

City of Delray Beach

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Minutes - Draft

Tuesday, September 19, 2017

6:00 PM

Budget Workshop at 6:00 PM

Delray Beach City Hall

City Commission

Mayor Cary Glickstein
Vice Mayor Jim Chard
Deputy Vice Mayor Shirley Ervin Johnson
Commissioner Shelly Petrolia
Commissioner Mitchell Katz

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:

WS.1. [17-754](#) Budget Workshop Fiscal Year 2017-2018

Sponsors: Finance Department

Attachments: [Final Exhibit A](#)

[Changes to GF](#)

[GF Exhibit A Expense](#)

[GF Exhibit A Revenue](#)

[Proposed Budget FY 17.18 Updated 9.15.17](#)

Mayor Cary Glickstein called the budget workshop to order at 5:00 p.m. Present were Vice Mayor James Chard, Deputy Vice Mayor Shirley Ervin Johnson, Commissioner Shelly Petrolia and Commissioner Mitchell Katz. Also present were Interim City Manager Neal de Jesus, City Attorney R. Max Lohman and City Clerk Katerri Johnson.

Mayor Glickstein thanked all City employees for their capable and hard work during and after Hurricane Irma. He expressed appreciation to the City's residents for their understanding throughout the storm and its aftermath. Mayor Glickstein also expressed appreciation to Interim City Manager de Jesus for his many years of emergency management and for his guidance to staff throughout the events before, during and after Hurricane Irma. Interim City Manager de Jesus noted that applicable City staff had worked very hard to prepare prior to the storm and to clean up the storm's debris and related damage.

FY 2017-2018 Budget Workshop

Commissioner Petrolia asked whether the City Commission would permit public comments at this evening's meeting. Mayor Glickstein inquired whether there was consensus to proceed in this manner. The City Commission agreed to permit public comments by consensus. Mayor Glickstein noted that public comments were traditionally not permitted at workshop meetings and that speakers would be limited to two minutes each.

Dr. Victor Kirson spoke about the proposed fire service training center and its location in a residential area. He urged the City Commission not to move forward with construction of the fire service training center.

Christina Morrison noted that the voters of Delray Beach had unanimously approved the hiring of an internal auditor by the City Commission. She requested that the City Commission consider adding this item to the

proposed budget. Ms. Morrison shared a six-page printout for a proposed new fire service tax for commercial properties. She requested that the City Commission not include this tax in the proposed budget. Ms. Morrison requested that the City focus on collecting existing fire service taxes.

Jeff Cassini, representing the Miracle League, noted that this entity had funded several significant projects at Miller Park including bleacher shades, lighting and fields. Mr. Cassini said that the Miracle League wanted to partner with the City to construct a new barrier-free playground for about \$200,000 at Miller Park. Mr. Cassini said that approximately \$150,000 had been raised for this project to date. He requested that the City Commission include funding in the proposed budget to make this partnership possible.

Mr. Ari Whiteman commented that \$1.2 million seemed a bit much to expend for new lifeguard stands.

There being no further public comments, Mayor Glickstein closed this portion of the meeting.

Interim City Manager de Jesus stated that City staff would receive any City Commission comments regarding the budget this evening.

Mayor Glickstein said that he only had one item this evening, regarding a yield of substantial funds for an upcoming land sale. He stressed the importance of having a safe emergency operations center. Mayor Glickstein stated that even if funding for an emergency operations center were authorized, the facility would not be available until the summer of 2019, at the earliest.

Commissioner Petrolia asked why the golf course building was being hardened at the same time as \$200,000 was earmarked for a feasibility study.

Interim City Manager de Jesus replied that the golf course facility could be hardened rather quickly. He also stated that the City's present emergency operations center at Fire Station 111 had failed miserably during Irma, relative to window and roof leaks, power outages and phone outages, not related to the service provider.

Commissioner Petrolia inquired what the \$200,000 for a feasibility study at the golf course would potentially yield.

Mayor Glickstein commented that City staff could possibly come back with a feasibility study for the best location for an emergency operations center.

He also suggested that the \$200,000 for a feasibility study could be held in abeyance.

Mr. de Jesus noted that there were several events outside of a hurricane that could possibly be coordinated at the emergency operations center.

Mayor Glickstein noted that the City's existing emergency operations center facility needed work.

Interim City Manager deJesus said the new emergency operations center needed to be located as far away as possible from the beach, I-95 and the rail lines.

Vice Mayor Chard's concern was that more than half of the infrastructure surtax (local half-penny sales tax) was already earmarked to go to hardening and public safety matters, as opposed to sewers, swales, etc. He asked what could be done to improve windows, doors and roofs of the Emergency Operations Center. He also inquired whether the City was seeking to have multiple category 5 proof buildings.

