

## FINANCIAL REVIEW BOARD – MEETING MINUTES

SEPTEMBER 27, 2011

100 N.W. 1<sup>ST</sup> AVENUE, DELRAY BEACH, FL. 33444

### Item 1. Call to Order

The Chairman of the Board, Ms. Christina Pearce called the meeting to order at 8:30 A.M.

### Item 2. Roll call

MEMBERS PRESENT:

Christina Morrison Pearce, Chairman  
Rosalie Blood, Vice Chairman  
Jeff Ritter  
John (Jack) Hallahan  
Anthony Cottone  
Luise Plane  
David Stein, Alternate

MEMBERS ABSENT:

Bradley Winney  
Sharon Roth, Alternate

STAFF & GUESTS PRESENT:

Barbara J. Flynn, Exec. /Tech. Asst.

### Item 3. Approval of Agenda-

Ms. Pearce asked for approval of September 27, 2011 agenda. Ms. Blood moved to approve the agenda, seconded by Mr. Cottone. Ms. Pearce added under "New Business" items for discussion a.) FRB meeting date and time b.) Proposed letter to City Commission. Said motion passed unanimously.

### Item 4. Approval of Minutes -

Approval of Minutes of Meeting of September 13, 2011 – Ms. Blood moved to approve the agenda, seconded by Mr. Cottone. Said motion passed unanimously.

### Item 5. Public Comment – None.

### Item 6. Handouts –

- 1.) Budget Summary
- 2.) Approved CIP 5 yr. Projection
- 3.) Proposed letter to City Commission

### Item 7. Open Issues-

A.) STRATEGIC MARKETING PLAN: Mr. Ritter has outlined suggestions for recommendations regarding an overall marketing strategic plan for the City. In a conversation with Sarah Martin, Executive Director of DDA, following a Board meeting he attended, he made himself available to assist her if needed going forward. He asked for her to provide information on monthly meetings, discussions, initiatives that she is involved in. She will strongly support one strategic plan for the entire City which would include all of the different entities involved in activities and fund-raising events. The Board should now be receiving regular progress reports of with the entities (Chamber of Commerce, CRA and DDA) from a planning perspective.

B.) HEALTH CARE PLAN ANALYSIS: No update available.

C.) TENNIS OPERATIONS ANALYSIS: Mr. Cottone spoke with IMG and they have agreed to release themselves from the contract in part. They have provided a list of companies currently in negotiation to allow for an RFP for a local advertiser to fill the marketing needs of the City. Mr. Cottone requested for the advertising cost to be lowered to get any revenue possible. IMG stated they would like to recommend they change the agreement for sale of sponsorship and venue naming rights from exclusive to a non-exclusive sales role. IMG wishes to be exclusively responsible for sponsorships with a specific list of companies (list provided) for the next twelve months. Also they would like to be able to add companies to the protected list in the future. The City would be able to find additional sponsorships outside of the contract.

The next step would be to create an RFP which includes the rules of sponsorship due to restrictions on advertisers. Mr. Cottone will be contacting Mr. Barcinski, Asst. City Manager to follow up with these findings and to discuss with Mr. Barcinski how to proceed.

Further analysis will include the contract with JCD Sports Group which is the management company for the tennis center and golf courses. Analysis will include how to increase revenue and why operations are running at a loss. They are currently being paid \$3500.00 per month from the City for their management services, plus a percentage of the tennis lessons. They have been retained on a four (4) year contract, expiring September 30, 2012.

Mr. Cottone is looking into why they are operating at a loss if they are full during peak hours, have new programs in place and have such a beautiful facility.

Mr. Stein offered his assistance in this project. This was accepted and he was informed of the Sunshine Law and what limitations there are will be if he and Mr. Cottone are working together on a project.

D.) POLICE DATA ANALYSIS: Ms. Pearce met with Police Chief Strianese and discussed the ICMA data analysis. There were eleven (11) recommendations that came from the report. Some have been implemented and others they are studying. They were not ready to report on some of the hard data; some is being refuted. They were disappointed the company did not spend more time here to formulate the study for the amount of money they charged. The report was overall very complimentary of the Police Department. The main recommendation was taking the Police Department down to no more than 124 members; the Chief does not believe that is possible while still maintaining a safe City. The department is currently funded for 161 members; they are currently operating at 145. He feels comfortable with 145 and that is what he will be working to maintain. There will be more information coming from the Police staff when they are ready to comment in full on the report.

Mr. Hallahan asked about the recommendation to remove the Asst. Chief position. Ms. Pearce stated that has been a vacant position for 1 ½ years, however the Chief would like to keep the position. He is open to the recommendation to eliminate at least one Captain and a couple of other higher priced positions.

E.) FIRE DATA ANALYSIS: Not available.

F.) CEMETERY OPERATIONS ANALYSIS: Mr. Hallahan summarized that in January 1988 the Cemetery's management was turned over to Total Prearrangements, Inc. on a twenty (20) year contract. They were to manage sales of property and build a mausoleum. The City was to handle all of the maintenance, interments, site assignments, etc. Total Prearrangements defaulted on the agreement. After seventeen (17) months it was given to another company to manage, named Prearrangements with the same functions. Under Total Prearrangements they sold property and gave deeds. Money was collected by this company during the 17 months, but there are no records.

