

## FINANCIAL REVIEW BOARD – MEETING MINUTES

**OCTOBER 11, 2011**

100 N.W. 1<sup>ST</sup> 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  
David Stein, Alternate  
Sharon Roth, Alternate

**MEMBERS ABSENT:**

Luise Piane  
Bradley Winney (Resigned)

**STAFF & GUESTS PRESENT:**

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

### **Item 3. Approval of Agenda-**

Ms. Pearce asked for approval of October 11, 2011 agenda. Mr. Cottone motioned to approve the agenda, seconded by Mr. Hallahan. Said motion passed unanimously.

### **Item 4. Approval of Minutes -**

Approval of Minutes of Meeting of September 27, 2011 – Mr. Hallahan moved to approve the minutes, seconded by Ms. Roth (Acting as regular member; regular member not yet present). Said motion passed unanimously.

### **Item 5. Public Comment** – None.

### **Item 6. Handouts –**

- Approved Budget of General Fund vs. last 3 year Actuals (Provided by Rebecca O'Connor, Treasurer)
- Letter to Brian Shutt, City Attorney (Provided by Christina Morrison Pearce)
- Dashboard Measurables & Delray Beach Marketing Cooperative Meeting Minutes (Provided by Jeff Ritter)

### **Item 7. Open Issues-**

A.) STRATEGIC MARKETING PLAN: Mr. Ritter stated Sarah Martin will be sending updates on progress regarding the strategic marketing plan for the City of Delray Beach. The goal is for all of the entities in the City to start communicating more efficiently and forming one strategic plan to reduce redundancy, increase revenue and save costs.

B.) HEALTH CARE PLAN ANALYSIS: No update available.

C.) TENNIS OPERATIONS ANALYSIS: Mr. Cottone had no update. Ms. Pearce stated she will be meeting with Mr. Barcinski, Asst. City Manager next week and any information received will be forwarded to the members via email.

D.) POLICE DATA ANALYSIS: No update available.

E.) FIRE DATA ANALYSIS: No update available.

F.) CEMETERY OPERATIONS ANALYSIS: Mr. Hallahan visited City Clerk's Office to find out if they had the meeting with Parks and Recreation. No new information was available. His analysis will be based on sites added as available for sale and what sites have been purchased and not used. It seemed that there was no record keeping, for the last three years in particular. In the past 23 years the only records that exist as to who is buried where were done manually by Robert Johnson, Cemetery Supervisor. The City Clerk's Office marked off what was sold but there was no physical record of who purchased the plot or if it has been used.

He will be calculating how long it will be before we have no more plots left, based on yearly sales once he has all of the correct data. We are going into a pre-sold inventory that is unknown, and it will eventually be depleted. There are no recordings of the financial transactions for "opening" and "closing" gravesites. One problem is that City Clerks and Parks departments are both involved; the operations are not centralized. Probing the sites to determine if they are used would not be effective, due to older wooden coffins. Reconciling what is used or not used, with our

incomplete records, will be very difficult. Mr. Hallahan will continue his analysis upon receipt of new figures. Ultimately the City Manager is the only one that can release the plots for sale.

Ms. Pearce will prepare an outline with the information Mr. Hallahan has provided and from there they will draw their recommendations.

G.) FRB LETTER TO COMMISSIONERS: Ms. Pearce was unable to send the letter to the Commissioners because Mr. Shutt, City Attorney found out the Board had concerns and he called Ms. Pearce in for a meeting with himself and Mr. Boyd, Finance Director. Mr. Boyd stated at the meeting much of what the Board does doesn't come under his purview because he is only in charge of financials.

Mr. Shutt agreed the Board should have a path as to the recommendations processing. He also thought the Board should be assigned duties, rather than choosing them. Ms. Pearce is in agreement. He will look into some structure for the group and respond back.

Mr. Cottone stated they do need direction from the City Manager or the Department Heads demonstrating they realize there may be an issue that they don't have time to resolve, that they would like the Board to research. The letter to Mr. Shutt is a starting point and it should be sent with some supporting documentation. He recommends helping Mr. Hallahan to finalize some recommendations regarding the Cemetery and submit it as an example as one of many issues that the Board will find that has gone unnoticed. Other projects such as "marketing" that Mr. Ritter is working on may be a better example as it will save the City money, where the Cemetery issue is more a management and record keeping issue rather than a cost saving issue.