Commissioner Petrolia commented that she was not sure whether an HVAC replacement was a high priority item, compared to other items such as the emergency operations center.

Commissioner Petrolia requested a clarification for the budgeting for the marina. Missie Barletto, Deputy Director, Project Management, said that staff would be addressing three portions for the marina project. Vice Mayor Chard inquired whether the Army Corp of Engineers might be reimbursing the City for any of these funds. Ms. Barletto also stated that the City had not made any such request and it was extremely unlikely that any funds would be reimbursed. Ms. Barletto said that a seawall vulnerability analysis would be undertaken in the next few weeks.

Mayor Glickstein stated that the matter before the City Commission was funding and capacity for proposed infrastructure. He suggested that the City Commission not get bogged down in the next fiscal year's budget for capital items.

Commissioner Katz commented that it was quite unusual for a non-profit to raise as much as the Miracle League had raised for the playground at Miller Park.

Interim City Manager deJesus said that the Miracle League was working with City staff to locate \$50,000 to match the \$150,000 that was privately raised. He noted that the best time for non-profits to seek funds was at the

front end of the budget process.

Vice Mayor Chard inquired why one of the seawalls was not being funded by abutting properties. He also inquired about reserve funds for water infrastructure.

Ms. Barletto said that the Lewis Cove drainage improvement was a stormwater management project, which is being paid for with taxpayer dollars.

Budget Officer Lisa Herrmann said it would be necessary to raise rates to have greater amounts of reserves.

Vice Mayor Chard commented that the same could be achieved by reducing spending. Ms. Herrmann said this was correct. Vice Mayor Chard then inquired whether there were sufficient funds in the water and sewer account to build a new water treatment plant. Additionally, he inquired about items which were not in the budget which should be included. He emphasized the importance of having a tree fund. He also suggested having funding of trees in both the CIP and the regular budget.

Interim City Manager de Jesus said staff could come forward with a priority list based upon the City Commission's wishes. Mayor Glickstein noted that not all commissioners would be able to get what they wanted individually in terms of the proposed budget. Commissioner Katz inquired about the possibility of funding additional trees utilizing funding from the City's Tree Beautification Program. Deputy Vice Mayor Ervin Johnson inquired whether the City had a professional arborist. Vice Mayor Chard answered that two City staff members were charged with tree-related matters, but the City did not have an arborist. Deputy Vice Mayor Ervin Johnson noted that in the northwest and southwest areas of the City, many trees along alleyways had not been trimmed either recently or never since their planting.

Vice Mayor Chard said he wanted to stand up for the Osceola Park neighborhood, which should have some of the funds earmarked for certain projects in the near future, rather than holding off for another three years.

Mayor Glickstein concurred with Vice Mayor Chard's view regarding Osceola Park. He said that he would support moving up the improvements for Osceola Park.

Ms. Barletto commented that City staff was in the process of signing the contract relative to finding out what the residents wanted in their neighborhood and to start the design process. She stated that examining

all of the infrastructure, landscaping and related items was a very big project. Commissioner Katz inquired whether the funding for engineering had been set aside in the FY 16-17 budget. Ms. Barletto said that this neighborhood was interested in establishing a brand for itself. Vice Mayor Chard said that the funds were being encumbered. Deputy Vice Mayor Ervin Johnson said the Commission's major focus should be having funding for a good emergency operations center. Deputy Vice Mayor Ervin Johnson said that she was on pins and needles after the storm that the City of Delray Beach would potentially have a poor image relative to drainage matters.

Deputy Vice Mayor Ervin Johnson said that the Fire Training Center would be a good thing to have, but the need to have a new City Hall, and potentially a City Hall complex, was more important. She also noted the importance of hiring an Internal Auditor. Mayor Glickstein said he concurred that the proposed fire training center facility was not a top priority for most taxpayers. Commissioner Katz said a loan could be used to fund a fire training center within ten years, at an industrial edge location, close to a neighborhood, within the City limits. Deputy Vice Mayor Ervin Johnson said that she was opposed to locating the proposed fire training facility within the City limits. Interim City Manager de Jesus noted that the City could save about \$1 million from teaching the City's fire personnel and personnel from other nearby departments. He noted that locating a fire training facility within City limits would make it possible for the City to have a fire service rating of 1, the highest possible rating for U.S. fire departments. Interim City Manager deJesus outlined the process for constructing a fire training center, including drawing 1/4 mile circles from the City center. He stated that sometimes the response of fire trucks to some calls was 12 to 18 minutes, when training of fire personnel was taken into account. He noted that the City wanted the best trained personnel using live classroom or field training, in order to meet the fire service's requirements. Interim City Manager de Jesus commented that all four fire training centers were fairly distant from the city and strips away the City's ability to make fire and rescue related service calls in a timely manner.

