

FINANCIAL REVIEW BOARD – MEETING MINUTES

SEPTEMBER 13, 2011

100 N.W. 1ST 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 Pianne

Sharon Roth, Alternate

MEMBERS ABSENT:

David Stein, Alternate

Bradley Winney

STAFF & GUESTS PRESENT:

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

Item 3. Approval of Agenda-

Ms. Pearce asked for approval of September 13, 2011 agenda. Ms. Pianne moved to approve the agenda, seconded by Mr. Hallahan. Said motion passed unanimously.

Item 4. Approval of Minutes -

Approval of Minutes of Meeting of August 11, 2011 – Mr. Cottone moved to approve the agenda, seconded by Mr. Hallahan. Said motion passed unanimously.

Item 5. Public Comment – None.

Item 6. Handouts –

- 1.) Income section of City of Delray Beach Proposed Budget FY 2011/12
- 2.) Assessed Property Valuation Yearly Chart
- 3.) New FRB Contact Distribution Listing
- 4.) Downtown Development Authority (D.D.A.) Marketing Information
- 5.) Police Data Report issued on 8/9/11 via email

Item 7. Open Issues-

A.) STRATEGIC MARKETING PLAN: Mr. Ritter attended several meetings with the various entities involved with Delray Beach marketing initiatives and it seems there is more cooperation in terms of sharing information and reducing redundancies in efforts. Everyone understands the importance of having one cohesive strategic marketing plan. The foundation has been laid for improvement in the future. There are limited resources in terms of manpower, advertising and developing programs. Mr. Ritter will be attending all of their meetings once he receives the schedule.

B.) HEALTH CARE PLAN ANALYSIS: Mr. Koeser, Director of Human Resources contacted Mr. Ritter and said Cigna's medical management team came in to give an overview of recommendations, goals and objectives, and wellness initiatives. This is a good step in reducing overall costs and increasing communication. This was a recommendation of the Board; it was received well and implemented.

C.) TENNIS OPERATIONS ANALYSIS: Mr. Cottone met with Mark Baron, owner of Match Point, Inc. The issue is the IMG contract. In contract clause 4b it allows for termination of the contract if there is no response within 30 days. Mr. Baron added that he could speak with IMG and they would release the contract. Mr. Baron suggested that meanwhile the Board find a suitable replacement for IMG. Mr. Cottone stated if the right company is found, it could result in \$600,000 to \$1 million in revenue for selling of the naming rights and sponsorships. Mr. Baron conveyed some difficulty in selling the naming rights. He does try to use the hotels in Delray Beach for housing the players. This summer he booked over 3,000 rooms. Mr. Baron does not create an economic feasibility report but there is one created by the City that the Board would like to review. The tennis center and golf management company, Dubin and Associates, feels they will continue running at a loss however, the tennis facility brings much to the City. Mr. Cottone discussed the Delray Swim and Tennis facility and the Lakeview Golf Course as well, also owned by the City. Ms. Pearce said there may be properties the City owns that may be able to be sold and be put back on the tax rolls or leased.

Mr. Ritter is interested in the direction and role of Mr. Barcinski, Asst. City Manager, in the process. This IMG contract has been a failure from the start. One possible recommendation the Board could make is to have an RFP (Request for Proposal) for a local ad agency or marketing firm to bid on the project. Hire a local agency that will address local hospitals, car dealerships, businesses in order to get sponsorships. IMG is not local; they are global, so they have no representation here locally to build the

relationships required. When the contract is written, give them goals and objectives that they will be accountable for. Mr. Hallahan and Mr. Cottone discussed using a successful tennis facility as a model for ideas on marketing and sponsorships.

Ms. Pearce supplied the expense sheets for the tennis center to Mr. Cottone for review. There are items that seem vague such as "Other Professional Services" at \$400,000 or "Other Contractual Services" and "Other Repair and Maintenance".

D.) POLICE DATA ANALYSIS: Mr. Hallahan, after reviewing the report, noted a recommendation by ICMA to decrease the number of Asst. Chiefs and Captains; the report indicates the department is heavy on upper management positions. Ms. Pearce does not intend to make any recommendations from the Board until they can meet with Police Chief Strianese. The Board will invite him to attend the next meeting.

E.) FIRE DATA ANALYSIS: The Fire Chief has received the ICMA report and it is currently being reviewed. Once the City Manager approves it to be released, the Board will receive a copy.

F.) CEMETERY OPERATIONS ANALYSIS: Mr. Hallahan met with Lanelda Gaskins, Deputy City Clerk, and received a copy of the record of sales on all of the plots in the cemetery. He was surprised to find out this is all done manually by color coding, and is not computerized. There is a problem with the number of plots that are affected by a pipe that was installed. He hopes to have an accurate inventory of plots determined in the next month or two. Ms. Gaskins will be sending Mr. Hallahan information on how many plots were sold over the past two years. Ms. Pearce stated the goal is to find out how many plots are affected by the pipe issue, what plots are available for sale and how many plots are remaining. Additionally Mr. Hallahan will be researching unpaid balances and agreements that are in default in order to reclaim the plots. He will prepare a report for recommendations.

