

BUDGET TASK FORCE

Minutes of July 15, 2008

Item 1. Call to Order/Roll Call:

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

Members Present: Peter Arts, Vincent Dole, Howard Ellingsworth, Robert Moore, James Smith and Franklin Wheat

Members Absent: Todd L'Herrou, Steven Janssen and Alexander Simon,

Guests Present: Lisa Herrmann, Joseph Safford, Karen Schell, Mike McCleary and Charles Stravino

Item 2. Approval of the agenda:

Mr. Ellingsworth moved to approve the July 15, 2008 agenda, seconded by Mr. Smith. Said motion passed unanimously.

Item 3. Comments from the Public:

As there were no individuals at the present time, the Task Force moved on to Item 4 at this time.

Item 4. Approval of the Budget Task Force Minutes for July 1, 2008:

Mr. Dole indicated at the last meeting there was discussion whereas he requested who conducted union negotiations for the City. Mr. Safford replied the Human Resource Director. Mr. Dole commented this should be inserted in the records/minutes as it is an important point that we have one person conducting negotiations without much support from other departments. This may lead to an appropriate recommendation. Mr. Smith moved to approve the July 1, 2008 minutes as amended, seconded by Mr. Ellingsworth. Said motion passed unanimously.

Item 5. Recap of City Commission Workshop – Interim Report:

Mr. Safford indicated the presentation went well; one question during the presentation was the accuracy of the numbers. The comment being related to the topic of the competition events. Another comment was on the shuttle bus. Mr. Safford continued stating comments are being received from Departments, Employees and Commissioners relative to the report including possible alternatives to some recommendations made.

Mr. Smith requested two items be brought up for discussion; one being the tennis contract and the other staff reduction. Mr. Smith would like to add further wording to the existing recommendation that the City forward the contract to an outside attorney who specializes contract law. As far as staff reduction the Task Force has not even addressed this issue. Mr. Smith stated it is not his intent to cancel the event, but void the contract.

Mr. Safford indicated as far as the Tennis Tournament this would be up to the City Commission; they have not given the impression they don't want the Tournament. Mrs. Ruby is well qualified in contract law and has access to external attorneys. Mr. Safford does not feel it is the Task Force's duty to override the review of the City Attorney. As far as staff reduction, the City Manager has requested each department to review functions for deletion. This subject is being addressed and it should be the Task Force's duty to overlap the functions of the City Manager and Department Heads. It is extremely difficult for the Task Force to evaluate and determine whether a position is or is not needed.

Mr. Dole indicated he does see the point of view, however, does not feel it within the purview of the Task Force to address the issue of personnel costs. General expression of support for a review of the personnel issue is appropriate.

Mr. Wheat commented he disagrees and does not feel it is the Task Force's duty to reduce staff as well as the comment of getting someone outside to review a contract. Why pay further costs when the City Attorney has already reviewed this item. This leads to questioning the ability as a City Attorney which the Task Force should not be involved in.

Mr. Smith commented it is prerogative to address staff cost as it is the largest expenditure within the City. To remain silent is to add to the comment that this committee has been quoted on that says we want to save jobs. This committee is not about saving jobs, but about reducing expenditures without affecting essential services.

Mr. Moore entirely disagrees with that statement and supports Mr. Safford.

Mr. Arts commented he does not have the expertise to dig into any department and review the roles. The Task Force is to look at the research put before the members. The Tennis contract is a public document and if there is an attorney that would like to volunteer their time, that may be a possibility; but to pay further costs for something our professional legal people have completed is not appropriate.

Mr. Ellingsworth commented the language in the report is sufficient and addresses the issue. The minutes addressed a recommendation to the City of a long term cost benefit analysis be completed before engaging into a contract of any length of term; has this been entered in the report. Mr. Ellingsworth feels the Task Force needs to reinforce that they strongly recommend a study be performed in any significant contract in terms of long term cost benefit.

Mr. Safford responded it would be in the next report.

Mr. Smith moved to make a formal motion that we provide a general recommendation of staff reductions that simply says the Task Force supports the City's analysis of their staff and if necessary, reduce staff where it will not affect the standard services provided for the citizens. Motion died for a lack of a second.

The Task Force returned to Item 3 at this time.

Item 3. Comments from the Public:

Mr. McCleary, Fire Union Representative gave a presentation of possible savings in converting to a 52 hour voluntary work week. The plan came from the City of Miami which has been in place for approximately 10 years. The plan would allow employees to work extra hours throughout the year eliminating the need to hire less individuals. This would be paid as straight time with 6% pension contributions thereby having these moneys included in pension calculations. By implementing this plan, costs of benefits would be less, current employees are already being paid and eliminates the need to pay additional benefits with not hiring additional personnel.

At this time Mr. McCleary reviewed the handout indicating the volunteer would work on their time off of their normal regular reoccurring Kelly day. (Every other Kelly day would be straight time.) Within the three week cycle one would not violate the FLSA days where they don't work over 52 hours. Instead of hiring five positions, we use the current work force to fill the gap. This would be for bargaining unit members only and would not include management. Mr. McCleary continued reviewing the pension cost over a ten year period comparing it to the Florida Retirement System.

Mr. Safford indicated in all fairness, if comparing the City to FRS, one would need to show the difference in benefits also. The City is required to fund whatever cost based upon the benefits in the plan and the performance of the plan.

This completed Mr. McCleary's presentation.

Mr. Safford commented in an initial observation made, Task Force members questioned why in medical emergencies, they commonly see either fire engines or ladder trucks accompanying the ambulances to a medical call.

