

FINANCIAL REVIEW BOARD – MEETING MINUTES

OCTOBER 19, 2010

ENVIRONMENTAL SERVICES

434 SOUTH SWINTON AVENUE, DELRAY BEACH, FL.

Item 1. Call to Order

The Chairman of the Board, Mr. Howard Ellingsworth called the meeting to order at 8:40 A.M.

Item 2. Roll call

MEMBERS PRESENT:

Howard Ellingsworth, Chairman
Todd L'Herrou, Vice Chairman
Christina Morrison Pearce
Yvonne Walker
Rosalie Blood
Luise Piane
Barbara Trevino Chester
Cheryl Shaffner (Alternate)
Harvey Starin (Alternate)

MEMBERS ABSENT:

None

STAFF & GUESTS PRESENT:

Barbara J. Flynn, Finance Dept.
Acting Chief Danielle Connor, Fire Dept
Dr. Victor Kirsens

Item 3. Approval of Agenda

Mr. Ellingsworth asked for approval of the October 19, 2010 Agenda. Ms. Pearce moved for approval. Seconded by Ms. Blood. Said motion passed unanimously.

Item 4. Approval of Minutes

Approval of Minutes of Meeting of September 21, 2010 –Motioned to approve by Ms. Pearce, seconded by Ms. Blood. Ms. Walker asked for one correction in the minutes (item #7-B2). Said motion passed unanimously to approve with said changes.

Item 5. Public Comment – Dr. Kirsens expressed, considering the hours that were spent on the budget recommendations by the Financial Review Board (FRB) that were not adopted by the City Manager, he finds this very disappointing. He hopes they don't give up and will be more successful in the future.

Asst. Chief Connor advised the Board that moving forward she will be the Acting Fire Rescue Chief for an undetermined amount of time due to Chief James having an accident that required surgery. The Board may contact her if they need anything.

Mr. Ellingsworth introduced the new Alternate Member Mr. Harvey Starin. Mr. Starin stated he had served on the Board of Adjustment for a number of years as Vice Chairman and was looking forward to branching out to serve on the Financial Review Board.

Item 6. Handouts –

- 1.) Mr. Ellingsworth has written a draft of a letter to Mr. Barcinski, Asst. City Manager addressing the concerns the FRB has with the application forms and process for the “not-for-profit” requests for funding from the City.
- 2.) The latest report on the departmental breakdown by “function” with the priority rankings of these functions.

Item 7. Open Issues

a.) Fire and Police Management Studies update and review:

Mr. Harden will relay the FRB recommendations to the ICMA in regard to the Management Study; however he did not receive the information until Friday, October 15 and will need time to prepare. The Police study data collection phase has been completed and it is being prepared. Ms. Walker stated the previous studies have been very thorough so new information should be collected rather than the same information carried over from the previous report.

Mr. Ellingsworth stated the Board may ask to meet with the ICMA consultants to speak with them directly. Chief Connor stated she has several other consultant analyses that have been done that the Board is welcome to review. Some of them

resulted in recommendations such as layoffs that the City would not commit to, or other things that made the study relatively ineffective at that time. The reports usually address issues such as manning, call volume, and come up with ideas to make response time more expeditious and safer. In conclusion, Mr. Ellingsworth will meet with the City Manager and ask for a meeting, prior to the guidelines of the study being set.

b.) Non-Profit Organization funding recommendations: (#1 handout)

The Board discussed the items listed in the letter with the main points being IRS status as far as delinquencies in filing their 990 forms, any investigations of crimes within the organization's staff or lawsuits, delinquent debts, if they not having regular board meetings and if the application is not 100% completed > Any of these items should result in rejection of the request.

Also the letter recommended the Form 990 and other documentation must be provided as part of the application, such as a copy of a filing extension if applicable, accounting of the prior year's event or financial statements, the number of attendees and an economic impact report. The City should be reimbursed for all non-City sponsored event costs.

Mr. Ellingsworth would like to see the process provide more prudence in the disbursement of funds and not be based on historical allocations. Mr. L'Herrou and Mr. Starin stated there is information that is available on-line from the IRS website and others that may be helpful when reviewing the organizations requests; checking non-profit status, etc. Mr. L'Herrou stated the standard "request for funding" applications are very different from ours. Mr. L'Herrou will come back next week with a revised application including a checklist. Another issue is the current City Policy requirements may not have been fully enforced. Ms. Blood suggested there be a timeline established for each step of the process.