G.) FIRE ASSESSMENT FEE: Ms. Pearce stated the City has hired a consultant to present how to implement a Fire Assessment Fee throughout the City. As proposed, the houses will be charged between \$60.00 and \$68.00 a year for each dwelling unit. The problem is how to handle the apartments; they hold one deed and have hundreds of units.

H.) CONTRACT ADMINISTRATOR: Mr. Ritter agrees with Mr. Ellingsworth's (the prior Chairman of the FRB) previous recommendation of having someone in the City oversee contracts and the vendor relationships. Ms. Blood will be doing research and drawing up the recommendations for the Board to review.

Item 8. New Business and Open Discussion-

A.) REVIEW OF PROPOSED BUDGET INCOME SECTION AND EXPENSE REPORTS: Ms. Pearce discussed different categories of expenses - how expenses can be reduced and how income can be increased so the impact of the operations of the City is not so tax onerous. They discussed some of the department's individual budget expenses and will be dividing up the tasks of departmental inquiry among the members.

B.) FRB BOARD MEMBERS IDENTIFICATION: Mr. Hallahan has requested some form of identification for the Financial Review Board members so the departments are aware they are members of a City Board and trying to help the City rather than challenge the departments.

Ms. Blood discussed the fact that the Board has provided comments and recommendations to the Commission, and they seldom get feedback from the Commission on the suggestions. She attended meetings regarding the Benevolent Grant process, and she has not been informed the status of the Board's recommendations. Ms. Pearce stated the grant application process has been changed to include more documentation such as a 990 tax form, as well as the requestors were asked to try to get funding from other sources rather than the City; there was progress and the Board's recommendations had been implemented.

Mr. Ritter had identified himself as a Board member to the entities involved in marketing, observed, made recommendations, asked questions and laid out a foundation for having goals and objectives, one overall strategic plan, better communication and involvement. He stated they should make their decisions based on data, of where and how to spend money. He feels his role will be enhanced by being included and involved with every meeting. He recommended to the Assistant City Manager to have someone oversee the groups involved in marketing and hold them accountable, submit monthly reports, and require the organizations to work together in order to save money.

Ms. Pearce advised the FRB is an advisory board and has issued advice on the Parking Study, Parks and Recreation Department, and several other items. She would like to ask Mr. Harden for a road map defining the steps once they issue recommendations. The City should have some responsibility to reply back to the Board as to whether recommendations will be implemented and in what timeframe. The Budget Task Force also submitted a report in 2009 prior to the Commission appointing the Financial Review Board members.

Ms. Pearce stated each member may call Ms. Flynn prior to visiting a department and have her request that Mr. Boyd, Finance Director, or Mr. Barcinski, Asst. City Manager, contact that department informing them that the FRB member will be meeting with them and describe the purpose of the visit.

Mr. Barcinski did introduce Mr. Cottone to Mr. Mark Baron and the tennis facility managers leading to a very positive and welcoming experience.

Mr. Ritter agrees it is wise to be introduced to key decision makers. He feels however, that there seems to be no sense of urgency on the part of the various departments. The City is losing so much money - it should be a priority (to cut expenses). In his opinion, the City made a terrible decision in signing a long term, ineffective, costly contract for the tennis tournament. He would request the City provide the Board with a monthly or quarterly progress report. He recommends focus on revenue generators to offset some of the losses.

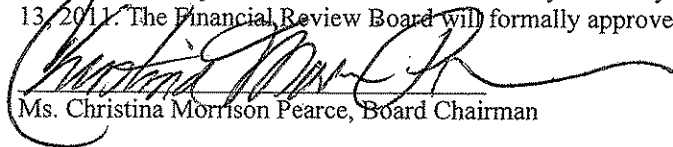
Mr. Ritter has submitted an outline and a model in terms of what a strategic plan should look like. The recommendation was there should be one strategic plan for the various marketing entities to work through.

Ms. Pearce will draft a letter to the City Manager for the Board's review on creating a road map of: acknowledgment of receipt of recommendations, what will be implemented and what requires more study, and set up a timeline for a response. She will also be sending out the Parks and Recreation Department recommendations to the Board simply to use as a format for their upcoming recommendations.

UPCOMING AGENDA ITEMS – FRB PROCEDURES ON RECOMMENDATIONS, CONTINUE WITH CEMETERY ANALYSIS, HEALTH PLAN, CITY MARKETING, TENNIS OPERATIONS, FIRE STUDY, AND POLICE STUDY.

Item 9. Adjournment -

Ms. Piani motioned to adjourn the meeting seconded by Mr. Hallahan. 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 13, 2011. The Financial Review Board will formally approve these minutes on September 27, 2011.



Ms. Christina Morrison Pearce, Board Chairman