

City of Delray Beach

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Minutes - Draft

Tuesday, August 24, 2021
3:30 PM

Follow-up Budget Workshop Meeting at 3:30 PM

Delray Beach City Hall

https://www.youtube.com/channel/UCc2j0JhnR8Hx0Hj13RhCJag/videos?view=2&live_view=501

City Commission

Mayor Shelly Petrolia
Vice Mayor Shirley Ervin Johnson
Deputy Vice Mayor Adam Frankel
Commissioner Juli Casale
Commissioner Ryan Boylston

Budget Workshop Discussion

The Budget Workshop Meeting was called to order at 3:30 p.m.

The roll call was taken by Katerri Johnson, City Clerk.

Present: 4 - Mayor Shelly Petrolia, Vice Mayor Shirley Johnson, Commissioner Ryan Boylston, and Commissioner Juli Casale.

Commissioner Casale made a motion to allow Deputy Vice Mayor Frankel to attend virtually. It was seconded by Vice Mayor Johnson. The motion carried by the following vote:

Present 5 - Mayor Shelly Petrolia, Vice Mayor Shirley Ervin Johnson, Deputy Vice Mayor Adam Frankel, Commissioner Ryan Boylston, and Commissioner Juli Casale.

Others present:
 Terrence Moore, City Manager
 Lynn Gelin, City Attorney
 Katerri Johnson, City Clerk

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. FISCAL YEAR 2021-2022 BUDGET DISCUSSION

Sponsors: Finance Department

Attachments: [Agenda Cover Report](#)
[FY 2022 Preliminary Budget FINAL - Agenda](#)

Mr. Terrence Moore, City Manager, outlined the Proposed Budget for Fiscal Year 2021-2022, based on the millage rate of 6.6611. Mr. Moore reported the following information:

General Fund	\$152,264,641	Change 2.64%
Special Revenue Fund	\$ 16,518,674	Change 269.43%
Enterprise Fund	\$ 48,223,785	Change .17%
Internal Service Fund	\$ 27,682,631	Change 16.04 %
Debt Service Fund	\$ 5,568,196	Change 0.5 %
TOTAL	\$ 250,258,927	Increase of 8.74 %

Mr. Moore reported that at the July 13, 2021, meeting, there was a budget gap of \$10.7 million. He noted that after meeting with Mr. Lege and his team, they were able to close the gap and help balance the budget.

Mr. John Lege, Finance Director, presented the 2021-2022 CIP proposed budget. He thanked the Finance Department and everyone for their participatory work. Mr. Lege provided the Commission with an outline of his presentation:

- Taxable Value/Proposed Millage Rates
- Total Operating Budget
- General Fund
- Special Revenue Funds
- Enterprise Funds – consists of Water and Sewer Funds, City Marina, and the Golf Funds
- Internal Service Funds – consists of Health Insurance Fund, garage Fund
- Debt Service Funds – consists of small change

2021 Preliminary Taxable Value:

July 1, 2021, Preliminary Taxable Value of \$12.524 billion vs. 2020 Final Taxable Value of \$11.888 billion, an increase of \$646 million or 5.35 % in taxable value. Mr. Lege remarked that the taxable value in Palm Beach County had more than doubled over the last ten years.

Adopted Millage Rates:

Mr. Lege reported that over the years, the debt service millage rate had decreased. He stated that in 2021 the operating millage rate was 6.6611, with a debt service rate of 0.1886 for a total millage rate of 6.8497. He explained that the decrease in the millage rate was due to the increase in property values.

Adopted Millage Rates 2012-2021:

Mr. Lege said that the millage rate in 2012 of 7.8033 compared to the millage rate in 2021 of 6.8497 is a decreased rate of about one mill or 12%.

Projected Ad Valorem Revenue - FY 2021-2022:

Mr. Lege reminded the Commission that at the July 13th Goal Setting Meeting, they had set the preliminary operating millage rate at 6.6611, with a taxable value of 12.5 billion, and Ad Valorem Revenues would be \$80,507,097. He told the Commission that the Community Redevelopment Agency's (CRA) portion is one percent or \$16,098,526. He concluded that the projected Ad Valorem Revenues for the 2022 General Fund would be \$64,408,571.

