

FINANCIAL REVIEW BOARD - MEETING MINUTES

MAY 4, 2010

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

Item 1. Call to Order

The Chairman of the Board, Mr. Howard Ellingsworth called the meeting to order at 8:30 A.M.

Item 2. Roll call

MEMBERS PRESENT:

Howard Ellingsworth, Chairman
Todd L'Herrou, Vice Chairman
Jack Warner
Yvonne Walker
Christina Morrison Pearce
Brenda Durden
Rosalie Blood (Alternate)

MEMBERS ABSENT:

Robert Moore
Warren Trilling (Alternate)

STAFF PRESENT:

Joseph Safford, Finance Director
Barbara Flynn, Executive Technical Asst.
Lisa Herrmann, Budget Officer
Rich Reade, Sustainability Officer
Brian Shutt, City Attorney

Item 3. Approval of Agenda

Mr. Ellingsworth asked for approval of the May 4, 2010 Agenda. Ms. Pearce moved to approve the Agenda seconded by Ms. Durden. Agenda revised reorder Item 8c to Item 5a (Presentation by Brian Shutt, City Attorney). Said motion passed unanimously.

Item 4. Approval of Minutes

Mr. Ellingsworth asked for approval of the Minutes of April 20, 2010. Ms. Pearce moved to approve the Minutes, seconded by Ms. Durden. Motion passed unanimously.

Item 5. Public Comment

Public present: Mr. Ken MacNamee, Dr. Victor Kirson, Lt. Danielle Connor (DBFD), Sharon Painter (DB Golf Course). Public comment from Dr. Victor Kirson, from Tierra Verde wanted to thank Mr. Reade for the time he has put into the Franchise Fee Analysis.

a) Presentation by Brian Shutt, City Attorney:

Mr. Brian Shutt spoke about the Resolution that sets forth the guidelines, duties and responsibilities of the Financial Review Board. They are to make recommendations on the City policies and budgeting financial matters. When a matter is at hand, a recommendation should be done as a whole, acting as one cohesive body.

There was some discussion between Mr. Shutt and the Board on this for clarification for instance, on single member sub-committees. In this case the member (if assigned a task by the Board) can gather the information from Staff and email Mr. Safford, not to other Board members. Mr. Safford can then forward information to the Board.

Ms. Pearce spoke about a situation where she was questioning some data received on the Pension Fund and emailed the Police and Fire Chiefs for their comments. Mr. Harden sent Mr. Ellingsworth a letter stating requests relating to sensitive collective bargaining issues with legal constraints should come from the Board as a whole, not an individual member and be directed to Mr. Safford (as staff liaison) or himself. Mr. Shutt noted: this was not what precipitated his being here; he has been speaking with all of the boards.

Item 6. New Handout Material

Mr. Safford provided the Board with a copy of the memo from the City Manager mentioned above, Mr. Warner's Organizational Chart, Spending Plan, Quarterly Report and letter to Commission (Franchise Fee Analysis).

Item 7. Open Issues

a) Board Member Nomination Status:

Mr. Safford stated the City Clerk's Office has been notified the Board needs two members replaced, and that the Board has recommended Ms. Rosalie Blood be moved from Alternate to a Regular member if possible.

b) Financial Review Board Quarterly Report:

It was decided the Board will be sending a calendar year quarterly report to the City Commission. Mr. Warner will include the remainder of the month of April in his report which will be reviewed at the next meeting.

c) Budget Comparisons Report – Other Municipalities:

Mr. Ellingsworth and the Board will be using this comparison prepared by Ms. Walker as a working tool. A formal discussion on this will be upcoming.

d) Final Draft of Letter from Board to Commission on WM Commercial Solid Waste Franchise Fees Report:

Mr. Ellingsworth asked for a motion to approve the response to the Commission prepared by Mr. Warner. Mr. L'Herrou motioned, seconded by Ms. Durden. Said motion was approved unanimously. Mr. Reade thanked the Board for their patience and attention in this matter.