During the twenty (20) years of contracted outside management it was Robert Johnson, Cemetery Supervisor that "manually" kept records of who was buried and where. After it was brought back to City control, in 2008, he was told he no longer needed to keep records, so he stopped. His records are the only ones in existence and now they are incomplete.

Mr. Hallahan received a copy from City Clerk's Office of all of the plots that were sold and interments made over the past three (3) years. We sold a total of thirty-five (35) gravesites, there were 416 people buried. This shows the pre-sold inventory is being depleted but no one knows what the inventory is. An intensive investigative method would be needed to determine who is buried where. Of the 35 that were sold, there is no record if they were used.

Mr. Hallahan feels it is the City's responsibility to keep track of the plots and all details as to who bought them, what plot was assigned, whether they were fully paid for, were they used, by whom and when.

Mr. Hallahan attempted to meet with Tim Simmons to prove the 102 plots marked as unusable due to the 36" drain pipe, were indeed usable. Mr. Simmons was tied up so he met with Robert Johnson, Cemetery Supervisor and his immediate supervisor, Mr. Simmons's assistant. They walked the 36" pipe and it proved that there is sufficient distance from any of the plots and they could be sold and used.

The City Clerk reminded Mr. Hallahan that the City Manager is the only one that has the authority to release the plots for sale.

He was also informed that there will be a meeting between Parks and Recreation and the City Clerk's Office to confirm the number of grave sites available for sale. Mr. Hallahan asked if he would be invited and was told "No". He was also told the meeting will not be recorded and no minutes will be taken.

Mr. Omar Bowra of Engineering deserves credit for his work in helping find the solution for this issue. Firstly, he supplied Mr. Hallahan with the design piping drawings and then was capable of superimposing the involved piping drawings on the Cemetery Plot Plan. This showed the 36" drain pipe did not interfere with the burial sites in question. This was later confirmed by Mr. Hallahan during an on-site inspection.

Mr. Cottone asked if the City has considered selling the Cemetery or if it can be sold (Ms. Pearce stated she believes it is part of the Charter that the City maintains the Cemetery). Most importantly they need to find out what sites have been presold and not yet used and what the current sold inventory is.

Mr. Stein suggested sending out a letter to residents for them to notify us if they do have a claim or a deed to a cemetery plot. Ms. Pearce asked for Mr. Hallahan to put together a list of his recommendations such as 1.) Cemetery be handled as a separate entity no longer part of Parks and Recreation 2.) Accurate records need to be kept and maintained; such as inventory 3.) Accounting process improvement relating to the sales and collections.

Mr. Ritter stated there needs to be more focus on responsibility whether it is for managing contracts, health care, tennis or the Cemetery because these are all City dollars being spent. Mr. Hallahan agrees that you could eliminate much of the budget shortfall by simply having a Contracts/Purchasing or Procurement Department whose duties include Central Purchasing and monitoring the contracts.

G.) FRB PROCEDURES ON RECOMMENDATIONS: Ms. Pearce drafted a letter to the City Commission in regards to the future of the Board for discussion. They are asking the City Commission for a path; if a recommendation is made, how and when is it handled and processed or if it will or will not be implemented; some form of communication and /or feedback to the Board on their ideas. The draft of the letter was discussed, changes suggested, and other options mentioned if there is no response to the letter.

Ms. Pearce stated all recommendations, since she has been Chairman have been both hand delivered and emailed to the City Manager, Mayor and Commissioners. The City Manager has a heavy workload and may not have had time to respond; henceforth the Board may ask to address issues in an open forum at the next City Commission Meeting.

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

A.) FRB MEETING DATES AND TIME: The Board discussed changing the meeting date of November 22<sup>nd</sup> to November 29<sup>th</sup>, due to the holidays and they also discussed changing the meeting times for upcoming meetings.

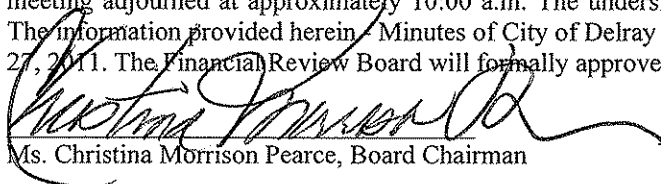
B.) New member Mr. David Stein was asked to tell the Board something about himself. He stated he is a State Certified Solar Contractor, working with solar energy systems all over Florida. He has been a Florida resident since 1973 (Lake Worth and Delray Beach). He owns a couple of homes and he got involved with the Board to get something done rather than just complaining. Mr. Stein agreed to take over an assignment of budget analysis of the Environmental Services Department or at least some of their Divisions such as Public Works.

D.) BUDGET SUMMARY: Handed out for review.

UPCOMING AGENDA ITEMS – FRB LETTER TO COMMISSION, CONTINUE WITH CEMETERY ANALYSIS, HEALTH PLAN, CITY MARKETING, TENNIS OPERATIONS, FIRE STUDY, AND POLICE STUDY.

### **Item 9. Adjournment -**

Ms. Blood motioned to adjourn the meeting seconded by Mr. Cottone. Said motion passed unanimously. The meeting adjourned at approximately 10:00 a.m. The undersigned is the Chairman of the Financial Review Board. The information provided herein - Minutes of City of Delray Beach Financial Review Board - Meeting of September 27, 2011. The Financial Review Board will formally approve these minutes on October 11, 2011.



Ms. Christina Morrison Pearce, Board Chairman