

## FINANCIAL REVIEW BOARD – MEETING MINUTES

MARCH 08, 2011

434 S. SWINTON AVENUE , DELRAY BEACH, FL

### Item 1. Call to Order

The Chairman of the Board, Mr. Howard Ellingsworth was absent, Ms. Pearce (named Chairman for this meeting) called the meeting to order at 8:52 A.M.

### Item 2. Roll call

MEMBERS PRESENT:

Christina Morrison Pearce  
Luise Piane  
Rosalie Blood  
Martin Cherry (Alternate)

MEMBERS ABSENT:

Cheryl Shaffner (Alternate)  
Howard Ellingsworth, Chairman  
Todd L'Herrou, Vice Chairman  
(resigned)

STAFF & GUESTS PRESENT:

Barbara J. Flynn, Finance Dept.

### Item 3. Approval of Agenda-

Ms. Pearce asked for approval of March 08, 2011 agenda. With items removed from today's agenda: 7C – Tennis Center contract status and 7D – Report on Health Care Clinic, to be moved to next meeting Ms. Piani moved to approve the agenda, seconded by Ms Blood. Said motion passed unanimously.

### Item 4. Approval of Minutes -

Approval of Minutes of Meeting of February 22, 2011 - Motioned to approve by Ms. Blood, seconded by Mr. Cherry. Said motion passed unanimously.

### Item 5. Public Comment – No public present.

### Item 6. Handouts –

Resolution 05-11 – Structure changes for FRB

Formal Recommendations of Financial Review Board for review (\*not including Waste Management)

Proposed Recommendations : Parks and Recreation Budget (by Ms. Pearce)

\*A majority of the Board's time last year (2010) was devoted to the Waste Management contract issues resulting in several recommendations from the Board in regard to that contract.

### Item 7. Open Issues-

A.) CRA ACQUISITIONS OF PROPERTY:

Ms. Pearce stated there was an article in the Sun-Sentinel: the City was discussing taking over parcels using a \$2.3 million dollar Federal Grant. The intent for the use of these properties is to make more parks. Ms. Pearce spoke to the City Commission pointing out that we already spend 14% of our budget on Parks & Rec. That expense has also been increasing over the last three years, while other expenses have been made to decrease, including public safety. Parks and Rec.'s budget increased by 2.6% while public safety decreased by 4.54%. Additionally Parks and Rec. is not rated as a City core function. Further research found the Skate Park which was given to the City by the CRA and made into a teen park has a property value of \$971,000.00 and property tax of about \$30,000. Other properties along Federal Highway would also be taken off of the tax rolls if these acquisitions went through. What is happening is - we are taking more properties off of the tax rolls while also increasing the Parks and Rec.'s budget for maintenance of these parks. The CRA does not have any mechanisms in place to maintain the properties they purchase and transform into parks, so they donate them to the City. We have added three parks in the last year to the system.

Ms. Pearce offered an alternative: Change the zoning to make the property more valuable to developers.

Mr. Cherry brought up a valid question. What is driving the CRA to make these purchases to create more parks? Ms. Pearce agreed that she did not think we needed more parks. The CRA tries to eliminate blight; they may be able to purchase properties and remarket them for a more sustainable or tax generated use than creating a park.

Grant money could be used to improve the parks we already have and to improve the beachfront, rather than taking more properties off of the tax rolls.

Ms. Pearce stated that last year there were many ideas on beach improvements, an architect (Bob Currie) donated his time for design, but even though they loved his designs they have not been implemented. The Mayor informed her there is a fundraiser this month to benefit revitalizing the beach area.

The Board decided to continue discussion on this topic at the next meeting in order to get more input from Mr. Ellingsworth who has also been researching this issue.