Item 8. New Business Discussions

a) Budget Submissions from City Departments:

There was discussion on the information forwarded to the Board from Ms. Herrmann on the departmental budget submissions and how the material was going to be reviewed. The Board decided to delegate one or two departments to each member to research the functions, duties, etc. in order to make informed decisions on recommendations. Mr. Warner suggested reviewing the Functional Justification pages which summarizes the departmental functions. The functions will be reviewed to see if they are necessary or if the costs could be reduced. Focus will be the General Fund departments. Again, the original recommendation from the Board to the Commission was for them to set a spending "target" for their departments and have the Department Heads find ways to live within that budget considering they would have the most knowledge on what is needed within their own departments. The City is also looking for input from the citizens as to what services they value the most. Mr. Safford stated in order to balance the budget they would need approximately \$5 million dollars. The City Manager is looking into the City benefits such as the Pension Plans.

Mr. Warner spoke of his organizational chart recommendations where he cut two senior positions to save money and not affect services as well as several other changes in organization of departments. Also, he feels it is important not to spend money budgeted for 2010. The County officials asked the Sheriff to find \$25 million dollars; The Sheriff did not want to jeopardize public safety so he reduced low priority functions, and moved money from this year's budget forward. He would like that type of cooperation from the City's Department Heads. He would also like to have City officials determine if some things are necessary (to be done now) such as improvements to Veteran's Park costing \$40 thousand dollars.

Mr. Safford explained in the City Managers recommendation there is going to have to be severe cuts. They go before the City Commission who in turn can move the millage up to bring programs back in that they don't want to see cut. Mr. Safford stated there are some known problems affecting the budget such as uncollected Emergency Medical Transport fees (EMS Billing). Also, when we prepared the budget it was assuming all raises were frozen however, Union personnel were still receiving their raises well into the year (the City Manager has made the departments responsible for making up this difference in their budgets). Also, when people retire suddenly and they are owed sick and vacation severance pay the salary expense is charged on the income statement, the income statement is closed out and the balance (Compensated Absences) is corrected.

Mr. Safford explained there is an allowance setup for the uncollected EMS bills to offset the receivable for doubtful accounts (which becomes an expense). In some cases the funds are not retrievable and in that case they are written off but as it becomes delinquent both the Finance Staff and the Auditors will setup the allowance.

Mr. Ellingsworth asked if there is a way to see items that may be considered discretionary; where they are budgeted but may not necessarily need to be done now, but that could not be provided. Ms. Herrmann stated the (mid-year) revenues have showed some shortfalls.

Ms. Pearce motioned to immediately recommend to the City Commission and the City Manager that they work towards building a cushion, balance the budget recognizing that revenues are down - and build that cushion by delaying expenditures that are discretionary and/or non-essential. Seconded by Mr. Warner. Two opposed (Ms. Walker and Mr. L'Herrou). Motion carries.

The Board began to assign specific Departments to each member for evaluation of functions (services) for efficiency, priority, revenue generation, etc. as follows:

Fire Dept. – Mr. L'Herrou

Parks & Recreation – Ms. Pearce

Finance, City Commission, City Mgr., Public Information, Human Resources City Clerk, Admin. Svcs. – Mr. Warner

Police Dept. – Ms. Durden

Planning & Zoning, Community Improvement – Ms. Walker

Public Works, Engineering – Mr. Ellingsworth

Grants, Debt. Services – Ms. Blood

Mr. Safford will advise the Department Heads the Board Members will be contacting them for information.

b) Salary and Pension Survey – Police Benevolent Association:

Ms. Pearce submitted a chart of cities in Palm Beach County comparing salary ranges, tuition reimbursement, health insurance, and benefit packages (Police) for review.

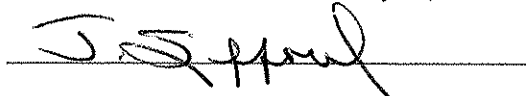
Agenda for the next meeting will include review of the Employee Suggestions, budgeted “function” recommendations and the updated Quarterly Report.

Mr. L'Herrou asked if a Commissioner could be assigned as a liaison to the Board. Mr. Ellingsworth will make this request.

Item 9. Adjournment

Mr. L'Herrou motioned to adjourn the meeting seconded by s. Durden. Said motion passed unanimously. The meeting adjourned at approximately 10:40 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 May 18, 2010.



Joseph M. Safford, Director of Finance