



City of Margate

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Meeting Minutes City Commission Budget Workshop

Mayor Anthony N. Caggiano

Vice Mayor Tommy Ruzzano

Commissioners:

Antonio V. Arserio, Arlene R. Schwartz, Joanne Simone

City Manager Cale Curtis

City Attorney Janette M. Smith

City Clerk Joseph J. Kavanagh

Monday, July 8, 2019

3:00 PM

Commission Chambers

CALL TO ORDER

Present: 5 - Commissioner Joanne Simone, Commissioner Antonio V. Arserio, Commissioner Arlene R. Schwartz, Vice Mayor Tommy Ruzzano and Mayor Anthony N. Caggiano

In Attendance:

City Manager Cale Curtis

City Attorney Janette M. Smith

City Clerk Joseph J. Kavanagh

1) PRESENTATION(S)

A. [ID 2019-347](#) FY 2019-2020 BUDGET WORKSHOP.

CITY MANAGER CALE CURTIS recognized and thanked Finance and the budget staff for their hard work putting together the proposed budget for fiscal year 2020. He explained that the presentation would be an overview of the budget which would include some key points such as millage rates, capital items and proposed projects and he hoped that they would close with a consensus as to the millage rate that they would set for the preliminary tax notices. He advised that the budget was used as an operational guide, a financial plan and for communication. He said it not a document that was set in stone as it was something that got changed throughout the year. He advised that some of the numbers had changed from the documentation which the City Commission received last week which were based on the Property Assessor's final taxable values. He referenced Margate's taxable value and advised that they have had a pretty steady incline since 2013 which was what they wanted to see in properties. He said from 2019 to 2020, the taxable value increased just under eight percent. He indicated that the total City millage was going in the opposite direction of their assessed values and advised that the fiscal year 2019 total millage was 7.0593 and as the document was before them, it was using a millage rate of 7.2666. He explained that the increase from year to year had to do with the Parks' bond debt. He also spoke about the differentiating taxable value over the years and explained that expenses had increased throughout the years and their tax revenues were about the same. He also said that during the last 10 years, the departments were doing an excellent job of providing the same or equal amount of service with the same amount of revenue. He highlighted a breakdown of City property collected on residence and that it was key that just under 9,500 properties in Margate paid less than \$400 in City property taxes and under 1,900 were paying \$0. He compared Margate's average assessed single value home to other full service cities in Broward

County and that they were bringing in the lowest amount of tax revenue per property to provide the same level of service as larger cities. He said that the City received less than a third of the total taxes paid from Margate's residents' property taxes. He said that the total millage rate for the County-wide operating property taxes that they would pay was \$2,403 and from that amount, \$854 went to the School Board, \$729 was allocated to the City and \$609 went to the County. He said that Margate ranked 27th out of 31 municipalities in the County pertaining to the Operating Revenue per capita. He said that the General Fund Revenues made up approximately 30 percent in charted services which included the Fire Assessment and Coconut Creek's fee for fire services made up another 31 percent. He said it was typical that Public Safety budgets dominated the general fund of municipalities and that Margate's Fire and Police departments were split 61 percent. He referenced "non-departmental" items and advised that it was assigned for the Coral Springs' Dispatch services. He also spoke about new job positions and capital projects from the General Fund and Parks Bond.

COMMISSIONER ARLENE R. SCHWARTZ referenced the storage structure and questioned its purpose for the Fire Department.

FIRE CHIEF ROBERTO LORENZO said that the storage structure was the enclosure at Station 98. He advised that they were going to enclose their Bunker gear, a cascade system for oxygen, a Self-Contained Breathing Apparatus (SCBA) and a carpet removal from all the stations due to bedbugs.

Discussion ensued on the storage structure and bedbugs.

CITY MANAGER CALE CURTIS continued to go through the PowerPoint presentation and discussed the Capital Improvement program.

VICE MAYOR TOMMY RUZZANO referenced page 143 in the budget pertaining to the Recreation Trust Fund and noted that it took in \$450,000 and that he was not a fan of that revenue being transferred into the General Fund.

ASSISTANT DIRECTOR OF FINANCE KELLY SCHWARTZ confirmed that it was not being transferred to the General Fund but would stay in the Fund Balance of the Recreation Trust Fund.