Mr. Stravino explained it's a matter of number of people to complete certain tasks. There are basically two types of calls; a minor medical and a medical emergency. A minor medical is such an event that would not require transport to the hospital (such as a laceration on a finger). A rescue truck with two paramedics is sufficient to handle those calls. A medical emergency such as a heart attack, a stroke, or an incident that would require advance life support one will see the fire truck, ladder truck and/or pumper going with the rescue truck. This requires many procedures to be done on scene by multiple people. In addition an EMS

Supervisor is dispatched who is in another suburban type truck. It's the quality of care in getting procedures accomplished in a timely fashion for the best interest of the patient. Some of this relates back to the staffing of vehicles. Neighboring communities, Boynton Beach, Palm Beach County Fire Rescue and Boca Raton Fire Rescue have three paramedics on each rescue truck; Delray Beach staffs with two. The fire truck can do everything the ambulance can except take the patient to the hospital.

Item 6. Review of new handout material:

Mr. Stravino stated today he was acting as Fire Chief while Chief James is at Harvard. He is also a city resident who shares interest in cost cutting and savings as well. One major concern was the credibility of the Task Force to the Police and Fire Fighters in general. In reference to the newspaper article about the competition events, an Assistant Chief provided actual numbers of approximately \$9,000 at the last meeting. Mr. Stravino continued expressing his opinion on the difference in figures stating he would be providing responses to many items in the interim report.

Mr. Safford agrees with the importance of using as accurate numbers as possible; the numbers used came from the requested detailed budget. Actual numbers are not being evaluated at this point in time.

Mr. Ellingsworth questioned clarification as to the money funded for items.

Ms. Herrmann explained the departments put in a budget request; listing items they would like for travel/training which includes combat challenges, schooling, etc. From a request of \$200,000 worth of items wanted, perhaps only \$100,000 is approved. It doesn't necessarily restrict certain items, but only dollar figures. They may still have the challenges and schooling; however, they are limited on the dollar amounts for all requested items to \$100,000. It is the department's decision to choose what may or may not be included in the approved dollar amount.

Item 7. Review of previous handout material:

Mr. Safford indicated the Task members were copied on newspaper articles released.

Secondly, is an illustration of a breakdown of the property casualty insurance. Mr. Safford commented he felt the City never determined the commission made on the City's policies. In further research of the policy documents, A. J. Gallagher provided a breakdown of the total commission as \$303,000 on \$1.7 million of premiums. Mr. Safford questioned, as Mr. Arts is in the insurance field, perhaps he could make further observations and recommendations.

Mr. Arts stated he would review this and report back to the Task Force.

Mr. Safford indicated the brokerage is currently not put out for bid annually; however, this will change within another 30 days or so. The broker provides several quotes from insurance companies.

Mr. Arts commented he actually serves several municipalities in Florida and is very familiar with this process. A common practice is the broker usually tries to place their business with their own carrier and is blind to the customer. Mr. Arts refrained from saying too much as he felt there maybe a conflict with his comments. He would talk further with Mr. Safford.

Mr. Safford continued stating the City Manager is in the process of balancing the budget. Depending on the millage rate set, the City would be at a \$6 million to \$8 million budget shortfall. The City Manager has commented on freezing wages and leaving the 43 open positions vacant.

In further discussion, Mr. Ellingsworth stressed the importance of clarification as to where the dollar amounts are being represented from such as a budgeted number, requested budgeted line item or an actual number. Perhaps a general statement in the Executive Summary would be appropriate. Mr. Ellingsworth moved for a motion that for each line item with a dollar amount, its source be listed such as requested budget or actual, seconded by Mr. Moore. Said motion passed unanimously.

Mr. Stravino commented the Fire Department will be looking into the same areas as the Task Force members suggested as they also want to save positions; bare minimum training for mandatory certification

requirements and competitions. Mr. Stravino stated he did not see a benefit in working with projected numbers. Actual numbers will present a clearer picture.

Mr. Safford indicated one of the difficulties when evaluating actual figures is as a line item, we would need to go back to the department and request a breakdown for the year to date as to the expenditures.

Mr. Safford explained the next handout is a breakdown the Task Force's recommendation and the steps needed to implement each change. Some items will need a Department Head, City Manager and/or City Commission authority, some will require union negotiations or some items will require an administrative policy change. The last two columns illustrate if this change were to take place it would be for the current or deferred budget.

The last handout is a meeting schedule of the Task Force for 2008/2009 based upon monthly meetings; the next being August 19th, 2008.

Item 8. Other Business:

Mr. Dole questioned what future topics Mr. Safford fore sees the Task Force covering.

Mr. Safford responded Fleet is currently being evaluated; mileage from an employee's residence to business and comparison of personal use versus business usage. Insurance is another big item which will probably conclude the General Fund. From then funds to be reviewed would be Capital, Renewal/Replacement, Bonds and Enterprise Operations (water, sewer, golf courses, marinas, storm water and utility funds).

Mr. Ellingsworth questioned if the consultant's report the City hired to do an evaluation of City operations was available?

Mr. Safford stated that report may be ready by month's end, and would copy the Task Force members upon availability.

Mr. Wheat stated City Commission will have their budget meetings on July 22nd and 29th if anyone is interested in attending.

Mr. Wheat indicated the election of the Chairman and Vice Chairman of the task Force for the six month term is coming to a conclusion and new elections for the extension should be considered. Mr. Smith moved to have the Chairman and Vice Chairman reappointed as is, seconded by Mr. Moore. Said motion passed unanimously.

Motion to Adjourn:

There being no further business, Mr. Smith moved to make a motion for adjournment, seconded by Mr. Moore. Said motion passed unanimously. The meeting adjourned at approximately 10:24 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 July 15, 2008, which minutes were formally approved and adopted by the Budget Task Force on September 9, 2008.



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