Debt Service Millage 2021-2022:

- Preliminary Taxable Value- Debt Service - \$12,534,482,240
- Fiscal Year 2022 Debt Service Payment - \$ 2,133,746 (2 outstand bonds)
- Debt Service Millage Required - \$ 0.1792 Mills

**Mr. Lege noted that the two General Service Bonds will mature February 1, 2024, and there will be no General Outstanding Service Bonds.

Total Millage for Fiscal Year 2021-2022:

- General Fund Operating Millage 6.6611 Mills - Set at the July 13th Meeting
- Required Debt Service Millage 0.1792 Mills - Set at the July 13th Meeting
- Total Millage Levy 6.8403 Mills

Highlights of the Fiscal Year 2021-2022:

- Sixteen vacant positions will be funded in 2021-2022 that were not funded in the current fiscal year totaling 1.2 million dollars – (Recommendation is to fund the sixteen positions at 75%)
- Established a separate Special Revenue Fund for the Building Division to account for restricted revenues per Florida Statutes. (Additional cost of \$3 million dollars)
- Established a special Revenue Fund for the Local Option Gas Tax. (Transpiration related costs)
- Begin planning for a new City Hall and Police Station in 2022
- Received \$5.4 million in American Rescue Plan Act (ARPA) Funds.

Cost Saving Measures:

- Reduction in new level of service \$2,710,022
- Reduction on Vehicle Replacement Charges \$1,088,585
- Reduction in vehicle Maintenance/Garage \$ 125,000
- Reduction in credit card fees \$ 429,316
- 1% Additional Attrition (Police, Fire , IT, NCS, and Development Services - \$429,316
- 1% Additional Attrition for Other Departments- city Manager, IT, Finance, Purchasing, NCS, Development Services - \$\$72,807
- Fire Fighters Salary - \$235,381
- Fiscal Year 2021 unfunded positions added back into the Fiscal Year Budget (75% funded) – \$291,635

The following positions were added to fiscal Year 2021-22 Budget Fund at the July 13, 2021,

Workshop:

City Commission	MCO Intergovernmental Transfer
City Manager	Self -contained Breathing Apparatus
Education Opportunities	Telestaff Server Upgrade
All-American City Award	Support for Electronic Patient Care Record
Software/Hardware	Hazmat Equipment
Tree Planting	Cyber Security
Development Services	
Assistant Planner	
Fire	

Fiscal Year 2021-22 Budget (August 24,2021) FY 2021-22

Revenues	\$147,661,139
Expenditures	\$153,614,028
Surplus (Deficit)	\$(5,952,889)
Cost Saving Measures	\$ 2,492,724
Depart LOS Requests	\$ (1,144,337)
Total Surplus (Deficit)	\$(4,604,502)

Mr. Lege acknowledged that staff reduced the deficit from \$10.7 million to \$ 4,604,502 million

Additions to Fiscal Year 2021-22 Budget:

- City Commission
- City Manager
- Mr. Ledge provided a Depart
- Development Services
- Fire
- Human Resources
- Information Technology
- Parks and Recreation
- Police
- Public Works

Mr. Lege reported that staff recommends the use of \$4,604,502 in American Rescue Plan Act (ARPA) Funds to close the budget gap in the General Fund.

Additional Budget Considerations not included in the proposed fiscal Year 2021-2022 Budget:

- Any additional funds for Not-for-Profit Funding.
- Any contract considerations with the Service Employees International Union (SEIU).
- Any contract considerations with the Police Benevolent Association (PBA).

Mr. Duncan Tavares, Assistant City Manager, acknowledged several agencies are city-funded, noting their contracts expire in September 2021.

He explained that those agencies have requested additional funding and is not reflected in the proposed budget. Mr. Tavares advised the Commission that he would be bringing this item before Commission.

