

## BUDGET TASK FORCE

### Minutes of June 16, 2009

#### **Item 1. Call to Order/Roll Call:**

Meeting was called to order by Chairperson Franklin Wheat at 8:30 a.m.

**Members Present:** Howard Ellingsworth, Todd L'Herrou, Robert Moore, James Smith, Franklin Wheat and Vincent Dole

**Members Absent:** Peter Arts, Mark Denkler and Alexander Simon

**Guests Present:** Lisa Herrmann, Joseph Safford and Karen Schell

#### **Item 2. Approval of June 16, 2009 agenda.**

Mr. L'Herrou moved to approve the June 16, 2009 agenda, seconded by Mr. Dole. Said motion passed unanimously.

#### **Item 3. Comments from the Public:**

None.

#### **Item 4. Approval of the Budget Task Force Minutes:**

##### **A. June 9, 2009**

Mr. Ellingsworth moved to approve the June 9, 2009 minutes, seconded by Mr. Moore. Said motion passed unanimously.

##### **B. June 12, 2009**

Mr. L'Herrou moved to approve the June 12, 2009 minutes, seconded by Mr. Moore. Said motion passed unanimously.

#### **Item 5. Review issue of finance/audit committee and financial analyst/contract reviewer.**

Mr. Safford indicated several alternatives were briefly discussed of how the City could continue to develop the types of studies the Budget Task Force has conducted. It was beneficial to the City in saving money and checking on the adherence to the policies and procedures. Mr. Safford questioned what type of final recommendation would the Task Force like to see in the final report as to what the City should do to continue the work of the Budget Task Force?

Mr. Smith commented the financial expertise is staff members. Mr. Smith feels the Finance Division has been kept out of the loop when it comes to contracts. He feels a need to continue this committee but perhaps in a different way with different focuses. He suggested an "ABC" committee (Audit, Budget and Contract Review) who handle all three functions to meet monthly or be on call. Mr. Smith does not feel an additional position should be created at this time as staffing levels have not been reviewed to date; perhaps City already has staff available.

Mr. Safford indicated some agenda items will come to his attention for the availability of funds; however there is no real financial review.

Mr. L'Herrou felt many items may have been put on hold in the Finance Department in order to focus on the Budget Task Force. This has been very good both for Finance and the Budget Task Force; however is this for the best as an ongoing basis with staffing as is?

Mr. Safford commented if an individual was to be a contract reviewer, one can only do so much. Some of the studies completed took months of continuous research. One individual would not be able to tract

every agenda item. Mr. Safford was not sure hiring an individual was the answer. A committee/individual could hold up a job for months awaiting a full research analysis. Mr. Safford feels the best work the Budget Task Force completed was reviewing policies versus practice. There is an unlimited number of areas that could be evaluated; however higher priorities such as the City facing a \$9-\$9 ½ million dollar shortfall comes first. Depending on the decision of the millage rate by City Commission, there may be some significant cuts within the City.

Mr. Dole feels this is a matter for City Commission to decide. The Budget Task Force provided a service to them at their request; should they want to continue they should specify what they would like.

Mr. L'Herrou indicated the Task Force Members are in a unique position as to having been through this process for the past couple years where they can give City Commission recommendation(s) of what may be effective. He feels there is a need for someone to give a high level review of items. Mr. Safford has not stated he has enough staff to do this; he has the capability of handling the items however, Mr. L'Herrou is concerned it may put a tremendous amount of stress on the Department. Mr. L'Herrou commented the Task Force needs to send a message to City Commission the need for further continuation of reviewing contracts and studies.

Mr. Wheat commented some items being discussed may not come under the mission of the Budget Task Force. The mission was to lower the budget and increase revenue not review every contract or financial obligation coming into the City.

Mr. Ellingsworth disagreed stating he feels some form of oversight and high level review will ultimately save the City money. He feels there is real merit in making a recommendation of some form to continue reviewing the budget whether it be an individual or committee. The Budget Task Force basically scratched the surface on higher dollar items.

