

FINANCIAL REVIEW BOARD - MEETING MINUTES

MAY 18, 2010

ENVIRONMENTAL SERVICES – TRAINING ROOM
434 SOUTH SWINTON AVENUE – DELRAY BEACH - FLORIDA

Item 1. Call to Order

The Vice Chairman of the Board, Mr. Todd L'Herrou called the meeting to order at 8:37 A.M.

Item 2. Roll call

MEMBERS PRESENT:

Todd L'Herrou, Vice Chairman – Acting Chairman
Jack Warner
Yvonne Walker
Christina Morrison Pearce
Rosalie Blood, Alternate – Acting Regular Member

MEMBERS ABSENT:

Howard Ellingsworth, Chairman
Brenda Durden
Robert Moore
Warren Trilling (Resigned)

STAFF PRESENT:

Barbara Flynn, Executive / Technical Assistant

Item 3. Approval of Agenda

Mr. L'Herrou asked for approval of the May 18, 2010 Agenda. Mr. Warner moved to approve the Agenda seconded by Ms. Blood. Motion passed unanimously.

Item 4. Approval of Minutes

Mr. L'Herrou asked for approval of two sets of Minutes; the Special Meeting Minutes of April 30, 2010 and the Regular Meeting Minutes of May 4, 2010. Mr. Warner motioned to approve the Minutes of April 30th, seconded by Ms. Blood. Motion passed unanimously. Ms. Pearce requested a copy of the memo mentioned in the minutes of May 4th from the City Manager to the Chairman of the Board. Mr. Warner motioned to approve the Minutes of May 4th, seconded by Ms. Blood. Said motion passed unanimously.

Item 5. Public Comment

Public present: Dr. Victor Kirson and Asst. Chief Danielle Connor (DBFD).

Dr. Victor Kirson asked why the Agenda stated the City Commissioners were to attend the Special Meeting of May 11th and they were not present. Secondly, he felt it was unnecessary for Mr. Ellingsworth to apologize, because the Board has the right to be negative if needed. Additionally, he felt the Board should be able to approach City staff for the information they need. Concerning negative statements the Board received for recommending unnecessary spending cuts in the future and delaying actions, Dr. Kirson felt it was because you are playing with Commissioners friends, special requests and future job offers.

Item 6. New Handout Material

The only handouts the Board requested were copies of the newest Employee Suggestions that had not yet been distributed.

Item 7. Open Issues

a) Review Employee Suggestions:

Mr. Warner commented that the suggestions were uniformly substantive, well thought out and showed understanding of practices from the departmental employees. They were positive in many ways and touched on many subjects the Board has also been discussing. He intends to use these suggestions during interviews with the Department Heads. The idea of publishing the suggestions on the website was discussed (and is discussed later in this meeting).

Ms. Pearce stated some of the recommendations that were submitted by Mr. Warner previously, were mirrored by the employees. For instance a flattening of the organization with some layers of management reduced. Other suggestions referred to employees not pulling their weight, and they discussed how to approach correcting this problem – possibly

by eliminating personnel with poor performance reviews. She added this provides possibility of rewarding employees that have had good reviews and have not received raises. Another way to save money coming from the employee's suggestions was to stop spending on the Spirit Awards and luncheons. Other suggestions touched on energy savings – the Board will be discussing those recommendations with Mr. Reade (who is the head of the Green Task Force).

Other suggestions mentioned “Kelly Days” for firefighters and Chief Connor from the FD described what exactly a “Kelly Day” is; since the shift workers (24 hour shifts) work 48 hours a week - after six weeks (288.00 hours vs. 240.00 hours) they have a 24 hour shift off to balance it out. Chief Connor wanted to clarify that many FD and PD employees are not Union (administrators, management / non shift employees) and have not been receiving raises. As of last week the Union contracts were ratified and Union employees raises were also “frozen”.

Continued discussion regarding suggestions: Ms. Walker discussed the suggestion to cut the 3% ICMA match (for management - total expense over \$200,000.00). She stated that was an obvious way to cut spending and easy to accomplish. In discussion of the idea of going to a four day week, Ms. Walker explained the Community Improvement Department has made services available on-line to accommodate customers without them having to come to City Hall.

Mr. L’Herrou started a discussion on how to take these suggestions forward and judge which items the Board will endorse. Mr. Warner described his mechanical process will incorporate the comments applicable to the departments in his interviews. Many suggestions will apply to the Human Resources Department such as compensation policies, organization design and managerial layers. The Board agreed to pull the suggestions relative to each department and include them when interviewing senior staff. The Board agreed to set a deadline to get the information to the Commission prior to their budget workshops: Each Board members’ drafts should be shared the second meeting of June (6/15) for discussion and forwarded to Commission early in July.