Deputy Vice Mayor Ervin Johnson said she was wholeheartedly in favor of the reasons that Interim City Manager de Jesus had outlined for having a City of Delray Beach Fire Training Academy. Commissioner Petrolia inquired whether it was correct that the City had sufficient back-up generators for all of the City's one hundred plus lift stations. Commissioner Petrolia explained what happened during and after Hurricane Irma with the existing thirty back-up generators having to move them around the City to ensure that there was no back-ups from the lift stations. She commented that the situation was handled very well by City staff.

Interim City Manager de Jesus reiterated that City staff had only thirty back-up generators for 129 lift stations. He noted that there was no telemetry available to advise staff where the lift stations stood in terms of levels. He stated that the Public Utilities Director Marjorie Craig and her staff had done a phenomenal job over a ninety-six hour period of handling the lift stations and related infrastructure. He also noted that he authorized the purchase of an additional twenty generators, which would make the City much safer during and after the next storm.

Deputy Vice Mayor Ervin Johnson thanked Interim City Manager de Jesus and his staff for doing a great job during and after the storm. She also suggested that there be better communications to reach out to residents in terms of what to do in preparation, during and after the storm. She suggested using neighborhood alliances for these types of outreach efforts. She suggested that a greater emphasis be placed on encouraging residents to sign up for Code Red.

Commissioner Petrolia inquired whether there could be a City Commission workshop item to discuss storm-related matters sometime in the future. Interim City Manager de Jesus replied that both of the upcoming workshops included five items on their respective agendas.

Vice Mayor Chard inquired whether the city to the north (Boynton Beach) could be a potential partner in creating a fire academy. Interim City Manager deJesus replied that the City of Boynton Beach was not in a financial position to move in this direction. He noted that the City of Boynton Beach had expressed an interest in being a customer of the City's potential fire training academy facility.

Deputy Vice Mayor Ervin Johnson said she was shocked to find that the Town of Highland Beach was a customer of the City's lift stations. Ms. Craig said she did not know whether all of the wastewater from the Town of Highland Beach flowed to the City's wastewater treatment facility. Interim City Manager de Jesus said that City staff would report back to the City Commission on this matter as soon as possible. Ms. Craig clarified that her understanding was that the Town of Highland Beach had water interconnects with both the City of Boca Raton and the City of Delray Beach.

Commissioner Katz inquired what had been cut from the proposed budget.

Interim City Manager de Jesus replied that the information was emailed and sent to Commissioner Katz earlier in the day. Commissioner Katz commented that there was potential for a recession based upon the

actions of the current President. He stated that the City was presently experiencing a higher rate of growth. Commissioner Katz suggested to plan for a recession by having a slightly lower tax rate for the next fiscal year.

Interim City Manager de Jesus said that this fiscal year, mid-year, there was a \$6 million shortfall. He stated that staff's projection for Hurricane Irma related damages was around \$10 million. Interim City Manager deJesus also said that the best case scenario for reimbursement of hurricane expenses was seventy-five percent from FEMA. He noted that insurance would not cover all expenses relative to property damage and other losses. Michael Coleman, Community Improvement Director, provided an overview of Sanitation Officer's duties including the removal of shopping carts, abatement of homeless camps, the removal of graffiti and allowing early set out of trash. Commissioner Katz suggested possibly changing the Sanitation Officers title to reflect their code enforcement duties.

Deputy Vice Mayor Ervin Johnson inquired about the status of debris removal around the City.

Interim City Manager de Jesus stated that a temporary debris site had been established with Waste Management at a location along Congress Avenue. He noted that record-keeping associated with debris management was very extensive and detailed. Interim City Manager de Jesus also commented that having this temporary site will save the City a considerable amount of time and money. He noted the importance of keeping debris separate from other materials and garbage. Mayor Glickstein said it was very important not to put debris into black trash bags. Interim City Manager deJesus said it would be necessary to break open these trash bags one by one to ensure that they contained uncontaminated tree and plant debris. He noted that primary street arteries were cleared first, followed by clearing of Atlantic Avenue and the beach, to get businesses back on line. Interim City Manager deJesus also said that staff was now concentrating on clearing neighborhoods in terms of those with the highest fire loads.

Commissioner Katz commented that he wanted to touch on the matter of the Emergency Operation Center (EOC). He suggested completing the temporary EOC at the golf course this coming year.

