

## FINANCIAL REVIEW BOARD – MEETING MINUTES

JANUARY 18, 2011

100 NW 1<sup>ST</sup> AVENUE, DELRAY BEACH, FL

### Item 1. Call to Order

The Chairman of the Board, Mr. Howard Ellingsworth called the meeting to order at 8:30 A.M.

### Item 2. Roll call

MEMBERS PRESENT:

Howard Ellingsworth, Chairman  
Todd L'Herrou, Vice Chairman  
Christina Morrison Pearce  
Yvonne Walker  
Cheryl Shaffner (Alternate)

MEMBERS ABSENT:

Barbara Trevino Chester  
Luise Piane  
Rosalie Blood

STAFF & GUESTS PRESENT:

Barbara J. Flynn, Finance Dept.  
Russell Accardi, Asst. Fire Chief

### Item 3. Approval of Agenda-

Mr. Ellingsworth asked for approval of January 18, 2011 agenda. Mr. L'Herrou moved for approval. Seconded by Ms. Pearce. Said motion passed unanimously.

### Item 4. Approval of Minutes -

Approval of Minutes of Meeting of December 14, 2010 - Motioned to approve by Ms. Pearce, seconded by Mr. L'Herrou. Said motion passed unanimously.

### Item 5. Public Comment – No public comment.

### Item 6. Handouts –

- 1.) Ms. Pearce provided an article discussing the concept of “Delray Dollars” (municipal currency).
- 2.) Ms. Walker provided a copy of the current Administrative Policy and Procedures related to the cemetery.

### Item 7. Open Issues-

**a.) Update on the Finance Director Position:**

Mr. Harden entered the meeting to make an announcement that an offer was made to Mr. David Boyd of Smyrna Georgia for the City of Delray Beach Finance Director's position. He was currently awaiting a response to the proposal.

Mr. Ellingsworth stated the Finance department is running quite well under the direction of the Assistant Finance Director and current Acting Finance Director, Milena Walinski.

**b.) Administrative Policy on Charitable and Benevolent Contributions and Special Events Funding:**

Mr. L'Herrou stated he is working on this policy. He recommends future changes to this policy should come through the Board to insure their support.

**c.) Parks and Recreation Recommendations:**

Ms. Pearce has researched the idea of municipal currency. It does fall into the 1099 category, as income. Other cities allow merchants to use these vouchers. She has not found where citizens are providing services i.e. for parks maintenance and in lieu of cash receiving these vouchers that can be used to pay municipal bills. Mr. Ellingsworth feels it is worth pursuing. Mr. L'Herrou mentioned the Chamber of Commerce had a system with gift cards that could be adapted to this use. Ms. Pearce stated the Parks Department has expanded their “Adopt a Park Program”. The organization in return for adopting the park would get their name posted in the park. The city provides all of the supplies and the adopters do the maintenance work. This reduces city man hours.

Ms. Pearce also researched intern programs for students to receive community service hours for maintaining parks or assisting other departments in the City.

**d.) Cemetery Policy:**

Ms. Walker wrote the cemetery policy and the departments are now reviewing it. She explained that we have an ordinance but no procedures were in place. This policy establishes procedure and consistency in the way we do work. Currently the functions are divided between the City Clerk and the Parks Department.

Points of discussion: (Ms. Walker and Mr. Ellingsworth)

- 1.) Bringing the two departments together so they can be aware of their responsibilities
- 2.) Requesting a definitive inventory
- 3.) Adding a module to the software City Clerk's Office currently has adding GIS capabilities for mapping or having assistance from Engineering with mapping of plots
- 4.) Additional changes to the Ordinance as well as the Policy
- 5.) Show a trail of attempts to collect on outstanding invoices
- 6.) Agreements made by Pre-Arrangements, Inc. while outsourced by the City
- 7.) The Cemetery Division of Parks – Four employees with a budget of \$300,000 a year
- 8.) Possibility of contracting the maintenance to an outside source
- 9.) Residents vs. Non-residents – Availability of plots and pricing
- 10.) Discuss findings with the City Manager

**e.) Departmental Function Analysis Completion Timelines:**

Mr. Ellingsworth discussed strategies in order to accomplish these tasks and setting priorities. Due to some absentees, rather than setting timelines he recommended for today's meeting to discuss methodologies on the Board's approach to this project.