Discussion ensued including prioritizing projects for Parks and improvements, implementing additional lined items for other Park projects, Bonds, expansion of Calypso Cove and lighting.

CITY MANAGER CURTIS provided an update on the City's park projects.

Discussion ensued.

MAYOR ANTHONY N. CAGGIANO asked the City Commission for CONSENSUS to move up the project timeline for Lighting Retrofit for the City Parks.

CONSENSUS was given by the City Commission to move forward with the Lighting Retrofit for the City's Parks.

CITY MANAGER CURTIS continued to go through the PowerPoint presentation for the Capital Improvement Fund 334 and provided an update pertaining to the Building Department's expansion.

VICE MAYOR RUZZANO referenced the Building Department expansion and said that they should also consider removing Code Compliance from the Police Department and place them in the Building Department where he believed they belonged. He said that when they discuss the Police Department, he would like them to cut down on Code Compliance until the City made money from that Department. He said once that was established, then they could hire more Code Compliance personnel. He said that they should also consider getting rid of the Neighborhood Policing Division from Banks Road.

ASSISTANT DIRECTOR OF FINANCE SCHWARTZ advised that she did not believe that they could use Building permit revenues for an expansion and that they would have to budget some money the General Fund. She indicated that further research would need to be provided by the City Attorney.

Discussion ensued on using the Budget Permit revenue.

CITY ATTORNEY JANETTE M. SMITH advised that they were statutorily required to spend that money on certain areas and that they could research the area which the Vice Mayor was presenting.

COMMISSIONER JOANNE SIMONE said that was the first time that she heard the figure of \$2,200,000 for the Building project.

CITY MANAGER CURTIS clarified that it was \$2,500,000 and that \$250,000 was appropriated in a budget amendment this year for design fees and that the balance was for the actual construction.

Discussion ensued on the revenue for the Building Department.

CITY MANAGER CURTIS said that the Vice Mayor's proposals had a substantive impact on the budget and asked if there was a CONSENSUS from the City Commission to move forward with the same and also to move Code out of the Police Department into the Building Department. He advised that Code was an Item that they were going to address in a future Workshop.

Discussion ensued on the proposal of moving Code from the Police Department into the Building Department.

CITY MANAGER CURTIS continued to go through the PowerPoint presentation and provided a summary of the millage rate breakdown. He discussed future considerations which included setting the cap on the tax rate and referenced storm water and said that they were near to the end of rate study that was being conducted. He also referenced a chart which illustrated the gap between expenses and revenues from 2016 and then projected out to 2029 which indicated it was not a good sign as it showed that there was about \$3,300,000 gap from 2017. He explained that the majority of that gap was in the dispatch proposal to Coral Springs but they had not put in a revenue source to fund it. He advised that it was a new service and if the City Commission wanted to contract with Coral Springs, they would need to find a revenue to cover that re-occurring expense of approximately \$2,300,000 per year.

COMMISSIONER SCHWARTZ said that the 2019/20 budget proposal was for \$157,000,000 and last year, it was \$135,000,000. She questioned why there was a \$23,000,000 increase and that the property value could not continue with that kind of increase.

CITY MANAGER CURTIS said that the majority of that increase derived from the bond and water and waste water.

FINANCE DIRECTOR MARY BEAZLEY said that pages 62 and 63 detailed the new amounts.

Discussion ensued including the increase in the budget and Stormwater and Water and Waste Water rates, Coral Springs Dispatch, the millage rate and raising taxes.

VICE MAYOR RUZZANO advised that they should hold off from the \$2,000,000 Coral Springs Dispatch as the County was introducing a new system.

CITY MANAGER CURTIS advised that Dispatch was in the budget and questioned the City Commission whether they should remove it from the same.

Discussion ensued including the Coral Springs Dispatch system, raising taxes, curb appeal and the millage rate.

CITY MANAGER CURTIS advised that if Dispatch was a consideration and it stayed in the budget, they would have to look at a millage rate increase but if the City Commission disagreed, then he would recommend removing the Dispatch service item as the City could not fund it. He also spoke about Broward County's changes to their infrastructure and their operations.

Discussion ensued on Broward County's Dispatch, infrastructure, installing towers, operations and setting the millage rate.