Interim City Manager de Jesus said that during the storm, the existing EOC lost all 911 communications, all phone systems were down, the generator backup did not work properly and there were multiple leaks.

Commissioner Katz felt that future commissions would potentially consider building a new Police Building, City Hall, and possible participation in public private partnerships. He stated that the present City Commission needed to do some more visioning about future building needs.

Vice Mayor Chard noted that the Congress Avenue Task Force Report anticipated moving municipal government to what is now the County Administration Center. Commissioner Katz inquired about the amount of money in the Sanitation Fund. Michael Coleman, Community Improvement Director replied that the amount in the Sanitation Fund was quite low due to the City giving out refunds to customers. Interim City Manager de Jesus stated that City staff had some very strong concerns about the amount of money presently in the City's reserves. Commissioner Katz requested that an additional 1 mil go back to the taxpayers this year.

Interim City Manager de Jesus commented that staff was ready to move forward with hiring of the Internal Auditor with the City Commission's consensus. He noted that the funds for this position could be found in this budget.

Commissioner Petrolia stated that \$5.5 million would be expended on complete streets and neighborhoods over the next five years and there had to be a better way to handle this matter. She expressed concern that a fair amount was being expended with relatively little to show for the funds. Commissioner Petrolia inquired about the return on investment for the reclaimed water project and whether decreasing the rate on gray water usage would encourage customers to use more gray water. Ms. Marjorie Craig, Director of Utilities replied that treated wastewater had to be disposed of after treatment. Ms. Craig noted that the traditional means of disposal was by ocean outfall and that there was legislation to outlaw ocean outfall as a means of disposal by 2025. She noted the importance of the price point, with the price being lower than potable water. Ms. Craig also stated that most people loved to use reclaimed water to water their lawn. Commissioner Petrolia inquired whether other areas might be interested in having gray water piping installed. Commissioner Petrolia suggested potential consideration of combining gray water pipe installation with street restructuring, paving, and repair projects.

Mayor Glickstein commented that many people were not in favor of the gray water program largely because they were not completely versed about the program's details. Ms. Barletto noted that the City does not charge citizens to hook into the City's gray water system. She also stated that the Florida Department of Transportation was in the process of designing improvements and repairs to Swinton Avenue at their own expense. Ms. Craig further commented that there was no connection fee for gray water

and a greatly reduced rate for the use of gray water. Commissioner Petrolia inquired why some residents would elect not to participate in the program. Ms. Craig said staff could provide the City Commission with information about the number of program participants and related information.

Mayor Glickstein commented that there was a relatively minimal cost for program participation. He stated that the City needed to do a better job of communicating to citizens about the use of reclaimed water. Vice Mayor Chard asked whether staff was aware of any communities which required residents to use reclaimed water. Ms. Craig replied that although she was not aware of any such instances, she could research this matter and come back with a report to the City Commission. Assistant City Manager Caryn Gardner-Young said that the City of Parkland required the use of reclaimed water through the City's Comprehensive Plan. She said that this was only for new construction. Commissioner Petrolia said that she was interested in the growing amount of funds in the City's reserves between 2012 and 2016. She stated that the City was presently at \$37 million, much more than the figure outlined in the City's CAFR. Commissioner Petrolia said that the City was in a very good area right now in terms of financial resources and that taking down the tax rate a little bit would help everyone.

Mayor Glickstein said that the only item remaining on the budget was a City Commission decision on whether the reserves should be maintained or decreased. Interim City Manager de Jesus said that the figure of 19 to 25 percent in the Comprehensive Annual Financial Report (CAFR) was a minimum recommendation. He noted that the increase for the large increase in reserves was due to the sale of the Auburn Trace property. He stated the staff's recommendation was having a reserve of three months at a minimum. He also noted that the use of reserves was for one-time unexpected expenses. Interim City Manager de Jesus estimated that Hurricane Irma expenses would conservatively total \$10 million.

Laura Thezine, Acting Finance Director said that the current financial City reserves/fund balance was \$36 million. She briefly reviewed the City Commission's options relative to establishing a percentage of the City's operating budgeting. Mayor Glickstein said that the present reserves were in the range of 25 to 26 percent. He noted that it was a legitimate ask to lower the tax rate and that he would be in favor of establishing a minimum reserve of three months of expenses. Mayor Glickstein also commented that he would not support a property tax reduction or a reduction of the reserves. He stated that City staff had done a rigorous job of handling this budget. He said that during his almost five years in this position, no one had come up to him and said that their taxes were too much and noted that to be pretty amazing.

