

FINANCIAL REVIEW BOARD - MEETING MINUTES

APRIL 6, 2010

ENVIRONMENTAL SERVICES - BOARDROOM
434 SOUTH SWINTON AVENUE – DELRAY BEACH - FLORIDA

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
Jack Warner
Yvonne Walker
Christina Morrison Pearce
Rosalie Blood (Alternate)

MEMBERS ABSENT:

Robert Moore
Warren Trilling (Alternate)
Brenda Durden

STAFF PRESENT:

Joseph Safford, Finance Director
Barbara Flynn, Board Liaison
Lisa Herrmann, Budget Officer
Rebecca O'Connor, Treasurer
Rich Reade, Sustainability Officer

Item 3. Approval of Agenda

Mr. Ellingsworth asked for approval of the April 6, 2010 Agenda. Mr. L'Herrou moved to approve the Agenda seconded by Mr. Warner. Agenda revised to add item "7d- Old Business Discussions" Said motion passed unanimously.

Item 4. Approval of Minutes

Mr. Ellingsworth asked for approval of the Minutes of March 16, 2010. Ms. Pearce moved to approve the Minutes, seconded by Mr. Warner. Motion passed unanimously.

Item 5. Public Comment

Public present: Mr. Ken McNamee, Dr. Victor Kirson, Mr. Al Berg (Community Improvement) and Ms. Danielle Connor (DBFD). No comments.

Item 6. New Handout Material

Mr. Safford provided the Board with a new letter from our Actuary on Police and Fire Pensions and a report from Ms. Walker on Budget Comparisons with other cities.

Item 7. Open Issues

a) Waste Management commercial franchise fee analysis report presentation:

Mr. Safford explained the presentation will be completed with both the commercial and residential sides analyzed in time for the next meeting and asked this item be deferred. Mr. Warner moved to table the item until April 20th, seconded by Ms. Pearce. Said motion passed unanimously.

b) Draft of proposed recommendations on the required disclosure of operating expense cost impacts (and their source of funding) associated with requests for Capital Improvement Projects:

Mr. L'Herrou spoke with Brian Shutt, City Attorney regarding this issue. The process is handled within the departments. Mr. L'Herrou stated a recommendation should be presented to the Commission requesting they enforce the requirements including the operating costs associated with the projects. Mr. Safford described the current process. There was some discussion on the purchase of new software that is currently being considered for the Police and Fire, in the amount of \$1.2 Million and that the savings in administration fees should be presented as part of the package. Mr. Safford explained that information is provided in the beginning of the process. Mr. Warner and Mr. Ellingsworth asked for a copy of the current process to be provided to the Board for review.

c) Information on fees: Differential between resident and non-resident

Ms. O'Connor explained the biggest difference appeared in the Tennis memberships. Ms. Pearce has spoken with Linda Karch, Director of Parks and Recreation and found that she has raised the rates across the board. Mr. Ellingsworth believes that attendance records should be kept. Ms. Walker explained that the City Manager had implemented a program of "Performance Measures" which would have supplied all of that type of information (hundreds of indicators), but the program is no longer active. There was some discussion on the fee for the residency cards and how many sold, yearly fees for the skate park (teen center) and non-resident water rates. Mr. Ellingsworth asked for a copy of the Performance Measures Manual for review. It was decided not to make a recommendation to change fees at this time.

d) Old Business Discussion

1.) Ms. Pearce indicated the letters to the employees for cost savings suggestions are ready to be distributed with the next payroll.

2.) There was some discussion on the Pension Plan Alternatives (defined benefits vs. 401k's) and the role the Board should take in any recommendations such. Mr. Safford explained there is some legislation at the State level that may have some impact, and the Actuary study the City Manager is doing is still underway. The City Manager will be making recommendations to the City Commission on changes in the City pension plans. The current plan is underfunded. When looking at the defined benefits plan you have to look at both the wages and the benefits together as a package. The Board may look at what others have done and the results. Mr. L'Herrou volunteered to find others doing research in this field on transitions from one benefit plan to another and look into their findings.

3.) Ms. Walker presented her General Operating Budget Comparisons of Local Municipalities which depicted the City of Delray Beach is in line with other cities in their operating budgets by department. Since the departmental structure between cities varies (i.e. our Administrative Services includes the Tennis tournaments and our Finance dept includes I.T.), Ms. Walker will re-group the chart to make the comparisons easier to review.

Item 8. New Business and Open Discussion

1.) Consideration of retaining a firm to conduct a utility bill audit

Mr. Safford explained a firm that does audits on telephones, telecommunications, FPL, water/sewer and all other utilities contacted us. They are paid out of recoveries. This would have to be approved by the City Commission and the legalities would have to be checked, but he wanted to get the Board's input on if this is something they think would be advisable. We should get proposals from other companies to determine the percentage of the recovery savings they would request to be paid. The Board agreed to recommend a utility audit for both the operational and tariff savings generated initially and ongoing in future years.

2.) The Board wanted to insure the franchise fee analysis will ready for the next meeting. Mr. Reade stated on the residential side they have completed the inventory and reconciled. They have developed a model that Mr. McNamee has requested to review. The Board also requested the report on the commercial franchise fees to be submitted to them prior to the meeting so they can review.

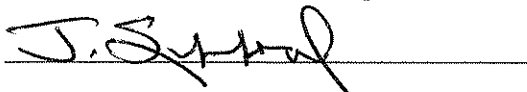
3.) Agenda items for the next meeting will be:

a.) Presentation of the Waste Management commercial franchise fee analysis as well as the residential unit reconciliation.

Item 9. Adjournment

Ms. Pearce motioned to adjourn the meeting seconded by Mr. Warner. Said motion passed unanimously. The meeting adjourned at approximately 10:33 a.m.

The undersigned is the Finance Director of the City of Delray Beach. The information provided herein are the minutes of the City of Delray Beach Financial Review Board of April 6, 2010. Minutes were formally approved and adopted by the Financial Review Board on April 20, 2010.



Joseph M. Safford, Director of Finance