Mr. Safford indicated there is a big difference between hiring an employee who would answer to him in which he would answer to the City Manager versus having a citizen task group. A citizen task group allows a certain amount of leverage; it has more credence and influence than a city employee. Mr. Safford felt it would be more helpful to have a citizen group.

Mr. Moore, moved to make a motion that the Budget Task Force propose to the City Commission there is a need to continue the third party citizen's group to have a review board for the unlimited number of priorities in the City Financial purview, seconded by Mr. Ellingsworth. Said motion failed unanimously.

After a brief discussion, Mr. L'Herrou moved to make a motion the Budget Task Force recommends to City Commission the City form a permanent financial review committee, a standing committee with a regular meeting schedule, seconded by Mr. Moore. Said motion passed unanimously.

#### **Item 6. Review suggestions of follow ups.**

Mr. Smith suggested the following items as possible follow ups for the new committee:

- A. Defined benefit plan cost containment, perhaps having new hires not eligible.
- B. Health Insurance cost review; did implementing an employee charge contain costs?
- C. On street and surface parking lot meters between the Intercoastal and Swinton Avenue.
- D. Downtown Roundabout future expenditure offsets.
- E. Monitor Tennis Sponsorships.
- F. Review staffing levels.
- G. Review all fines and fees; begin by determining the date and amount of the last increase.
- H. Implement a procedure for memo financial reporting of expenditure that has offsetting revenue.
- I. Implement a procedure for detail categorizing of overtime in the City's financial system.

Mr. Wheat indicated there are established committees already active that would address a few of these items.

**Item 7. Review of website for citizen input.**

Mr. Smith suggested a press release be sent out to the public indicating when and if a Task Force Committee has been established. Should they have questions, suggestions and or comments, they are welcome to contact the appropriate Department/City Commission by e-mail using the City's website.

**Item 8. Other Business:**

Mr. Smith thanked the Finance Department and the other Task Force Members.

Mr. Ellingsworth commented he conversed with City Commission stating he believes the Task Force did a good job of renegotiating the Match Point amendment; however, he also believes it falls short of accomplishing what the Task Force should have been striving for. He has reservations at this time; his concern is the Task Force might have been more optimistic than reality will prove in terms of sponsorships.

Mr. L'Herrou understands Mr. Ellingsworth feelings and he also has reservations. Ultimately it is the City Commission's decision to decide whether or not the City should enter into this contract. The Task Force was able to make considerable revisions to the contract; however, it is the City's duty to pursue things within the City's interest; some of these items are forms of economic development which is what this is.

Mr. Safford commented perhaps the Task Force should have voted to forward a revised amendment back to the City Commission requesting them to "**consider**" the revised amendment as opposed to the original amendment; rather than used the word "**approved**". Mr. Safford feels the Budget Task Force did an incredible job on renegotiating and limiting the exposure and risk. He hopes IMG can do their work; if not the City needs to close the contract at \$750,000, still a significant savings from a \$10 million contract.

Mr. Wheat expressed his thanks to the Task Force members and staff.

Mr. L'Herrou brought everyone up to date on the Chamber contest indicating a committee has been formed and both he and Mr. Moore are on that committee. Original dates were schedule to coincide with the ending of the Task Force; however the committee did not want to rush this through. Press releases will be forwarded through the News for Neighborhoods and along with the City's water bills. Current deadline is set for August 24<sup>th</sup>, 2009.

Mr. Safford thanked the Budget Task Force for all their fine comments to staff. It was a rewarding opportunity and is important for City representatives to establish contact with the citizens to see what goes on inside City Hall. It was a pleasure working with the Budget Task Force.

**Motion to Adjourn:**

There being no further business, Mr. Wheat moved to adjourn the Task Force. The meeting adjourned at approximately 9:47 a.m.

The undersigned is the Finance Director of the City of Delray Beach. The information provided herein is the minutes of the City of Delray Beach Budget Task Force of June 16, 2009, which minutes were formally approved and adopted by the Budget Task Force on \_\_\_\_\_, 2009.

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Joseph M. Safford, Director of Finance

/kms

cc: Budget Task Force Members  
Lisa Herrmann, Budget Officer  
Rebecca O'Connor, Treasurer  
Joseph Safford, Director of Finance