B.) RECOMMENDATIONS FOR PARKS AND RECREATION: (Presented by Ms. Pearce)

Brief Outline of issues:

1. Not a core function
2. Budget steadily increasing at a growth of 2% per year even during the recessionary period of 2009-2011
3. Other core functions have been made to decrease their budgets i.e. public safety down 4.54%
4. The City continues to add more parks
5. Budget costs 14% - revenue 1% - not self sustaining; relying on tax dollars
6. Topics to consider from research of other cities in Palm Beach County:
  - A.) Palm Beach Gardens Parks & Rec. has become a self sustained department by implementing a new policy stating that recreational programs must generate sufficient fees to support those programs or services.
  - B.) Jupiter restructured the way they account for their Parks & Rec. department due to significant overlap in Public Services. They realigned their budget - reducing Parks & Rec. budget from 9.1% to 5.6% of the total City budget.

Brief Outline of recommendations:

- 1.) Reduce the Parks & Rec. budget to not more than 10% of the total City budget. (Cut 4% / \$1million)
- 2.) New parks must come with their own funding sources, initial and continuing
- 3.) Implement a procedure to monitor usage of parks so underused parks can be considered for dissolution or change of use
- 4.) Increase the use of the Resident Card program and charge higher fees for non-residents
- 5.) Expand the use of programs such as "Adopt a Park", kiosks, fence banners and other "soft" revenue producing mechanisms, especially at all major parks and facilities.
- 6.) Expand volunteer program to eliminate some paid positions
- 7.) Review fees on an annual basis and adjusted based on market conditions and other use factors
- 8.) Higher fees for non-residents should be set at all parks, programs and facilities
- 9.) Encourage respective neighborhoods to adopt "pocket" parks and take over maintenance rather than using tax dollars for upkeep of almost exclusively used neighborhood parks
- 10) Expand internship programs with local universities with the goal of eliminating some paid positions, reducing some salary, benefits and payroll overhead expenses

As an advisory Board member, Ms. Pearce is simply giving ideas on how Parks & Rec.'s budget could be reduced from 14% to 10% of the City's total budget. Ultimately it will be up to the managers. They will resume this discussion when the Howard Ellingsworth, Chairman of the Board is present and make a motion for recommendation.

C.) STATUS OF TENNIS CENTER CONTRACTS: Postponed from the agenda

D.) REPORT ON HEALTH CARE CLINIC: Postponed from the agenda

E.) STATUS OF FRB RECOMMENDATIONS:

The Board received a packet of their previous formal recommendations. Ms. Pearce stated the most controversial recommendations were for twelve furlough days for all employees and for the City Manager to set a spending target for departments when submitting their budgets. The City Manager did not include these in his proposed budget. The City Manager did agree with some items, however some required Union negotiations. Recently the City and the Firefighter's Union did come to an agreement that would save the City up to \$650,000. The City Manager did not agree with a recommendation by the Board to elimination of one of the two Assistant City Manager positions. The City Manager addressed all of the Board's recommendations and sent his response on each issue to the Board.

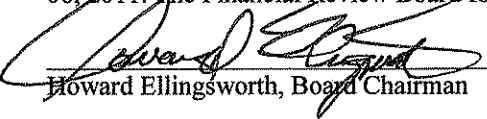
They will review the packet and continue to discuss this at the next meeting.

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

- A.) The Board's new member appointments are scheduled for the next Commission Meeting on March 15, 2011.
- B.) The Board discussed the path of the recommendations they submit. They will verify with Mr. Ellingsworth if everything they recommend does go to the Mayor and the Commissioners.
- C.) The Board had uncovered several shortcomings with the Cemetery's policies and procedures. Ms. Blood stated that the Chairman was going to reassign this continuing analysis to another member due to the resignation of Ms. Walker.

**Item 9. Adjournment -**

Ms. Blood motioned to adjourn the meeting seconded by Ms. Piani. Said motion passed unanimously. The meeting adjourned at approximately 9:40 a.m. The undersigned is the Chairman of the Financial Review Board. The information provided herein are the Minutes of City of Delray Beach Financial Review Board - Meeting of March 08, 2011. The Financial Review Board formally approved these minutes on March 22, 2011.

  
Howard Ellingsworth, Board Chairman