

FINANCIAL REVIEW BOARD – MEETING MINUTES

JULY 26, 2011

434 S. SWINTON 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
Jeff Ritter
John (Jack) Hallahan
Anthony Cottone

MEMBERS ABSENT:

Luise Plane
Rosalie Blood, Vice Chairman

STAFF & GUESTS PRESENT:

David Boyd, Director of Finance
Robert Barcinski, Asst. City Manager
Barbara J. Flynn, Exec. /Tech. Asst.

Item 3. Approval of Agenda-

Ms. Pearce asked for approval of July 26, 2011 agenda. Mr. Hallahan moved to approve the agenda, seconded by Mr. Ritter Said motion passed unanimously.

Item 4. Approval of Minutes -

Approval of Minutes of Meeting of July 12, 2011 – The approval of the minutes was postponed.

Item 5. Public Comment – None.

Item 6. Handouts –

- 1.) Items requested from last meeting emailed: Cemetery, Grants and Resolution 05-11
- 2.) Mr. Harden's General Fund Summary by Department
- 3.) Information on proposed Fire Assessment Fees

Item 7. Open Issues-

A.) MARKETING PLAN: Mr. Ritter met with Mr. Barcinski and Sharon Painter, CEO of Dubin Associates. Mr. Ritter was supplied with a copy of the marketing plan. Mr. Barcinski explained to Mr. Ritter the relationship with IMG which expires in July 2012. Following that there is a contract with MatchPoint until year 2030. Mr. Mark Baron is the CEO of MatchPoint and is responsible for the annual event and a report is provided from him to Mr. Barcinski on the return of investment and economic impact.

Mr. Barcinski stated MatchPoint received a grant from the Sports Commission, as part of the process they showed the economic impact of both tournaments was approximately \$11million. The City also does their own economic impact analysis (or hires a separate company) for verification the numbers are correct based on the formulas used county wide. There is detailed data that can be used for marketing and promoting resulting from this analysis.

Mr. Ritter received information during this meeting of all of the key players in business development and marketing for the City of Delray Beach (Chamber of Commerce, CRA, DDA, DMC etc.) and how all of these work together. Also described was Sarah Martin's role as the Executive Director of the Delray Beach Marketing Cooperative. They provide marketing, volunteers, and other services for special events. Mr. Ritter and Mr. Barcinski will meet again in a couple of weeks to follow up. Mr. Ritter was able to speak with Sarah Martin and she is interested in facilitating a strategic planning meeting with the Marketing Board on August 8th.

Mr. Barcinski stated the reason the City ended the contract with IMG is due to the fact they were contracted to sell sponsorships for the tournament as well as naming rights. After two years they did not produce results. If all the sponsorship were sold it would have been well over \$500,000. The City has tried three other companies. Only the late Mr. Braham Dubin was successful at getting grants from the Sports Commission, Visit Florida and Jet Blue. Another company has recommended packaging sponsorships for not only the tennis center but for other recreational facilities. There is no "out - without cause" to end the contract with IMG until July 2012. There was no "performance measures clause" included in that contract. Mr. Barcinski will not recommend IMG for renewal.

There was discussion from Mr. Barcinski on sponsorship. For example one of Mr. Baron's current sponsors is Porsche, so no other car companies can be sponsors. Mr. Cottone stated he would like to be involved in this project; he has a background as a professional tennis player and involvement in the operations and marketing of events. He will be working with Mr. Ritter on this project going forward. Mr. Ritter stated there are other things that can be done to build revenue, rather than concentrate on this long term contract with MatchPoint. Mr. Cottone brought up a point that possibly an electric car with an SSC code could fit in as

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a sponsor because it is a different industry. Mr. Barcinski stated MatchPoint provides International TV coverage which brings business downtown. There is also a Chris Everett Tournament, and one through MatchPoint called TIM for the youth tournaments. Hundreds of youths come from all over the county with their families, using restaurants and hotels.

Ms. Pearce spoke with some of the tennis players and found and they were all placed in a hotel in Boca last year. Mr. Barcinski stated we had no control that MatchPoint was the one to decide at what hotels the players will stay. Mr. Cottone was with some of the players for the tournament at their hotel in Boca. He stated it is the duty of the tournament to pay and provide housing for all players, coaches and guests, so they choose hotels that are inexpensive to keep costs down. Ms. Pearce's point was that we pay for the tournament and they take all of those revenues (hotels, restaurants) to another city. Mr. Cottone asked how much we pay. Mr. Barcinski stated it is \$1.8 million. The Tennis Center plus the Stadium combined costs \$3 million. In response to Ms. Pearce, Mr. Barcinski added the IMG contract will go out to RFP in three months. He added that a complete analysis can be done by a company to give options on sponsorship at a cost of \$30,000 / plus 20% of what they sell for you. Moving forward with contracts, Mr. Barcinski will make sure there are performance standards, reporting requirements and a means to end the contract if these are not met.