Some departments with very few mandated functions have large budgets. For example, Ms. Pearce stated we are spending \$12 million dollars on Parks and Recreation's budget, and there are no mandated functions. Mr. Ellingsworth stated there will need to be some reductions in functions.

Mr. Ellingsworth will update the Board on the pension issues that are determined by the Commissioners and the City Manager.

Mr. L'Herrou stated the upcoming ICMA Study for the Police and Fire Department will start this month, with 120 days for completion. He knows there is a fairly accurate rumor that there is a draft of the Police Department's Study that is already being circulated in the Police Department. He asked if the Board should request a copy of the draft to start looking at the recommendations. Mr. Ellingsworth agreed it would be helpful to review a copy of the first draft if available. Ms. Walker will try to provide this draft to the Board.

Mr. Ellingsworth foresees another \$3million to \$4million shortfall next year. He requested a motion to table the agenda item on timelines until the next meeting. Motion to table made by Mr. L'Herrou, seconded by Ms. Pearce. Said motion passed unanimously.

**Item 8. New Business and Open Discussion-**

a.) Mr. Ellingsworth emailed the City Manager about several of his (the City Manager's) cost cutting recommendations in his presentation to the City Commission to check on the status. Two of the large items were recommendations; 1.) Reduce Police and Fire Pension by \$1 million 2.) Reduce General Employees Pension by \$1 million. Mr. Harden's response was that they are still in negotiations with both Unions. The IAFF (P&F) has proposed a 3% salary increase in employee contributions to their pension, 2/3 reductions in the City's VEBA contribution and also giving up two (2) holiday days.

Chief Accardi stated this does sound like the latest proposal from the Union, they were waiting for a counter proposal which has to be ratified by the membership.

The City Manager did say that a counter proposal is yet to be defined. So far, the Police Benevolent Association (PBA) has not proposed anything other than maintaining the status quo. Mr. Ellingsworth stated if we are assuming ½ million from Fire and ½ million from Police pensions, there is still quite a way to go. He does not support using Reserve Funds. The Board requested the Monthly Report on Budget vs. Actual for January for their review.

Ms. Pearce asked if the negotiations will go to Collective Bargaining if they cannot come to an agreement. Mr. Ellingsworth stated it will; there is a clause in the current Fire contract that says they cannot negotiate anything except the pension plan. Other changes can only be made when this contract is set for renewal. He does not know what the Police contract entails.

b.) Assistant Fire Chief, Russ Accardi stated the EMS Billing has been brought back "in-house" and there are two staff members and the system is up and running. They are confident there will be an improved collection process providing a greater generation of revenue with this system.

c.) A Delray Beach Goals Progress Report with status of planned activities etc. was provided to the Board and Mr. Ellingsworth requested to receive this report on a regular basis.

d.) Mr. L'Herrou discussed an item brought before the Commission stating "No City employee shall be eligible to serve on the Financial Review Board. No officer or director of any organization which is receiving has received or has requested financial assistance or in-kind assistance from the City within the past 3 years shall be eligible to serve on the Financial Review Board" (Resolution # 05-11). Mr. L'Herrou stated if this resolution passes it would potentially rule out at least three of the current Financial Review Board members (Mr. Ellingsworth, Mr. L'Herrou and Ms. Walker). It could potentially dissolve the Board due to a quorum not being met.

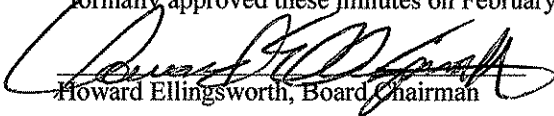
e) The next meeting agenda will include continued discussion on the Cemetery Policy, Administrative Policy on Charitable and Benevolent Contributions & Special Events Funding, Update on the open Finance Director position, Departmental Function Analysis, and to review the first draft of the ICMA Police and Firefighter Study if available.

There was a brief update on the improved condition of Fire Chief, David James provided by Assistant Chief, Russ Accardi.

**Item 9. Adjournment -**

Ms. Pearce motioned to adjourn the meeting seconded by Mr. L'Herrou. Said motion passed unanimously. The meeting adjourned at approximately 10:30a.m.

The undersigned is the Chairman of the Financial Review Board. The information provided herein are the Minutes of City of Delray Beach Financial Review Board - Meeting of January 18, 2011. The Financial Review Board formally approved these minutes on February 15, 2011.

  
Howard Ellingsworth, Board Chairman