Commissioner Katz stated that a property owner on Barwick Road had opted not to be annexed into Delray Beach due to property tax rate considerations. Mayor Glickstein said he had never had a business owner or prospect come to him because of tax rates in Delray Beach. Commissioner Petrolia said that there needed to be a post-Irma wrap up discussion.

There was a consensus of most of the City Commission to proceed with the process to hire an internal auditor, however, Vice Mayor Chard was not in favor proceeding in this manner. There was general consensus to hire the Internal Auditor and to have three months of expenses on hand for contingencies, presently amounting to approximately \$29.5 million. Deputy Vice Mayor Ervin Johnson said that some items, such as underground pipes and infrastructure needs, should also be taken into account relative to the reserves balance. Per City Commission consensus, Interim City Manager Neal de Jesus said that City staff would maintain a 25 percent reserves balance.

City Commission Comments

Commissioner Petrolia asked whether there was any update on the maintenance and playing conditions of soccer fields. Interim City Manager de Jesus replied there was no update at this time. Commissioner Petrolia said the soccer fields at Seacrest were in extremely poor condition. Parks and Recreation staff updated the Commission on this matter. Sam Metott, Assistant Director of Parks and Recreation, noted that Elevate, a contractor hired by the City, wanted to finish their existing contract for maintaining the City's soccer fields. He explained that Elevate's contract would expire on November 8th. Commissioner Petrolia said this did not happen overnight and the current state of the soccer fields were an embarrassment. She said that the soccer field needed to be taken care of by someone who knows what they are doing in terms of bringing the fields back to excellent condition. Interim City Manager de Jesus commented that he would set up a meeting between staff and the contractor, Elevate, to remedy the matter within the next week.

Commissioner Petrolia said she wanted to ensure that the City had a real true market value on the Lake Ida parcel which was initially earmarked as a senior center. Interim City Manager de Jesus said this was good information for the Wawa representatives. Commissioner Petrolia emphasized the importance of sharing applicable valuation information with both Wawa and the City Commission.

Commissioner Petrolia suggested that the City Commission adopt a

resolution of appreciation for all of the City employees who played various roles throughout Hurricane Irma and the aftermath. Mayor Glickstein concurred.

Mayor Glickstein noted that there would be an appreciation event this Saturday evening at 6:30 p.m. at Old School Square to express appreciation to everyone who assisted with Hurricane Irma, including FPL lineworkers who assisted with the City's recovery efforts. The City Commission agreed to adopt a resolution of appreciation at a future City Commission meeting.

Vice Mayor Chard suggested consideration of putting electrical lines underground in the City's Comprehensive Plan. He stated that if the utilities had been underground during Irma, the City would have been in better shape. He also said he had spoken to the Interim City Manager about starting the budget process earlier, including taking a hard look at what was expected with the use of the department's funds. Vice Mayor Chard, referenced the current City Manager search, requesting that members of the City Commission not talk about names of candidates, particularly to their bosses. Interim City Manager de Jesus said the management consultant had spoken to only one Commissioner to date. Interim City Manager de Jesus also commented that he had only received the list of potential City Manager candidates from the management firm during this evening's meeting, and this was the first time that it was public record.

Deputy Vice Mayor Ervin Johnson expressed thanks and kudos to all who assisted with Hurricane Irma's clean-up efforts. She inquired about what happened relative to trees on El Clair and other area streets. She thanked everyone who had helped at the EOC.

Commissioner Katz said he would be out of town on Saturday and would be unable to attend Friday evening's event. He also gave thanks and appreciation to Public Works, Utilities and all City staff for their efforts.

Interim City Manager de Jesus thanked the City Commission for their support and recognition of City staff. He stated that City staff had performed in an exemplary manner throughout and after the hurricane. He commented that public safety personnel from the Delray Beach Fire and Police Departments had also done a great job in assisting with the storms which recently passed through the Marathon and Tampa areas. Interim City Manager de Jesus asked that everyone pray for those in Puerto Rico going through Hurricane Maria at this time.

Mayor Glickstein commented that the character of a person is measured

during difficult times and that he was proud to be part of the City. He stated that he would not put down the gavel until Interim City Manager de Jesus agreed to take some time off and get some rest. Commissioner Katz commented that when the former City Manager was giving his resignation, and Chief de Jesus was sitting in the back row of the Chambers, he asked whether Chief de Jesus would be willing to step up as the Interim City Manager. He noted that during this past week, Interim City Manager de Jesus' professional background was invaluable to the City's residents.

There being no further business to discuss, the meeting stood adjourned at 9:02 p.m.

WS.2. Commission Comments