Ms. Pearce asked who everyone reports to for marketing of the City. Mr. Barcinski stated there is a Downtown Marketing Cooperative that should be coordinating the marketing. The Board also consists of a member to represent each the Chamber of Commerce, the DDA, CRA and the City. Mr. Ritter stated there is a fair amount of coordination, but also some disconnect. In terms of overall success and financials, accountability needs to be brought to the forefront. He will continue to work with Sarah Martin to help focus on the business strategy, goals and objectives to help improve the process and facilitate a meeting with all of the entities involved.

B.) HEALTH CARE PLAN ANALYSIS: Mr. Ritter has not had a response from Bruce Koeser, Director of Human Resources for input. Hopefully they will meet soon.

C.) CEMETERY POLICY ANALYSIS: Mr. Hallahan spoke with Randal Krejcarek, Director of Engineering and they are working on adding the location of the pipe (running along the cemetery) to the maps to substantiate how many plots are affected by this. Currently he finds the mapping is inaccurate. They can use an outside surveying company if it is in the budget. At the current rate of burials, the cemetery will only have plots available for five more years. He will continue working with Mr. Krejcarek and then continue with the City Clerk's side of the operation.

D.) FIRE ASSESSMENT FEE: Ms. Pearce handed out budget info from the City Manager. It shows that with the estimated drop in value from the Property Appraisers Office, we are expected to be off another 2.47% which equates to \$2.3million for the next fiscal year. The Commission is trying not to raise property taxes so an option is to consider a Fire Assessment Tax. Other cities have implemented this because there are a large number of properties that do not pay any taxes, yet have all services. Information provided by the City Manager shows 5,940 parcels in the City of Delray Beach pay less than \$200.00 in property taxes; 1,305 of them pay less than \$100.00. This does not include tax exempt properties. The Fire Assessment if approved may be approximately \$60.00 per residential unit to add to the City income for services provided.

Ms. Pearce calculated based on the \$94 million City budget, and 45% (\$42million) of that comes from real estate or ad-valorem taxes, divided by 64,000 citizens, comes to approximately \$443.00 per resident or \$1100.00 per parcel that needs to be generated to support the City and keep it sustainable.

E.) POLICE STUDY SUMMARY: Not available – expected within the next week or two.

F.) FIRE STUDY: Not available – expected within the next week or two.

G.) GRANT APPLICATION PROCESS: Ms. Pearce stated the grant allotments for next year have been reduced. Mr. Barcinski stated the Board's final recommendation went to the City Manager so he will either take directly to the Commission or make adjustments.

H.) CONTRACT ADMINISTRATOR: Ms. Pearce stated it was recommended three years ago by the Budget Task Force - that the City set up a Contract Administration Department to monitor large contracts. The Financial Review Board will be continuing with this recommendation. Mr. Hallahan has been a Contract Administrator in his career and offered some input on the frequency of contract review, and the importance of doing so.

Item 8. New Business and Open Discussion-

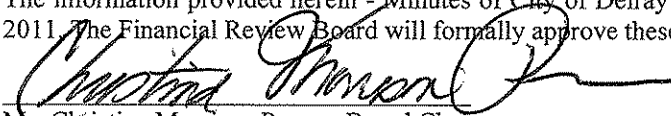
A.) After discussion with the other members, Ms. Pearce rescheduled the next meeting from Tuesday August 9th to Thursday August 11th. Members will be notified of the location and the Agenda will be posted in the lobby of City Hall for the public.

B.) BUS TOUR: Mr. Hallahan had previously discussed a bus tour that started in Boynton Beach touring Delray Beach. Ms. Pearce stated the tour was from a grant fund and this year it has been rejected. It was run by the Museum of Lifestyle History. We do currently fund two other historic organizations in the City; Delray Beach Historic Society and Spady EPOCH (Expanding & Preserving Our Cultural Heritage, Inc.).

UPCOMING AGENDA ITEMS – CONTINUE WITH CEMETERY ANALYSIS, HEALTH PLAN, MARKETING/TENNIS, FIRE AND POLICE SUMMARY ANALYSES AND FIRE ASSESSMENT DISCUSSION.

Item 9. Adjournment -

Ms. Pearce 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 July 26, 2011. The Financial Review Board will formally approve these minutes on August 11, 2011.



Ms. Christina Morrison Pearce, Board Chairman