Commission.

The agencies include:

- Achievement Center
- Boys and Girls Club
- Historical Society
- Delray Beach Public Library
- Sandoway House
- Spady Museum

Mr. Sam Walthour, Director Neighborhood and Community Services:

Recommended keeping the city's low-and moderate-income residents in their homes or assist them in buying a home by utilizing funds from the Urban Development Action Grant Funding (UDAG) or the Common Development Block Grants (CDBG).

Vice Mayor Johnson suggested a member of the Commission sit on the Affordable Housing Committee.

Enterprise Funds:

- City Marina
- Sanitation

- Water and Sewer
- Delray Beach Municipal Golf Course / Lakeview Golf Course
- Stormwater
- Cemetery

** There was a 17% increase in this fund.

Internal Service Funds:

- Health Insurance Funds
- Garage Fund

**There was a 16.04 % increase in this fund.

Debt Service Funds:

- General Obligation Bond / Matures February 1, 2024
- Utility Tax Bond / Matures February 1, 2026

** There was a .05 % increase in this fund.

Mr. Lege concluded his presentation by reporting that the proposed General Fund Balance for the Fiscal Year 2021-22 is 25.94% vs. the balance for the Fiscal Year 2020-21 was 26.89%. He opened up the floor for questions.

The Commission engaged in a discussion regarding the budget. Commissioner Casale stressed the importance of being mindful of the financial decisions made over the next two years since the fund is currently 25%. Commissioner Boylston agreed.

Mr. Moore assured the Commission that the city would be focusing on ancillary recommendations once the 2021-22 budget is adopted.

Mayor Petrolia inquired into the Police Boat that costs \$65,000. Chief Sims noted that a Police Boat would be a source of revenue to the city when issuing a memorandum of understanding to the boat owner.

Vice Mayor Johnson thanked everyone for the level of service that they provided in working on the budget.

WS.2. *FISCAL YEAR 2021-2022 PROPOSED CAPITAL IMPROVEMENT PLAN (CIP) WORKSHOP*

Body: Background:

Each year the City of Delray Beach's City Manager and their Budget Team meet with all City departments and divisions to gather information in preparation of the next fiscal year's Capital Improvement Plan (CIP). Attached is the proposed CIP for Fiscal Year 2021-2022. This is a Workshop for discussion of the proposed CIP.

Sponsors: Public Works Department

Attachments: [Agenda Cover Report](#)
[FY22 CIP Book 8.20.21](#)

Ongoing Design Projects Fund:

Missie Barletto, Public Works Director, presented a graph for each Department's CIP Budget Fund totaling \$ 36,668,440. She mentioned that the Public Works Department had the largest share due to its responsibilities, including infrastructure construction. She explained that this year's CIP books include each department's wants and needs over a five-year plan vs. the traditional one-year budget.

Recreation Impact Fee Fund:

Mr. Samuel Metott, Parks and Recreation Director, discussed the Recreation Impact Fee and its effect on the park's planned improvements. He thanked the departments that aided in finding this account that hadn't been used for some time. He informed the Commission that the park's progress would be aggressive, making each park a mini-destination playground. Commissioner Boylston commented on the uniqueness of Currie Commons that had just opened. Mr. Metott advised that there would be scheduled improvements to the park's pavilions and playgrounds. Mr. Metott commented that the playground shade coverings would have the ability to be moved to different locations when needed.

Gas Tax Fund:

Missie Barletto informed the Commission that Mr. Lege found a "Gas Tax" fund of \$450,000 made available to the city every year. She advised that the funds are required to improve mobility projects that are deficient throughout the city.

Beach Restoration Fund:

Missie Barletto informed the Commission that the city would be adding two new projects/funds to the "Beach Restoration Fund." They are:

- "The Coastal Habitat Conversation Plan"
- "Beach Bucket Plan."

Vice Mayor Johnson expressed her concern about the parking lot at the south end of the beach.