COMMISSIONER SCHWARTZ repeated her question as to the change in the budget and questioned the remaining \$13,000,000 during the two fiscal years.

ASSISTANT DIRECTOR OF FINANCE SCHWARTZ advised that the adopted budget was amended to \$10,000,000 for the Parks bonds. She also explained that there were other items that were open Purchase Orders and projects that when they rolled into the New Year, it automatically amended the 2019 budget.

Discussion ensued including the difference in \$13,000,000.

ASSISTANT DIRECTOR OF FINANCE SCHWARTZ advised that with the Water and Waste Water Fund, it was a little deceiving looking at the total budget because transfers were involved.

Discussion ensued on the increase in the budget.

COMMISSIONER SIMONE said that she was glad that they were planning to do a study on their respective permit and rental fees which would accumulate extra revenue into the City. She said that she was comfortable with City Manager Curtis saying that they would not raise the millage rate if they did not fund the Dispatch system. She said that the County would need to address their concerns about the Dispatch and recommended organizing a possible Workshop with them. She noted the increase in the Departmental overtime budget.

COMMISSIONER ANTONIO V. ARSERIO said that he agreed with some of Commissioner Simone's comments pertaining to a Workshop with Broward County and said that he was also interested in accumulating other ways of revenue. He was

concerned about the City Manager Curtis' comments that if they did not do the Dispatch system, they would be okay with not adding to the millage but questioned sustainability in improvements.

CITY MANAGER CURTIS said that they would be okay and would be able to stretch this out a little longer.

MAYOR CAGGIANO said that he was in agreement with Commissioner Arserio and suggested that they could discuss setting the cap at this meeting.

Discussion ensued on setting a cap.

Meeting went into Recess.

Meeting Reconvened.

CITY MANAGER CURTIS said that the next steps were to set the tentative maximum millage rate for their budget hearings in September 2019 and to schedule a second budget workshop if deemed necessary.

UNITED WAY OF BROWARD COUNTY READING PALS MANAGER KRISTEN LEWIS explained that they had a very successful year, were able to work with 30 First Graders at Margate Elementary and thanked the City for their support and funding.

COMMISSIONER SIMONE discussed the staff's recommendation to raise the millage by half a cap if they wanted to fund the 911 communications system with Coral Springs. She said that the fairest thing to do was to raise the fire assessment fee and requested that for next year, they should receive the budget information before they do the cap on the fire assessment fee.

Discussion ensued on setting the cap for the millage rate and the 911 communications.

CITY ATTORNEY SMITH reminded the Commission that the purpose of this meeting was the statutory requirement so that they could set the millage which would be distributed to all residents on the Truth In Millage Notice (TRIM). She explained that the Property Appraiser had a certain amount of time to submit the information to them and said that a true accounting of numbers would not occur until after July 1st each year.

Discussion ensued on obtaining preliminary numbers.

COMMISSIONER ARSERIO was in agreement with Commissioner Simone and said at the time, he voted to increase the cap for the TRIM notice and that he hoped the Commission would not make the same mistake again.

VICE MAYOR RUZZANO questioned if they could use the Fire assessment fee for the 911 communications system.

CITY MANAGER CURTIS said that they could use the fire assessment fee to fund the First Responder Budget and that if they raised the Fire Assessment fee, that would free up general fund revenues that could then be used for other programs such as Dispatch.

Discussion ensued including a funding mechanism and raising taxes.

COMMISSIONER SCHWARTZ suggested that instead of looking to the citizens to pay

the additional taxes, the City should cut costs across the board by two percent.

CITY MANAGER CURTIS explained that if they removed the Dispatch system, they would still have to consider the years of consecutive decreases in the millage rate and how it would affect service. He advised that if they did cut two percent from the budget, the Commission should understand that it would have an impact on services.

Discussion ensued including building permit fees, Amscot, ad valorem taxes and raising taxes.

VICE MAYOR RUZZANO referenced page 70 pertaining to alcoholic beverage City licenses and said that if a business opened until 4:00am, they should pay at least a \$5,000 fee for the year. He also referenced the City Commission's travel allowance of \$5,000 per person and questioned if they could use a City credit card that would issue frequent flyer miles so that they could accumulate points and not pay for flights.