Ms. Pearce stated all the Board can do is point out some shortcomings and ask the City for resolutions. Mr. Cottone stated if the Board can bring attention to the problems they find, the departments may have ideas on how to resolve. What he feels will help with the letter is to make bullet points of what was found. Also understand that the employees are busy people that may not have all of the resources they need to resolve the issues.

For instance with the Tennis Center Mr. Cottone will move forward and talk with Mr. Barcinski about the IMG contract. Mr. Cottone will meet with Mr. Barcinski and advise him that IMG is willing to step aside, these are the parameters, and the Board is recommending an RFP go out to find a marketing company that can do a better job. Ms. Pearce stated there is sponsor money available because a Delray company just paid \$900,000.00 for naming rights on the F.A.U. stadium, so there were sponsors out there we could have had for our Tennis Stadium.

The Board discussed how to approach the Departments without causing animosity; the Board is here to help and wishes to have a productive relationship with the City employees. Mr. Ritter agreed that they need to be positive and supportive in how they address the issues. If the leadership accepts the recommendations without feeling threatened, the Board will get more cooperation.

Ms. Pearce has asked for a path which entails a plan, benchmarks and status of recommendation updates.

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

A.) FRB MEETING DATES AND TIME: The Board decided to change the meeting time to 8:15am. In the future the meetings may be reduced to one meeting a month but for now they will be keeping the same schedule of twice a month with the exception of the meeting of November 29<sup>th</sup> which is cancelled.

B.) PROCUREMENT / PURCHASING: Mr. Hallahan spoke about the Purchasing Division, and how it could be improved by having someone to review the contracts. Mr. Cottone stated they should review where the major expenditures are going, and how it is done. Mr. Ritter agreed this would be a good way to see if the City is getting the proper discounts. The Board would like to meet with the two employees in Purchasing in the near future to form a collaborative relationship to suggest ways for them be more efficient, once they understand how the Division works.

C.) TENNIS CENTER: Mr. Cottone would like to invite a couple of members of the management company that runs the Golf Courses and Tennis Center, JCD Sports Group, and Mr. Barcinski, Asst. City Manager, to attend a meeting in the near future. He will send out information on the Tennis Budget for the Board to review line items for discussion, and asked the members to compile questions prior to the meeting. The Tennis Center is consistently

operating at a loss. Mr. Ritter suggested formulating a series of questions and sending the questions to JCD Sports Group in advance so they know what to expect and have time to prepare their answers.

C.) GENERAL FUND BUDGET: Ms. Pearce asked the Board to review the budget information provided by Ms. O'Connor. The first two pages give the expenditures by department with the Actuals from 2009, 2010, revised 2011 and the approved budget amounts for 2012. The combined totals have gone down from 2009 by \$3.3 million. Not all of departmental budget amounts have gone down; the Tennis Center has escalated. Parks and Recreation is still 10% of the total budget, not including Tennis Center.

Mr. Cottone pointed out the Fire Department Budget of \$22million. Ms. Pearce explained only 13% to 15% of the employees' time is actually spent fighting fires, due to good fire codes. However approximately 87% of the employees' time is spent on EMS (Emergency Medical Services). All of our firefighters in Delray Beach are required to be certified in EMS training. She stated the emergency vehicles can send vitals directly to the hospital while in route so an emergency room can be prepared. Some counties have contracted out the actual firefighting portion all together. The EMS transport cost is \$645.00, which is covered by Medicare, but not by all insurance companies. We also provide our services to the Town of Gulfstream and Highland Beach.

The Board briefly discussed the Pension Plans, stating that the benefits should be changed from a defined benefit plan to defined contribution plan for at least the "new hires" in order to make the pension plans sustainable. The Police recently made concessions in negotiations to save \$1million a year in pensions. Ms. Pearce stated Mr. Harden, City Manager worked very hard on the Union Contracts.

AGENDA ITEMS FOR MEETING OF OCTOBER 25, 2011 – CEMETERY ANALYSIS RECOMMENDATIONS, TENNIS CENTER RECOMMENDATIONS, FORMULATE QUESTIONS FOR TENNIS MANAGEMENT FIRM.

**Item 9. Adjournment -**

Mr. Cottone 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 October 11, 2011. The Financial Review Board will formally approve these minutes on October 25, 2011.

  
Ms. Christina Morrison Pearce, Board Chairman