The review of departmental budgets will focus on the General Fund (001); however, it will encompass reviews of departments funded from other accounts.

b) Updated Financial Review Board Quarterly Report:

Mr. Warner added April’s activity to the report and it was reviewed by the Board. Ms. Blood motioned to accept the Quarterly Report as written to be submitted to the Commission, seconded by Ms. Walker. Said motion passed unanimously. Mr. L’Herrou will draft a cover letter to go with the report and submit.

Item 8. New Business Discussions

a) Departmental Budget Analysis: (Some discussion of this topic is above).

Ms. Walker asked Mr. Warner to explain his proposal to transfer “Departmental Administrative functions to Finance Department”. Mr. Warner stated bringing finance functions from other departments to the Finance Department is centralizing to achieve professional management. The employees that perform administrative budgeting and financial duties - Staff would move into Finance (for structural reasons, not to save cost). Also he recommended adding the function of capital planning budgeting and control, and overseeing major contracts be brought into Finance. Ms. Walker stated she was responsible for Capital Improvements and her position was eliminated; so now there is not as formal a process. Mr. Warner feels two things that need to be controlled, one being staff and the other being capital and both should be centrally managed. Ms. Walker continued discussion by providing an example of the results of a one person Budget Department. The City of Boca Raton has four persons in Budgeting. It would be impossible for one person to provide that same level of budgeting services and is therefore functions as a budget coordinator. Ms. Walker provided two items for discussion under new business (1). Voluntary Retirement and (2). A Formal Exit/Termination Program. Ms. Walker started a discussion on the idea of voluntary retirement or possibly offering early retirement windows. Mr. L’Herrou stated for the previous two years the City Manager has made such offers. Ms. Pearce stated the City of North Palm Beach is having successful savings with that. Ms. Walker stated people are emotional and it is a volatile environment when you discuss terminating employees. There should be an “exit” procedure with fair treatment and sufficient notice. You may not know until September if you will still have a job in October, and the City should tell an employee ahead of time even if their job is being considered for elimination. One final meeting with Human Resources should be set where HR could help you prepare resumes, provide resources and offer some other appreciation (if this is not currently being done).

There was some discussion on performance evaluations (to look at cuts for employees with less than 5%) recommended by Ms. Pearce and Mr. L’Herrou mentioned different managers handle the review process differently

i.e. some managers never give a more than 4% on a 5% scale, so you would have to be careful. Ms. Blood stated the County has given word to their employees in advance - that positions that are not contributing or functions that are no longer needed may be cut. Ms. Pearce asked how many employees have received raises since the pay "freeze". Mr. L'Herrou stated the Lieutenants in the Police Department received a raise as well as the Captains even though they are not Union employees, so it has happened.

On another subject, Mr. L'Herrou mentioned a letter from Mr. Reade stating that Waste Management (WM) refused to provide the full data set requested (full customer lists are considered a trade-secret). The Board's previous recommendation was predicated on a large part that the City received the data needed to reconcile from WM. He wanted to know if the Board wanted to make changes to the original recommendation - or to say the sample approach is not sufficient. Mr. Warner stated it should be addressed because there is a clause that still protects WM from the City making the information they provide public. Mr. L'Herrou may bring this up at the Commission Workshop this evening.

Mr. Warner discussed posting items such as the Employee Suggestions, the Board's recommendations (that have been agreed on), and any other communications the Board has had to the City website. They discussed the idea that a separate website could be created for the Financial Review Board activities other than using the City's website (which is what the County did for their Budget Board). Mr. Warner will type out a list of items they would like to have posted on the City website and submit it to Mr. Safford, Finance Director and Board Liaison. If denied, he volunteered to create a separate website for this purpose.

Ms. Walker asked the status of filling the seats with new appointments for the Board. This is managed by the City Clerk's Office and is in the process. Ms. Flynn stated that we have received a formal letter of resignation from Mr. Trilling, which opens an alternate position - which should appear on the upcoming Commission Agenda (5/25). Mr. Moore (Regular Member) has not been able to be contacted, so the Commission will decide on his active status, and may (or may not) open the position based on his inability to attend meetings. The Commission is aware of the Boards wish to promote Ms. Blood to a Regular Member position (if available) and they will take this into consideration.

Item 9. Adjournment

Mr. Warner motioned to adjourn the meeting seconded by Ms. Blood. Said motion passed unanimously. The meeting adjourned at approximately 10:10 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 May 4, 2010. Minutes were formally approved and adopted by the Financial Review Board on June 1, 2010.

Joseph M. Safford, Director of Finance