Ms. Barletto explained that renovations are scheduled for the parking lots.

General Construction Fund:

Ms. Barletto was pleased to tell the Commission that renovations to the city's bathrooms have begun with Currie Commons Park. She provided a status report for the ongoing improvements, studies, etc. throughout the city. Ms. Barletto mentioned explained that "hardening" Fire Station 111 would aid in making it safer in the event of a hurricane. She listed the other projects that the city will be addressing. They were:

- Police Department Facility
- City Hall Facility

- Fire Station Needs Assessment, Stations 111,112,114,115, and Ocean Rescue
- Application Server Replacement
- Access Control software
- Elevator Update (for ADA compliance)
- Palm Trail Median Improvement
- Tree Planting
- Development Services Software
- Tree Fund

Infrastructure Surtax:

Missie Barletto reminded the Commission that the infrastructure Surtax is generated from the penny sales tax, and the city had borrowed against the future of the surtax. She stated the Surtax Bond would fund the following:

- Roadway Restoration
- Tropic Isles Neighborhood Improvements
- Delray Beach Seaboard Air Line Railway Station Reconstruction

Commissioner Casale discussed partial renovations to the lady's locker room at the Tennis Center.

Mr. Moore, City Manager, stated that he would look further into the renovations.

Utilities New CIP FY 2022 through FY 2026:

Mr. Hassan Hadjimiry, Utilities Director, provided the Commission with a presentation for the sixteen Capital Improvement Projects for 2022 – 2026. He clarified that the renovations would be to the existing facility provided a Utilities CIP Roadmap looking ahead from 2022-2026. Mr. Hadjimiry emphasized that replacing the water meters will ensure the accuracy of the water rate being billed. Mr. Moore confirmed that a Utility Rate Study is necessary to determine if the city is charging the correct rate for its water usage.

Delray Beach Municipal Golf Course:

Mr. Samuel Metott, Parks and Recreation Director, noted more rounds have been played, generating more funds in light of COVID-19 and the golf courses' condition.

Mr. Metott explained that the equipment needed to maintain the courses is paid through the revenues collected and returned to the Enterprise Fund.

Stormwater Utility Fund:

Ms. Barletto informed the Commission that there are two funds collected out of the Stormwater Utility Fund. They were:

- Stormwater Improvements for the Tropic Isle Neighborhood
- Stormwater Utility Rate Study

Cemetery Fund:

Ms. Barletto noted that there is \$815 K in the Cemetery Fund that will be appropriated for the following:

- Cemetery Mausoleum
- Cemetery Dump Truck

City Garage Fund:

Ms. Barletto remarked that every department pays into this fund. The fund is used for the following:

- Police Department Vehicles
- Police Emergency Response Watercraft
- Medical Transport Unit / ALS Rescue
- Vehicle Replacements

Ms. Barletto stated that concluded the FISCAL YEAR 2021-2022 PROPOSED CAPITAL IMPROVEMENT PLAN (CIP) WORKSHOP

WS.3. *POMPEY PARK, DELRAY BEACH MUNICIPAL GOLF COURSE, AND BARWICK ROAD TRANSPORTATION PLANNING AGENCY GRANT PROJECT; DISCUSSION AND DIRECTION IN MOVING FORWARD WITH ENGINEERING DESIGN*

Body: Recommended Action:

Recommendation: Commission direction is sought on project elements for Pompey Park, Delray Beach Municipal Golf Course, and Barwick Road Transportation Planning Agency (TPA) grant project.

Sponsors: Public Works Department

Attachments: [Agenda Cover Report](#)

[Pompey, Golf Course & Barwick Projects 8.24.21](#)

[POMPEY PARK - Current Façade Options](#)

[Golf Course Sanford Report-04-01-16](#)

[Golf Course USGA Report April 2017](#)

Pompey Park Community Center Project:

Ms. Barletto presented the three choices to the Commission for the Community Center's façade, including the original.

Mayor Petrolia commented that she did not care for any of the designs submitted.

