeeping issue. The projects were on-going during the FY2021 budget cycle. This is to allocate the loan proceeds reserved for and available to cover the associated expenditures

We look forward to your complete and detailed response.

Thank you,

Cheleden & Associates
109 SE 13th Street
Deerfield Beach, FL 33441