CITY MANAGER CURTIS advised that they had a P-card that did provide a rebate of some sort in the form of dollars. He confirmed that they did receive rewards that were tailored towards governments. He advised that not all contractors want to accept payment by credit card as they would have to pay the exchange fees.

Discussion ensued on using P-cards for City bills, equipment and travel.

FINANCE DIRECTOR BEAZLEY explained that the P-card was specifically used by governments and the reason why they used it was that it had built in internal controls that would prohibit you from making certain kind of charges as a government. She also advised that the card contained layers of approvals such as a Department Head which a regular credit card would not have.

Discussion ensued on using the P-cards for travel insurance.

MAYOR CAGGIANO asked for CONSENSUS for a 0.75 millage increase.

COMMISSIONER SIMONE – NO

COMMISSIONER ARSERIO – YES

COMMISSIONER SCHWARTZ – NO

VICE MAYOR RUZZANO – NO

MAYOR CAGGIANO – YES

COMMISSIONER ARSERIO asked for CONSENSUS for a 0.5 millage increase.

Discussion ensued on raising the millage rate and cutting the total budget by two percent.

CITY ATTORNEY SMITH advised that it was similar to the fire assessment and explained that whatever they set the cap to, it was not exactly what they were going to do at the public hearings on September 5th and 18th. She explained that they were giving themselves the ability to go up to a certain amount which would be sent out to everyone on the TRIM notice.

Discussion ensued including home value increase of eight percent, overtime, Grants position, revenue from Code violations and setting a millage cap.

MAYOR CAGGIANO asked for CONSENSUS on Commissioner Arserio's suggested 0.5 millage increase.

COMMISSIONER SIMONE – YES

COMMISSIONER SCHWARTZ – YES

VICE MAYOR RUZZANO – NO

MAYOR CAGGIANO – YES

CONSENSUS was given by the City Commission for a 0.5 increase to the millage rate.

COMMISSIONER SCHWARTZ requested suggestions at the next public hearing for a two percent decrease in the 2019/20 budget.

Discussion ensued on cutting the budget.

COMMISSIONER SCHWARTZ advised that the City staff should explain to the public why they believed it was important to make a millage increase.

CITY MANAGER CURTIS confirmed for the record that a CONSENSUS was given by the City Commission to add 0.5 millage to a proposed 7.2666 millage for purposes of the TRIM notice at a total millage rate of 7.7666.

Discussion ensued.

VICE MAYOR RUZZANO asked the City Manager to review the bulk pickup and storm water utility fee in lieu of raising the millage.

CITY MANAGER CURTIS confirmed that the storm water utility fee would be revenue for the storm water fund and was separate from the millage rate.

Discussion ensued including the fee for the study.

CITY MANAGER CURTIS understood that at a recent meeting, consensus was given by the City Commission not to pay for bulk pickup from the Community Initiative Fund and that it should be put on the bills, effective October 1st.

COMMISSIONER SCHWARTZ explained that she found the new bulk pickup schedule ineffective and recommended changing the collection from once per week.

COMMISSIONER SIMONE said that she agreed with Commissioner Schwartz's comments 100 percent.

Discussion ensued on bulk pickups.

CITY ATTORNEY SMITH forewarned that the Code was something that they were reviewing and it would take some time. She said that staff would not have a solution before October 1, 2019.

ADJOURNMENT

There being no further business, the meeting adjourned at 5:51pm.

Respectfully submitted,

Transcribed by Salene E. Edwards

Joseph J. Kavanagh, City Clerk

Date: _____

PLEASE NOTE:

If a person decides to appeal any decision made by the City Commission with respect to any matter considered at this meeting, the person will need a record of the proceedings, and for such purpose may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. Anyone desiring a verbatim transcript shall have the responsibility, at his/her own expense, to arrange for the transcript.

[Appendix A – Zoning – Section 3.3] Any representation made before any City Board, any Administrative Board, or the City Commission in the application for a variance, special exception, conditional use or request for any other permit shall be deemed a condition of the granting of the permit. Should any representation be false or should said representation not be continued as represented, same shall be deemed a violation of the permit and a violation of this section.

Any person with a disability requiring auxiliary aids and services for this meeting may call the City Clerk's office at (954) 972-6454 with their request at least two business days prior to the meeting date.

One or more members of the City of Margate advisory boards may be in attendance and may participate at the meeting.