Commissioner Boylston said that he liked the original design, but felt the NW/SW Community should have input.

Vice Mayor Johnson said that she did not like Option No 2 or 3 and agreed the Commission should listen to the resident's input when choosing the colors.

Commissioner Casale commented that she was in favor of Option No.1.

Ms. Barletto verified that Commission decided to pick Option No.1 as the original design.

Pompey Restroom & Service Elevator:

Ms. Barletto explained that a service elevator was added to the conceptual design to get seniors and equipment to the second floor.

Pompey Pool Alternatives:

Ms. Barletto gave a presentation explaining the three options for the pool design and the additional costs involved with each plan.

Option No. 1 : (\$120,000) Add two standard lanes to the pool and increase the pump room by 25-30%

Option No. 2 : (\$160,000) Add two lanes to pool & convert use to training pool and increase pool pump by 30%.

Option No. 3: (\$600,000) Add two lanes to pool & convert use to competition pool and increase pool pump room by 30%.

Commissioner Boylston suggested getting input from the Northwest/Southwest Community before finalizing the decision.

Commissioner Casale and Vice Mayor Johnson said they favored Option No. 3
Vice Mayor Johnson supported having the residents weigh in on the color.

Mayor Petrolia suggested listening to the residents before moving forward if there is any push back from them on the façade or design of the pool.

Commissioner Casale inquired into funding from the County. Mr. Metott said that County funding was unlikely since Aqua Crest Pool already receives funds.

Mr. Metott noted that recouping the maintenance fees from Pompey Park would be all that should be expected.

Ms. Barletto concluded her presentation by giving a timeline on the Status and Schedule for Pompey Park.

- Final Design is ongoing
- Permit submittals will begin in September 2022
- Construction Phase 1 – December 2022
- Construction Phase 2 – June 2024
- Completion Final – December 2024

Golf Course History:

Ms. Barletto presented the history of the Delray Beach Golf Club since it opened in 1926. She advised the Commission that several independent studies all agreed that the course needs a full-scale renovation. She told the Commission that the reports all recommend the annual maintenance operation/resources be increased. She summarized the current construction costs totaled \$15,430,638.00. She noted that she was advised to put the project on hold at the June 13th Goal Setting Workshop.

Ms. Sharon Painter, Manager of the City of Delray Beach Golf Course, told the Commission that she had been approached by several Public Private Partnerships (P3's) about the gold course over the years. There was a consensus to have Mr. Moore, City Manager, to explore a P3 for the golf course.

TPA Funded Projects – Making the Connections of the Bicycle and Pedestrian Lanes:

Ms. Barletto updated the Commission on the Grant Funded Bicycle/ Pedestrian Infrastructure Projects which, designs are pending. They include:

- Barwick Road (Atlantic Avenue to Lake Ida Road)
- Lindell Blvd (Linton Blvd to Federal Highway)
- German Town Road (Old Germantown Road to Congress Avenue)
- Brant Bridge Connector – Lindell Loop (Avocet Road to Lindell Blvd)

Barwick Road- Proposed Design: Ms. Barletto presented the original proposed mixed-use Barwick Road Design. She stated that staff looked at the project and value-engineered the original price tag of \$11,021,512 down to \$5,070,0008 by making modifications, but there still isn't enough funding to move this year's budget forward with the project. She suggested redesigning the project while re-applying for future year funding when the city can afford its portion of the project.

Mayor Petrolia suggested taking money from the American Rescue Plan Act (ARPA) to fund the \$300k to keep from losing the Palm Beach Transportation Planning Agency (TPA) funding. The project would extend the curb and gutter on Barwick Road, making it safer for the younger children to cross at the north end.

The Commissioners discussed the importance of keeping the Barwick Park Project on track and safer for bicyclists and pedestrians.

Mayor Petrolia thanked everyone for their hard work. She commended Mr. Moore, City Manager, for imparting his knowledge and guidance to the Commission.

There being no further business to discuss, the Workshop Meeting was adjourned at 6:52 p.m.