Mr. Ellingsworth spoke of the importance of tracking the visitors for events i.e. through ticket sales. Also this should stand true for Parks and Recreation facilities - these numbers may help to determine if the number of staff at the facility is justified. Many departments have budget line items for employees working these events, and the cost of all of this needs to be addressed so the reimbursement worksheets reflect the true total costs to the City. A cap or maximum amount for "not for profit" organizational funding may need to be considered. Ms. Trevino stated they may consider allowing requests for funding from the City from the same organization every other year, or a provision stating the project will be supported for only a set number of years and then they need to be self-sufficient from that point forward.

c.) Finance Director position:

Mr. Ellingsworth stated they are accepting resumes up through the end of October. The goal is to hire a new Finance Director by the end of November. They have received approximately fifty (50) resumes so far.

d.) Ranking of departmental core functions: (#2 Handout)

Mr. Ellingsworth stated the City Manager will be expecting the Board to be reviewing departmental functions from a taxpayer / citizen viewpoint. Next year we anticipate having another budget shortfall so functions are going to have to be eliminated. This report shows on a 0-4 scale of whether the function is a State/Federal mandate (4), Charter (2), Ordinance/ Resolution or Contract (1), or has no mandate (0). The cost recovery (revenue generated) is listed as well as the priority results on how essential the function is to achieving the goals set by the Commission.

In terms of the Commissions' goal there are several low priority items, such as Information Technology. We spend several million dollars a year on that division. Mr. L'Herrou asked how you can measure how effective the City would be, with or without that division. He will be reviewing the division's budget and performing an evaluation of their functions.

e.) Reassignment of budget analyses projects:

Ms. Pearce will be continuing forward with Parks and Recreation.

Mr. Ellingsworth will review City Commission, City Manager's Office, City Attorney, Human Resources, City Clerk and Finance.

Ms. Trevino will take over Environmental Services.

Mr. L'Herrou will continue to review the Fire Department and the Information Technology division of Finance.

Mr. Starin will review Administrative Services.

Ms. Walker will review the Cemetery division of Parks and Recreation, and the Police Department.

Ms. Blood will review Grants

Ms. Piani will review Planning & Zoning and Community Improvement

Lisa Herrmann, Budget Officer if requested, will provide departmental line items submittals.

f.) Pension Change Options:

Mr. Ellingsworth asked for a motion to table this item (7f) until they could request input from someone with more expertise in this area i.e. the City Manager or an ICMA representative. Mr. L'Herrou motioned to table the item, seconded by Ms. Piani. Said motion passed unanimously.

Ms. Pearce asked how the Union negotiations on proposed pension changes were going. Chief O'Connor, representing the Fire Department stated the City has employed a new labor counsel and they will be bargaining tomorrow (10/20/10). Impasse seems imminent, due to disagreement.

Dr. Kirsan stated on the Police issues portion of the negotiations - the Police Benevolent Association (PBA) will not negotiate anything at this time. Because this is a joint contract, this will affect both Police and Fire. He asked if it is legal to formulate a budget with proposed budget cuts.

The Board discussed having a special meeting possibly in two weeks (prior to the next regular meeting scheduled for November 16, 2010). This will be to discuss the options presented by the City Manager in pension changes. If the City Manager can make arrangements, the Board may ask for an ICMA representative to attend a special meeting.

g.) Status of submitted FRB recommendations:

Mr. Ellingsworth stated that as a Board, their first recommendation to the Commission to set a spending "target" for department heads to adhere to prior to submitting their budget requests. The Commission did not formally adopt this key budget recommendation. By the next meeting they will have a complete summary of all of previous recommendations and their current status.

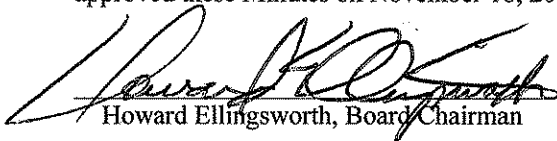
Item 8. New Business and Open Discussion:

The Agenda items for the next meeting will be departmental function analysis, update on the Finance Director position applicants, cemetery policy and procedure approval status, "not for profit" application and policy discussion, current Capital Improvement process review.

Item 9. Adjournment

Mr. L'Herrou motioned to adjourn the meeting seconded by Ms. Pearce. Said motion passed unanimously. The meeting adjourned at approximately 10:35a.m.

The undersigned is the Chairman of the Financial Review Board. The information provided herein are the Minutes of the City of Delray Beach Financial Review Board Meeting of October 19, 2010. The Financial Review Board formally approved these Minutes on November 16, 2010.


Howard Ellingsworth, Board Chairman