

BUDGET TASK FORCE

Minutes of November 18, 2008

Item 1. Call to Order/Roll Call:

Meeting was called to order by Chairperson Franklin Wheat at 8:30 a.m.

Members Present: Vincent Dole, Howard Ellingsworth, Todd L'Herrou, Robert Moore, James Smith and Franklin Wheat

Members Absent: Peter Arts, Mark Denkler, Alexander Simon

Guests Present: Lisa Herrmann, Becky O'Connor, Joseph Safford and Karen Schell

Item 2. Approval of the agenda:

Mr. Ellingsworth moved to approve the November 18, 2008 agenda, seconded by Mr. Dole. Said motion passed unanimously.

Item 3. Comments from the Public:

No individuals were present.

Item 4. Approval of the Budget Task Force Minutes for October 21, 2008:

Mr. Ellingsworth indicated he would like to have his motion under the Status Report on Implementation to include "does not automatically renew without further review". Mr. L'Herrou moved to approve the October 21, 2008 minutes as amended, seconded by Mr. Moore. Said motion passed unanimously.

Item 5. Review of new handout material:

Mr. Safford indicated a copy of the Western Community Center Construction report from Chamber of Commerce is included in the agenda package. This is a deferred project.

Mr. L'Herrou commented a few recommendations as: making sure the CM at Risk process is used, having a contractor or CM hired before the needs assessment is made so as to have an individual track the project from the very beginning rather than different individuals tracking at different points, and the process of establishing an up front budget rather than making a wish list and the budget spiral out of control.

Mr. Safford indicated the second handout is the beginning of the working stage in the area of Public Safety Work Periods. The Fire Department has a schedule of 24 hours on, 48 hours off and then every seventh shift they have off as a Kelly day leading to 96 hours each two week pay period. This is a Fair Labor Standards Act document which explains when overtime is due based upon those different schedules. It illustrates how to optimize a work schedule for a firefighter and police officer. This is for the Boards review to see if there are any changes to work periods that could be made to reduce overtime and/or be a more efficient work period for our firefighters and police officers. It may not result in any further recommendations; however upon reviewing, we will be educated in the understanding how these schedules work. I will be conducting a survey from other cities in Palm Beach County to see if anyone has a more equitable work period to help in reducing costs.

Item 6. Other Business:

Mr. Safford indicated the City Commission recommendations are being followed up for implementation. Polices are being redrafted to incorporate changes; recommendations were presented to the unions. The

unions are requesting an explanation of the financial condition of the City and the Budget Task Force. The financial conditions consist of primarily two items; property and state taxes. Individuals understand the property taxes; however, are not familiar with the numbers. Two years ago the state dictated a cut in taxes by 9%; revenues were capped, homestead residents received another \$25,000 tax exemption. The state now allows the City's revenue growth to be capped by the personal income growth of the State. In the past two years, the ad valorem taxes have been significantly lower.

As we are now faced with a new budget, Mr. Safford suggested having the current report as a document relative to last year's budget, and start a clean report for the new year's budget. Several line items have been deleted.

Mr. Ellingsworth moved to make a motion following Joe's suggestion that the Task Force close out this report as a final draft for the City for the prior fiscal year and move on with other items, seconded by Mr. Moore. Said motion passed unanimously.

Mr. Ellingsworth also suggested based on staff's workload, pass on the December meeting and give staff time to catch up. All members were in agreement.

Mr. Safford indicated take home vehicles is the main project staff is working on at this time. Staff has met with the Police and Fire Departments, and now will meet with the other departments such as Community Improvement, Environmental Service, etc. This information will go in the new year's report.

Mr. Smith indicated there is no need for further reports for items that could be addressed at this time. Perhaps the Task Force could set up a subcommittee to look for ways to offset further costs and generate additional revenue for the City or possibly have an opportunity to go around the table and discuss items to be revisited such as the shuttle, Tennis Tournament, pension funds and health expenses.

Mr. Ellingsworth suggested what may be more efficient is for the Task Force members to e-mail specific questions to staff. This would allow staff time to do research and forward information for the Task Force's review to determine whether follow up should be pursued. A round the table discussion may not be an effective meeting.

Mr. Wheat recapped previous discussion of the shuttle quite thoroughly in suggestions to the City Manager and City Commissioners. It was agreed to obtain rider ship reports which we did; rider ship is up. The original concept is the Metropolitan Transportation Office out of Washington DC reported and put us in a situation for a three-five year period.

Mr. Wheat suggested moving forward with the 08/09 budget with specific questions. Should the Task Force follow the same scenario as was previously, starting with the income portion then move onto expenses?

Mr. Safford commented the new year's budget is very tight. This year lead to several changes without any layoffs of employees. Prices are continuing to fall, people are upside down on their mortgages leading to foreclosures; entities downtown are running into the pressure of the economy. This budget year will come to prioritizing and possibly cutting service.

Mr. Wheat commented on an article in the paper where Palm Beach County is cutting back on road construction and putting that funding into Palm Tran to maintain mass transit services. Each municipality is looking at the same thing.

Mr. Safford commented one item that will make a huge difference is the stock market impacting the pension plans. An article from the Associated Press indicated the State of Florida pension plan is down 25%; they lost \$62 billion in the last thirteen months of value in their pension plan. The Police and Fire pension plan loss approximately \$20 million. The General Employees has invested more conservatively than Police and Fire whereas half of their fund is in fixed income; therefore it did not hit that plan as hard. This will lead to an increase to the City's contribution.

In response to Mr. Ellingsworth's question if the budget is reviewed on a month by month basis, Mrs. O'Connor stated she reviews it on a historical basis as well. She also completes a monthly report looking at the variances, revenue and expenditure. This will be e-mailed to each Task Force Member.

At this time Mr. L'Herrou formally commended Mr. Safford and staff for all the support they have given the Task Force.

Mr. Safford stated it has been a pleasure working with a great group. The City Commission has been very supportive of this Task Force. They are surprised at the level of detail completed. When looking at Clearwater's report, their recommendations were the City needs to study this or do that; whereas this Task Force has actually completed research for the recommendations. The comments are appreciated, but at the same time it is a two way street. I'm not sure if the employees understand yet, but we have done a lot of research on their behalf to keep their jobs.

Motion to Adjourn:

There being no further business, Mr. L'Herrou moved to make a motion for adjournment, seconded by Mr. Smith. Said motion passed unanimously. The meeting adjourned at approximately 9:38 a.m.

The undersigned is the Finance Director of the City of Delray Beach. The information provided herein is the minutes of the City of Delray Beach Budget Task Force of November 18, 2008, which minutes were formally approved and adopted by the Budget Task Force on January 20, 2009.



Joseph M. Safford, Director of Finance

/kms

cc: Budget Task Force Members
Lisa Herrmann, Budget Officer
Rebecca O'Connor, Treasurer
Joseph Safford, Director of Finance