

City of Delray Beach

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Minutes - Draft

Tuesday, May 19, 2026

3:30 PM

Budget Workshop Meeting 3:30 PM

Delray Beach City Hall or Watch on YouTube:

<https://www.youtube.com/@cityofdelraybeachfl/streams>

City Commission

Mayor Thomas F. Carney, Jr.

Vice Mayor Angela Burns

Deputy Vice Mayor Tom Markert

Commissioner Judy Mollica

Commissioner Juli Casale

Pursuant to Section 3.12 of the Charter of the City of Delray Beach, the Mayor has instructed me to announce a Workshop Meeting of the City Commission to be held for the following purposes:

The May 5, 2026 Budget Workshop Meeting was called to order at 3:32 p.m. Alexis Givings, City Clerk, called the roll and the following were present:

Present: 5 - Mayor Thomas F. Carney, Jr., Deputy Vice Mayor Tom Markert, Commissioner Juli Casale and Commissioner Judy Mollica.

Absent: 1 - Vice Mayor Angela Burns

Others present were:

Terrence Moore, City Manager

Lynn Gelin, City Attorney

Alexis Givings, City Clerk

WS.1. PUBLIC COMMENTS

Mayor Carney opened the floor to public comments.

Pauline Hutchinson 33444

Inquired about whether recent fencing installed at a park near Block 48 was part of the approved budget. She was directed to speak with Sam Metott, Parks and Recreation Director, to answer any park-specific questions.

Seeing no one else present, Mayor Carney closed public comments.

WS.2.

PRELIMINARY BUDGET DISCUSSIONS:

- CLARITY REGARDING CURRENT PRACTICE FOR ZERO BASED BUDGETING
- PUBLIC WORKS
- UTILITIES
- PARKS AND RECREATION

Sponsors: Finance Department

Mr. Moore explained the purpose of the meeting and the preliminary budget discussions. He provided an overview of zero-based budgeting, including its historical background. He showed a PowerPoint presentation and stated he initiated directions to engage in a modified zero-based budgeting approach because over time, governments and organizations, including private sector organizations, found the full zero-based model extremely time-intensive and administratively burdensome. The modified approach encourages evaluation of spending priorities without disrupting operations, support fiscal responsibility, provide flexibility to adjust service levels, balance strategic decision making with practical realities, and allow

departments to justify expenditures and identify efficiencies. The City of Delray Beach's approach emphasizes a practical and efficient review rather than rebuilding every expense, improving transparency and aligning with Government Finance Officers Association (GFOA) recommendations, focusing on strategic review and service levels. The modified method was applied to the larger departments within the City. Leadership of Public Works, Utilities and Parks and Recreation presented their budgets to the Commission.

Mayor Carney expressed disappointment with the modified zero-based budgeting approach, stating it would have been nice to know the traditional zero-based budgeting method was not being considered. Commissioner Casale supported the modified approach but emphasized the need for targeted savings in large departments. Mr. Moore explained the successful outcomes of the modified approach in the previous fiscal year, particularly in the Fire Rescue Department. Commissioner Markert expressed skepticism about zero-based budgeting. He stated that this approach to budgeting is not the way to do it unless you are in a failing business situation. He also stressed the importance of transparency in budget decisions. Commissioner Mollica agreed with Commissioner Casale's comments.

Mr. Moore advised that the Office of the City Manager and the Department of Finance will outline several scenarios based on expectations, priorities, and focus at a preliminary proposed Budget Workshop on June 9th. He added they will consider inflationary pressures, anticipated property valuation impacts, and other data analytics and metrics to help define the path forward.

Missie Barletto, Director of Public Works, provided an overview of the department, which has 70 employees across 11 divisions. Funding comes from the General Fund, Garage Fund, Beach Management Fund, and Stormwater Utility Fund, with future stormwater projects potentially funded through referendum bonds. She noted that operations run lean, with rising costs for insurance, utilities, vehicle maintenance, and fuel impacting service levels. Quarterly variance reports show spending aligns with projections. Anticipated cost increases include expanded transportation services and the holiday tree/village contract. Proposed improvements include funding the pavement preservation program to extend roadway life. Engineering staffing remains steady despite increased construction projects. Parking operations project \$9 million in revenue, with expenses stable aside from contractual escalation clauses. The Freebee service contract is \$510,000, with potential expansion later. Fleet maintenance costs are decreasing for newer vehicles, but heavy equipment repairs and fuel remain significant. No major beach renourishment projects are

planned. Stormwater focuses on maintenance and capital projects, including Thomas Street pumping station and Marine Way improvements.

Commissioner Casale and Deputy Vice Mayor Markert expressed concerns about the department's lean budget and the need for increased funding. Vice Mayor Markert also requested information on what is being cut and maintained so those decisions can be balanced against Commission priorities. Commissioner Casale suggested Commissioners review the budget sheets, identify improvements they believe are imperative, and provide feedback to assist staff in determining budget priorities. Mr. Moore responded that this approach aligns with the scenario planning and feedback process scheduled for the June 9th Budget Workshop.

Hassan Hadjimiry, Utilities Director, presented an overview of the department's operations and financial structure, which operates as an enterprise fund. Operations are funded through customer fees rather than taxes. The department provides water, wastewater, and reclaimed water services to over 70,000 residents. There are nine divisions with 146 employees. The operating budget for 2027 is 5.4% less than the 2026 adopted budget, due to efficiency studies and optimized operations. Mr. Hadjimiry discussed the impact of rate adjustments and the department's efforts to collect delinquent charges. He noted that approximately \$9.9 million is transferred annually from utility funds to support the General Fund. The department is planning significant capital improvements, including a new water treatment plant.

Commissioner Casale questioned depreciation and utility fund transfers to the General Fund, and Mr. Moore agreed to provide a follow-up explanation.

To end, Mr. Hadjimiry stated that the department is operating at its minimum acceptable staffing and service levels, with anything less considered unacceptable for customer service and system operations. Revenue is projected at approximately \$62 million. He highlighted plans to replace aging water meters.

Sam Metott, Parks and Recreation Director, provided an overview of the department, noting that it manages parks, five recreation centers, youth and adult athletics, special events, the city marina, cemetery, aquatic facilities, golf and tennis centers, and City Hall front desk operations. The FY 2027 budget reflects mainly non-discretionary increases, including salaries, benefits, utilities, and contractual obligations such as beach raking, tennis tournaments, and Downtown Development Authority (DDA) payments. A request was made for one additional full-time front desk

position to cover absences without disrupting other operations. Special events are included in the budget, though future funding may change depending on legislation. Park maintenance increases are primarily for water costs, backflow maintenance, and restroom repairs, partially offset by LED lighting savings. No major changes were proposed, but the department anticipates a busy 18 months with bond projects such as Pompey Park, the golf course, and mausoleum improvements.

Mayor Carney emphasized the need for the Commission to provide direction on the budget, including the potential for a rollback or increase in the millage rate. Mr. Moore agreed to provide the Commission with base information and scenarios for the June 9th Workshop Meeting. The Commission agreed to review the budget presentations and provide feedback.

There being no further business to discuss, Mayor Carney adjourned the Budget Workshop meeting at 4:56 p.m.

The City shall furnish appropriate auxiliary aids and services where necessary to afford an individual with a disability an equal opportunity to participate in and enjoy the benefits of a service, program, or activity conducted by the City. Please contact the Human Resources Department at (561) 243-7125 at least 24 hours prior to the program or activity for the City to reasonably accommodate your request. Adaptive listening devices are available for meetings in the Commission Chambers.